

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
STATE BOUNDARY COMMISSION**

In the Matter of the Petition
for Annexation of Territory
in Clam Lake Township to the
City of Cadillac in Wexford County

Docket No. 13-AP-2

**MOTION TO SUPPLEMENT THE RECORD, SUBMITTED BY CLAM LAKE
TOWNSHIP AND HARING CHARTER TOWNSHIP**

The Township of Clam Lake (“Clam Lake”) and the Charter Township of Haring (“Haring”) (collectively, the “Townships”), by and through their attorneys, Mika Meyers Beckett & Jones PLC, hereby submit this Motion to Supplement the Record, pursuant to Michigan Administrative Code Rule 123.43.¹ In support of this Motion, the Townships state as follows:

1. Subsequent to December 18, 2013, when the parties’ 7-Day Submissions were required to be filed, there have been new developments with respect to the financing and construction of the new Haring wastewater treatment plant (“WWTP”).

2. In that regard, the City of Cadillac has speculated, in earlier Boundary Commission proceedings, that the Haring WWTP may not be a “sure thing,” based on the conjectural possibility that financing may be insufficient to cover construction bids. The City is wrong about that; the project is 100% funded.

3. The construction bids came in slightly higher than expected, by about 9.3%, but funding adjustments have been made to accommodate that slight exceedance. Specifically, Rural Development (“RD”) has improved Haring’s funding package by increasing the grant amount by \$304,000 and the loan amount by \$117,000, as documented by the following items:

¹ Rule 123.34 authorizes the filing of a “memorandum brief on issues of fact or law, and such other pleadings as the commission may allow,” up to seven (7) days prior to any Commission meeting on the docket.

(a) Haring received an updated eligibility review from RD on February 10, 2014, advising that the RD financial assistance to Haring was revised with an increase in loan of \$117,000 and an increase in grant of \$304,000 (**Exb. 1**).

(b) Haring received an amended letter of conditions from RD for the additional loan and grant funding on February 13, 2014 (**Exb. 2**).

(c) On February 25, 2014, federal funds were obligated for the Supplemental RD Loan of \$117,000 and the additional grant of \$304,000 (**Exb. 3**).

4. This additional grant and loan funding fully covers the increase in project cost from \$4,526,000 to \$4,947,000.

5. Thus, there is no merit to the City of Cadillac's previously-stated concern that project funding may be inadequate. All needed funding has been obtained, and so the WWTP project will promptly commence and proceed to completion.

6. As a more general update, the following actions have taken place since the Boundary Commission Public Hearing on October 23, 2013:

(a) On October 25, 2013, Wexford County issued the Soil Erosion and Sedimentation Control Permit No. PSE13-0015 for the project (**Exb. 4**).

(b) On December 16, 2013, the Wexford County Road Commission issued the necessary Road Commission Permit No. 2014-615 for the project (**Exb. 5**).

(c) Authorization to Bid was received from Rural Development on December 16, 2013 (**Exb. 6**).

(d) Advertisement for bids was published on December 20, 2013.

(e) On December 30, 2013, the Michigan Department of Environmental Quality ("MDEQ") issued the required Part 41 Construction Permit No. 1007565 for the project (**Exb. 7**). The Part 41 permit, together with the MDEQ Floodplain and Inland Lakes and Streams Permit No.

13-83-0010-P, issued September 24, 2013 (**Exb. 8**), the County Soil Erosion and Sedimentation Control Permit (**Exb. 4**) and the County Road Commission Permit (**Exb. 5**), constitute all permits that are required for construction of the new WWTP project. No other permits are required.

(f) Sealed competitive bids were received by the Township on January 27, 2014

(g) On February 13, 2014, the Haring Township Board adopted a Resolution to Accept Loan and Grant Funding from USDA Rural Development for Financing of Township Sewer System Improvement Project (**Exb. 9**).

(h) On February 13, 2014, the Haring Township Board adopted a Resolution to Make Conditional Award of Construction Contracts for Sanitary Sewer Project (**Exb. 10**).

(i) On February 13, 2014, the Haring Township Board adopted separate Loan Resolutions for the Original RD Loan of \$2,931,000 and the Supplemental RD Loan of \$117,000 (**Exb. 11 and Exb. 12**).

(j) On February 18, 2014, Haring received RD Closing Instructions (**Exb. 13**).

(k) On March 10, 2014, the Haring Township Board adopted Ordinance No. 2014-92 to authorize the issuance of sewer revenue bonds in the amount of \$2,931,000 to evidence the Original RD Loan (**Exb. 14**).

(l) On March 10, 2014, the Haring Township Board adopted Resolution No. 2014-07 to Approve Purchase Contract and Note Agreement to evidence the \$117,000 Supplemental RD Loan (**Exb. 15**).

(m) On March 10, 2014, the Haring Township Board adopted Resolution 2014-08 to Approve Form of Water and Waste System Grant Agreement for \$899,000 RD project grant (**Exb. 16**).

(n) RD notified Haring on March 25, 2014 that the rate of interest on the \$117,000 Supplemental RD Loan will be reduced from 3.50% per annum to 3.25% per annum (Exb. 17).

(o) A preconstruction meeting with project contractors has been scheduled for 9:30 a.m. on Wednesday, April 9, 2014 at the Haring Township Hall (Exb. 18).

(p) A loan/grant closing has been scheduled between the Township and RD for 11 a.m. on Wednesday, April 9, 2014 at the Haring Township Hall (Exb. 18).

(q) Notices to Proceed are scheduled to be delivered to the successful project contractors on April 9, 2014 (Exb. 19).

7. This above schedule allows a construction start date by May 1, 2014, and the Township anticipates that the new WWTP will be ready for service on June 30, 2015, with final project closeout occurring by July 18, 2015. (Exb. 19).

8. As a result, Petitioner's property could have Haring sewer and water services by June 30, 2015, if Petitioner cooperates by agreeing to have the needed sewer line and water line extensions constructed contemporaneous with the WWTP construction project.

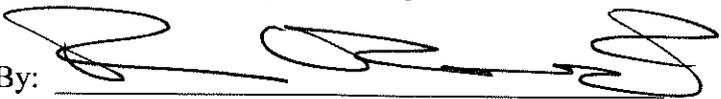
9. The record in this matter should be supplemented to include the above information and the attached Exhibits, so that the Boundary Commission is able to base its decision on accurate information regarding the status of the Haring WWTP, which *will* be used to provide sewer service to the Transferred Area under the Townships' Act 425 Agreement.

WHEREFORE, the Townships respectfully request that the Boundary Commission accept this pleading, and that the record be supplemented to include the above information and the attached Exhibits.

Respectfully submitted,

MIKA MEYERS BECKETT & JONES PLC
Attorneys for The Township of Clam Lake and
The Charter Township of Haring

Dated: March 27, 2014

By: 

Ronald M. Redick (P61122)
900 Monroe Avenue, NW
Grand Rapids, MI 49503-1423
(616) 632-8000

EXHIBIT 1



February 10, 2014

(email)

Robert Scarough, Supervisor
Charter Township of Haring
315 Bell Ave.
Cadillac, MI 49601

RE: Charter Township of Haring – Wastewater Treatment Plant

Dear Mr. Scarbrough:

We are revising the eligibility review dated January 12, 2012, due to the bid cost overrun in January 2014 for the new wastewater treatment plant. It appears the Township meets all eligibility requirements for funding from USDA - Rural Utilities Service (RUS). The level of financial assistance has been revised to a loan of \$3,048,000 (increase of \$117,000) and a grant of \$899,000 (increase of \$304,000). The loan term would be 40 years. If these terms are not acceptable or there are significant changes to your application, please notify this office immediately in writing.

This is not a commitment or approval of any funds from RUS. These terms or amounts could change if the information in the application is revised, updated or if RUS program conditions change.

If the Township no longer wishes to pursue funding of this project through RUS please notify me in writing.

If you have any questions, please do not hesitate to contact our office at (231) 941-0951.

Sincerely,

Michelle Collins
Acting Area Director

Enclosure

Cc: S/O Community Programs (email)
Local Attorney (email)
Engineer (email)
Bond Counsel (email)
Financial Consultant (email)

Rural Development • Traverse City Area Office
1501 S Cass St, Suite A • Traverse City, MI 49684
Voice (231) 941-0951 • Toll Free (800) 944-8119 • Fax (231) 929-7890

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EXHIBIT 2



February 13, 2014

Robert Scarbrough, Supervisor
Charter Township of Haring
515 Bell Ave.
Cadillac, MI 49601

SUBJECT: Sewer Project Amendment
Loan \$ 3,048,000 (an increase of \$117,000)
Grant \$ 899,000 (an increase of \$304,000)

Dear Mr. Scarbrough:

This is Amendment No. 1 to the letter of conditions dated July 12, 2012. This amendment establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and/or grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant, must be reported to an approved by USDA, Rural Development, by written amendment to this letter. If significant changes are made without obtaining such approval, Rural Development may discontinue processing of the application.

This letter does not constitute loan and/or grant approval, nor does it ensure that funds are or will be available for the project.

The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds", is mailed to you.

Please complete, sign and return the following forms if you agree to meet these conditions and desire that further consideration be given to your application:

Form RD 1942-46, "Letter of Intent to Meet Conditions,"
Form RD 1940-1, "Request for Obligation of Funds,"

Within 180 days of this letter, you must meet all of the conditions set forth which can be met prior to calling for construction bids. If you have not done so, Rural Development reserves the right to discontinue the processing of your application.

The conditions to be added, deleted or modified are as follows:

Project Budget – Funding from all sources has been budgeted for the estimated project cost of \$4,947,000. The project, as described in the approved Preliminary Engineering Report, is as follows:

The selected alternative was the oxidation ditch with surface water discharge as it has the lowest present worth cost. The proposed project includes: disconnection from the Cadillac collection system and redirection of sewage flow to a main pump station at Bell and Hawthorn which will convey sewage

Rural Development • Traverse City Area Office
1501 Cass Street • Suite A • Traverse City, MI 49684
Voice: (231) 941-0951 • Fax: (231) 929-7890

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to the new treatment plant; a short run of gravity sewer on Fillmore Street; and an oxidation ditch treatment plant with appurtenances. The proposed project budget is summarized below:

Construction Costs	\$ 3,864,832
Admin/Legal/Land/Misc.	\$ 221,519
Contingencies	\$ 100,433
Engineering & RPR	\$ 662,000
Equipment, Utilities	\$ 98,216
Total:	\$ 4,947,000

Security – The two loans will be secured by a Revenue Bond as authorized under PA 34 of 1933, as amended and an Installment Purchase as authorized under PA 99 of 1933, as amended. The bonds will be fully registered as to both principal and interest in the name of the “United States of America Acting through the Department of Agriculture”.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the RD Loan Resolution, applicable regulations, and law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 USC 1983 (c).

Additional security requirements are contained in RUS Bulletin 1780-12, “Water or Waste System Grant Agreement” and RUS Bulletin 1780-27, “Loan Resolution (Public Bodies)”.

Loan Repayment – Your initial loan of \$2,931,000 will be scheduled for repayment over a period of 40 years at the interest rate of 2.75%. Subsequent loan of \$117,000 will be scheduled for repayment over 15 years at the interest rate of 3.50%. The first interest payment will be scheduled no later than six months from the bond closing date.

The interest during construction will not be capitalized. Principal repayment will not be deferred. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, whichever is less, unless you choose otherwise.

Reserves – The annual bond reserve requirement will remain at \$12,200. This will accumulate at the rate of one-tenth of one annual payment per year until the balance is equal to \$122,000.

The annual Repair, Replacement and Improvement (RRI) reserve requirement has been decreased to \$19,450. The RRI reserve will be prefunded with a deposit of \$214,000. It is understood that if construction contingency of \$100,433 is fully expended, the Township will be allow to use these funds for any construction shortfalls.

When the Bond Reserve Fund is fully funded the entire \$31,650 annual requirement must be deposited in the RRI Fund for the life of the loan.

Use of Remaining Funds – When the sewer project is substantially complete and it appears that there will be remaining loan and/or grant funds after all approved costs are paid, it is the policy of Rural Development (§1780.45(f)) to close out the project as follows:

1. Remaining funds may be used for eligible loan or grant purposes as approved in the Preliminary Engineering Report and subsequent addendums, provided the use will not result in major changes to the facility(s) and the purpose of the loan and grant remains the same.

2. RUS loan funds that are not needed will be applied as an extra payment on the RUS indebtedness unless other disposition is required by bond ordinance, resolution, or State statute.
3. RUS grant funds not expended for authorized purposes will be cancelled within 30 days of project completion. Prior to actual cancellation, you and your attorney and engineer will be notified of the Agency's intent to cancel the remaining funds and given appropriate appeal rights.

All other conditions contained in the letter of July 12, 2012 remain in effect.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Michelle R. Cole". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Acting Area Director
USDA, Rural Development
Attachments

cc: Community Programs S/O
Attorney
Bond Counsel
Engineer

EXHIBIT 3



**United States
Department of
Agriculture**

Field Contact: Alec Lloyd
Phone: 517.324.5204
Obligation Date: 2/25/2014

PROJECT INFORMATION

**Rural Development has approved a loan of \$117,000
and a grant of \$304,000**

Program: Water and Waste Disposal Loan and Grant
State: MI
County: Wexford
Congressman, District: Huizenga, 2
Senators: Levin and Stabenow
Recipient: Haring Charter Township
Recipient Contact: Robert Scarbrough, Supervisor
Mailing Address: 515 Bell Ave, Cadillac, MI 49601
Email Address: caroscar@netonecom.net

Telephone: 231.775.8822

Project Description: Rural Development funds will be used for the construction of a new wastewater treatment plant (WWTP) and improvements to the Haring Township collection system. They will upgrade the existing main pump station, construct a new forcemain from the main pump station to the new WWTP, redirect certain sections of the existing gravity sewer, and new collection system piping and pump stations to serve new areas. This project serves 23 rural residents.

Loan Terms: 15 years at 3.50 percent

Other Funding: RD Loan \$2,931,000; grant \$595,000; WalMart \$1,000,000
Total Project Cost: \$4,947,000

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Revised: 04/22/2013

EXHIBIT 4

Wexford County
Soil Erosion and Sedimentation Control
PERMIT

401 N. Lake St. Cadillac, Michigan 49601
Phone: (231) 779-9465 Fax: (231) 779-9110

Permit Number

PSE13-0015

Date of Issuance

10/25/13

Date of Expiration

10/25/14

This permit is granted to the land owner under the provisions of Part 91, Soil Erosion and Sedimentation Control, of the Natural Resource and Environmental Protection Act, Act 451, being Sections 9101 to 9123

Owner Information

Owner Name: HARING CHARTER TOWNS **Phone #:** **Ext:**
Mailing Address: 515 BELL AVE
City: CADILLAC **State:** MI **Zip Code:** 49601

Property Information

Tax Identification #: 2209-27-2101 **Section:**
Property Address: 9494 E 34 RD **Township:** Haring

Contractor/Agent Information

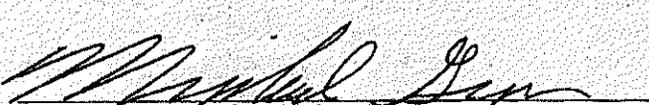
On-Site Responsible Person: HARING CHARTER TOWNS
Phone: **Address:** 515 BELL AVE
City: CADILLAC **State:** MI **Zip Code:** 49601

Permitted Activity

Request for permit to construct a new wastewater treatment plant. Size of earth change is 4.85 acres.

Permit Conditions:

1. The permitted activity shall be completed in accordance with the approved plans and specifications, and the attached general and specific conditions.
2. This permit does not waive the necessity for obtaining all other required federal, state, or local permits.
3. Permittee shall notify the permitting agency within one week after completing the permitted activity or one week prior to the permit expiration date, whichever comes first.
4. (Other conditions listed below or on attached page(s)).


Permitting Agent

10/25/2013
Date

THIS PERMIT MUST BE POSTED AT THE JOB SITE

EXHIBIT 5

CRA T60 (03/2005)

Wexford County Road Commission
85 West Highway M-115, P.O. Box 49
Boon, MI 49618
Phone 231.775.9731 / Fax 231.775.9732

Application No.
Permit No. 2014-615
Issue Date 12-16-13

APPLICATION AND PERMIT TO CONSTRUCT, OPERATE, USE AND/OR MAINTAIN
WITHIN THE RIGHT-OF-WAY OF; OR TO CLOSE, A COUNTY ROAD.

APPLICATION

An applicant is defined as an owner of property adjacent to the right-of-way, the property owner's authorized representative; or an authorized representative of a private or public utility who applies for a permit to construct, operate, use, and/or maintain a facility within the right-of-way for the purpose outlined within the application.

Form with columns for APPLICANT and CONTRACTOR. Includes fields for Name, Address, Phone No., Fax No., and Email Address.

Applicant/Contractor request a permit for the following work within the right of way of a county road: CONSTRUCT A COMMERCIAL DRIVE APPROACH FOR THE PROPOSED HAWING TOWNSHIP WASTEWATER TREATMENT PLANT. (SEE ATTACHED DRAWING) CONSTRUCT SANITARY SEWER IN VARIOUS LOCATIONS (SEE ATTACHED).

LOCATION: County Road F. BOON (34 RD) Between US-131 And 43 1/2 RD
Township HAWING Section 27 T22N94W Side of Road N(S)E W Property ID

DATE: Work to begin on MARCH 1, 2014; Work to be completed by OCTOBER 31, 2015

I certify and acknowledge that (1) the information contained in this application is true and correct, (2) the commencement of the work described in this application shall constitute acceptance of the permit as issued, including all terms and conditions thereof and, (3) if this permit is for commercial or residential driveway work, I am the legal owner of the property that this driveway will serve, or I am the authorized representative.

Signature lines for Applicant's Signature and Contractor's Signature, including Title and Date fields.

PERMIT

The term "Permit Holder" in the terms and conditions set forth on the reverse side hereof, refers to the applicant and the contractor, where applicable. By performing work under this permit, the Permit Holder acknowledges and agrees that this permit is subject to all the rules, regulations, terms and conditions set forth herein, including on the reverse side hereof.

Table with columns: FEE TYPE, AMOUNT, RECEIPT NO, DATE, and checkboxes for Letter of Credit, Surety Bond, Retainer Letter, Approved Plans on File, Certificate of Insurance, Attachments/Supplemental Specifications.

OTHER REQUIREMENTS: address minor changes per phone conversation with Martin Grabon 12-16-13.

Recommended For Issuance By: Title: Date:

Approved By: [Signature] Title: Engineer Date: 12-9-13

EXHIBIT 6



December 16, 2013

Delivered via email

Charter Township of Haring
Robert Scarbrough, Township Supervisor
515 Bell Avenue
Cadillac, MI 49601

RE: Charter Township of Haring – Sewer Project

Dear Mr. Scarbrough:

You are authorized to proceed to bidding your projects on Rural Development's approved plans and specifications. Please advise this office when and where the bid opening will take place.

Submit to this office the following items as soon as they are available:

- Affidavits of Publication
- Complete set of bid tabulations
- Copy of the Board minutes authorizing acceptance of the bids and awarding of the contract, subject to Rural Development approval
- Engineer's Recommendation of Award

Please feel free to contact Blake Smith in the Traverse City Area Office if you have any questions.

Sincerely,

Digitally signed by Susan A. Dennis
DN: cn=Susan A. Dennis, o=Rural Development,
ou=USDA, email=susan.dennis@mi.usda.gov, c=US
Date: 2013.12.16 14:39:22 -05'00'

Susan Dennis
Acting Area Director

cc: Theron Parker – Haring Township (email)
Doug Coates, PE—Gosling Czubak Engineering Sciences (email)
James White – Mika, Meyers, Beckett & Jones (email)
Corey Wiggins – Legal Counsel (email)

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EXHIBIT 7



MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER BUREAU

PERMIT APPLICATION FOR WASTEWATER SYSTEMS

Construction - Alteration - Addition or Improvement as Described Herein
Required under the Authority of Part 41, Act 451, PA 1994 as amended

This application becomes a Part 41 Construction Permit only when signed and issued by authorized DEQ Staff.

INSTRUCTIONS: Complete items 1 through 32 on this form and complete the basis of design sheet after page 4 (or provide same information). Print or type all information except for signatures. Complete the Streamlined Checklist (EQP5937) for sewer projects that qualify - checklist available at <http://www.michigan.gov/deq> (Water Program Wastewater Construction Page). Complete the Non Governmental Ownership Checklist (EQP-4600C) for non governmentally owned projects (checklist at end of this application). Deliver complete application, plans and specifications, and attachments to the DEQ district office having jurisdiction for the project.

REQUIRED NOTIFICATIONS: The permittee shall provide Startup Notification (just prior to excavation) including permit number and date of issuance and Completion Notification (upon completion of the project) including permit number and date of issuance to DEQ district office having jurisdiction. See form EQP-4600B at the end of the application.

PERMIT NUMBER (DEQ USE ONLY) 1007565		DATE OF ISSUANCE (DEQ USE ONLY) December 30, 2013	
1. Municipality or Organization, and Address which will own the wastewater facilities to be constructed. This permit is to be issued to: Haring Charter Township 515 Bell Avenue Cadillac, MI 49601-0282		Permit Stamp Area (DEQ use only) 1007565 DEC 30 2013 MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY	
2. Owner's Contact Person (provide name for questions): Contact: Bob Scarbrough Phone: 231-775-8822			
3. Project Name (Provide phase number if project is segmented) Contract II - WWTP	4. Project Location Township of Haring	5. County (project location) Wexford	

ISSUED UNDER THE AUTHORITY OF THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY

cc: See cover letter

Issued by: David Walters

Reviewed by: David Walters

If this box is marked see special conditions attached to this permit.

GENERAL PERMIT CONDITIONS

- This PERMIT only authorizes the construction, alteration, addition or improvement of the wastewater system as described herein and is issued solely under the authority of Part 41 of Act 451, PA 1994, as amended (Act).
- Issuance of this PERMIT does not authorize any violation of federal, state or local laws or regulations, nor does it obviate the need to obtain other permits or approvals from DEQ or other units of government as may be required by law
- This PERMIT expires two (2) years after the above date of issuance unless construction starts prior to the expiration date in accordance with rule 299.2939(2) of the Part 41 Rules
- Any portion of the herein described facilities constructed prior to the date of issuance is not authorized by this PERMIT and is a violation of the Act
- No sewer shall be placed into service unless and until the outlet sewer has been constructed, tested, and placed into service
- Failure to meet any condition of this PERMIT or any requirement of the Act constitutes a violation of the Act
- The applicant must provide notice of impending construction to public utilities and comply with the requirements of the Protection of Underground Facilities Act, Act 53 of the Public Acts of 1974 (MISS DIG)
- All earth changing activities must be conducted in accordance with the Soil Erosion and Sedimentation Control Act, Part 91 of Act 451, PA 1994, as amended
- All construction activity impacting wetlands shall be conducted in accordance with the Wetland Protection Act, Part 303 of Act 451, PA 1994, as amended
- Intentionally providing false information in this application constitutes a violation of Section 249 of the Michigan Penal Code, 1931 Pa 328, as amended

RECEIVED

EXHIBIT 8



Notice of Authorization

Permit Number 13-83-0010-P

Issued 09/24/2013

Expiration Date 09/24/2019

The Michigan Department of Environmental Quality, Water Resources Division, P.O. Box 30458, Lansing, Michigan 48909-7958, under provisions of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, and specifically:

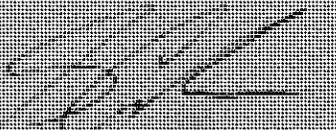
- Part 31, Floodplain Regulatory Authority of the Water Resources Protection
- Part 301, Inland Lakes and Streams
- Part 303, Wetlands Protection
- Part 315, Dam Safety
- Part 323, Shorelands Protection and Management
- Part 325, Great Lakes Submerged Lands
- Part 353, Sand Dunes Protection and Management

Authorized activity

Place approximately 11 cubic yards of rock riprap in the floodplain adjacent to the Cram River to create a rock apron outfall structure for the Haring Township Wastewater Treatment Plant. The rock apron will measure 17 feet long and will vary from 3 to 12 feet in width and the rock will be placed 2 feet deep. The rock will be placed on geotextile fabric. All portions of the rock apron will be constructed on the Haring Township property. This permit does not authorize the placement of any rock on the adjoining landowner's property. The work shall be completed according to the attached plans, and the following permit conditions.

To be conducted at property located in Wexford County, Waterbody: Cram River
Section 27, Town 22N, Range 9W, Haring Township

Permittee: Haring Township
Attn: Robert Swabrough
515 Bell Avenue
Cadillac, MI 49801



Susan Conradson
Water Resources Division
231 876 4443

This notice must be displayed at the site of work.
Leaving this notice or other official notices is recommended.

Please refer to the above Permit Number with any questions or concerns.



**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER RESOURCES DIVISION
PERMIT**

ISSUED TO:

Haring Township
Attn: Robert Scarbrough
515 Bell Avenue
Cadillac, MI 49601

Permit No.	13-83-0010-P
Issued	September 24, 2013
Extended	
Revised	
Expires	September 24, 2018

This permit is being issued by the Michigan Department of Environmental Quality (MDEQ) under the provisions of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), and specifically:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Part 301, Inland Lakes and Streams | <input type="checkbox"/> Part 315, Dam Safety |
| <input type="checkbox"/> Part 325, Great Lakes Submerged Lands | <input type="checkbox"/> Part 323, Shorelands Protection and Management |
| <input type="checkbox"/> Part 303, Wetlands Protection | <input type="checkbox"/> Part 353, Sand Dunes Protection and Management |
| <input checked="" type="checkbox"/> Part 31, Floodplain/Water Resources Protection | |

Permission is hereby granted, based on permittee assurance of adherence to State of Michigan requirements and permit conditions, to:

Place approximately 11 cubic yards of rock riprap in the floodplain adjacent to the Clam River to create a rock apron outfall structure for the Haring Township Wastewater Treatment Plant. The rock apron will measure 17 feet long and will vary from 3 to 12 feet in width and the rock will be placed 2 feet deep. The rock will be placed on geotextile fabric. All portions of the rock apron will be constructed on the Haring Township property. This permit does not authorize the placement of any rock on the adjoining landowner's property. The work shall be completed according to the attached plans, and the following permit conditions.
--

Water Course Affected: Clam River
Property Location: Wexford County, Haring Township, Section 27
Town/Range 22N, 9W **Property Tax No.** 2209-27-2101

Authority granted by this permit is subject to the following limitations:

- A. Initiation of any work on the permitted project confirms the permittee's acceptance and agreement to comply with all terms and conditions of this permit.
- B. The permittee, in exercising the authority granted by this permit, shall not cause unlawful pollution as defined by Part 31, Water Resources Protection, of the NREPA.
- C. This permit shall be kept at the site of the work and available for inspection at all times during the duration of the project or until its date of expiration.
- D. All work shall be completed in accordance with the approved plans and specifications submitted with the application and/or plans and specifications attached to this permit.
- E. No attempt shall be made by the permittee to forbid the full and free use by the public of public waters at or adjacent to the structure or work approved.
- F. It is made a requirement of this permit that the permittee give notice to public utilities in accordance with Act 53 of the Public Act of 1974 and comply with each of the requirements of that Act.
- G. This permit does not convey property rights in either real estate or material, nor does it authorize any injury to private property or invasion of public or private rights, nor does it waive the necessity of seeking federal assent, all local permits, or complying with other state statutes.
- H. This permit does not prejudice or limit the right of a riparian owner or other person to institute proceedings in any circuit court of this state when necessary to protect his rights.
- I. Permittee shall notify the MDEQ within one week after the completion of the activity authorized by this permit, by completing and forwarding the attached preaddressed postcard to the office addressed thereon.
- J. This permit shall not be assigned or transferred without the written approval of the MDEQ.
- K. Failure to comply with conditions of this permit may subject the permittee to revocation of permit and criminal and/or civil action as cited by the specific state act, federal act, and/or rule under which this permit is granted.
- L. All dredged or excavated materials shall be disposed of in an upland site (outside of floodplains, unless exempt under Part 31, and wetland).

- M. In issuing this permit, the MDEQ has relied on the information and data that the permittee has provided in connection with the submitted application for permit. If, subsequent to the issuance of a permit, such information and data prove to be false, incomplete, or inaccurate, the MDEQ may modify, revoke, or suspend the permit, in whole or in part, in accordance with the new information.
- N. The permittee shall indemnify and hold harmless the State of Michigan and its departments, agencies, officials, employees, agents, and representatives for any and all claims or causes of action arising from acts or omissions of the permittee, or employees, agents, or representative of the permittee, undertaken in connection with this permit. The permittee's obligation to indemnify the State of Michigan applies only if the State (1) provides the permittee or its designated representative written notice of the claim or cause of action within 30 days after it is received by the State and (2) consents to the permittee's participation in the proceeding on the claim or cause of action. It does not apply to contested case proceedings under the Administrative Procedures Act challenging the permit. This permit shall not be construed as an indemnity by the State of Michigan for the benefit of the permittee or any other person.
- O. Noncompliance with these terms and conditions and/or the initiation of other regulated activities not specifically authorized shall be cause for the modification, suspension, or revocation of this permit, in whole or in part. Further, the MDEQ may initiate criminal and/or civil proceedings as may be deemed necessary to correct project deficiencies, protect natural resource values, and secure compliance with statutes.
- P. If any change or deviation from the permitted activity becomes necessary, the permittee shall request, in writing, a revision of the permitted activity from the MDEQ. Such revision request shall include complete documentation supporting the modification and revised plans detailing the proposed modification. Proposed modifications must be approved, in writing, by the MDEQ prior to being implemented.
- Q. This permit may be transferred to another person upon written approval of the MDEQ. The permittee must submit a written request to the MDEQ to transfer the permit to the new owner. The new owner must also submit a written request to the MDEQ to accept transfer. The new owner must agree, in writing, to accept all conditions of the permit. A single letter signed by both parties which includes all the above information may be provided to the MDEQ. The MDEQ will review the request and if approved, will provide written notification to the new owner.
- R. Prior to initiating permitted construction, the permittee is required to provide a copy of the permit to the contractor(s) for review. The property owner, contractor(s), and any agent involved in exercising the permit are held responsible to ensure that the project is constructed in accordance with all drawings and specifications. The contractor is required to provide a copy of the permit to all subcontractors doing work authorized by the permit.
- S. Construction must be undertaken and completed during the dry period of the wetland. If the area does not dry out, construction shall be done on equipment mats to prevent compaction of the soil.
- T. Authority granted by this permit does not waive permit requirements under Part 91, Soil Erosion and Sedimentation Control, of the NREPA, or the need to acquire applicable permits from the County Enforcing Agent.
- U. Authority granted by this permit does not waive permit requirements under the authority of Part 305, Natural Rivers, of the NREPA. A Natural Rivers Zoning Permit may be required for construction, land alteration, streambank stabilization, or vegetation removal along or near a natural river.
- V. The permittee is cautioned that grade changes resulting in increased runoff onto adjacent property is subject to civil damage litigation.
- W. Unless specifically stated in this permit, construction pads, haul roads, temporary structures, or other structural appurtenances to be placed in a wetland or on bottomland of the waterbody are not authorized and shall not be constructed unless authorized by a separate permit or permit revision granted in accordance with the applicable law.
- X. For projects with potential impacts to fish spawning or migration, no work shall occur within fish spawning or migration timelines (i.e., windows) unless otherwise approved in writing by the MDNR, Fisheries Division.
- Y. Work to be done under authority of this permit is further subject to the following special instructions and specifications:
1. All work shall be completed in accordance with plans prepared by Gosling Czubak, dated August 20, 2013.
 2. All fill shall consist of clean, washed rock or stone that is free of fines, other soil materials, any contaminants, or pollutants.
 3. No fill, excess soil, or other material shall be placed in the 100-year floodplain, nor any wetland or surface water area not specifically authorized by this permit, its plans, and specifications.
 4. Prior to the start of construction, all adjacent non-work wetland areas shall be protected by properly trenched sedimentation barrier to prevent sediment from entering the wetland. Orange construction fencing shall be installed as needed to prohibit construction personnel and equipment from entering or performing work in these areas. Fence shall be maintained daily throughout the construction process. Upon project completion, the accumulated materials shall be removed and disposed of at an upland site; the sedimentation barrier shall then be removed in its entirety and the area restored to its original configuration and cover.

5. The authority to conduct the activity as authorized by this permit is granted solely under the provisions of the governing act as identified above. This permit does not convey, provide, or otherwise imply approval of any other governing act, ordinance, or regulation, nor does it waive the permittee's obligation to acquire any local, county, state or federal approval or authorization, necessary to conduct the activity.
6. Authority granted by this permit does not waive permit or program requirements under Part 91, Soil Erosion and Sedimentation Control, of the NREPA, or the need to acquire applicable permits from the County Enforcing Agent (CEA). To locate the Soil Erosion Program Administrator for your county, visit www.mi.gov/deqstormwater and look for Soil Erosion and Sedimentation Control Program under "Related Links."
7. The authority to conduct the activity as authorized by this permit is granted solely under the provisions of the governing act as identified above. This permit does not convey, provide, or otherwise imply approval of any other governing act, ordinance, or regulation, nor does it waive the permittee's obligation to acquire any local, county, state or federal approval or authorization, necessary to conduct the activity.
8. No fill, excess soil, or other material shall be placed in any wetland or surface water area not specifically authorized by this permit, its plans, and specifications.
9. This permit does not authorize or sanction work that has been completed in violation of applicable federal, state, or local statutes.
10. The permit placard shall be kept posted at the work site, in a prominent location at all times for the duration of the project, or until permit expiration.
11. This permit is being issued for the maximum time allowed and no extensions of this permit will be granted. Initiation of the construction work authorized by this permit indicates the permittee's acceptance of this condition. The permit, when signed by the MDEQ, will be for a five-year period beginning at the date of issuance. If the project is not completed by the expiration date, a new permit must be sought.

By:



Susan Conradson
Water Resources Division
231-876-4443

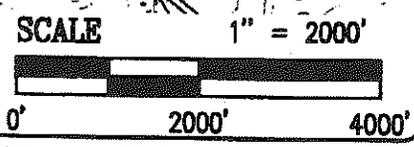
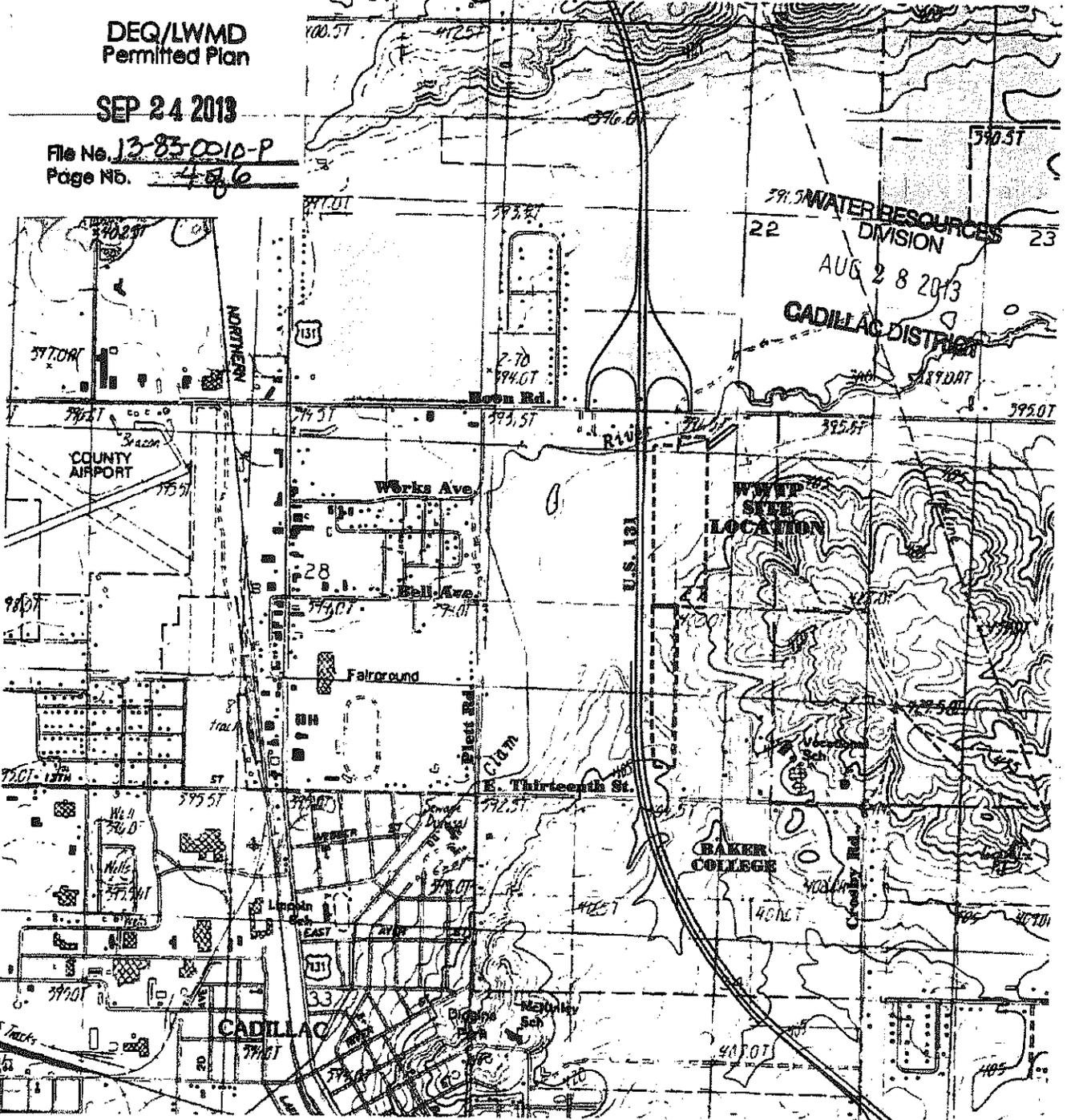
cc: Rick Liptak, MDOT, Cadillac
Wexford County CEA

Site Location Map - USGS Topographic Quad

DEQ/LWMD
Permitted Plan

SEP 24 2013

File No. 13-83-0010-P
Page No. 4 of 6

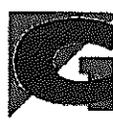


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Client: **Proposed WWTTP**
Haring Charter Township
PART OF SECTION 27, T 22 N, R 09 W,
HARING TOWNSHIP,
WEXFORD COUNTY, MICHIGAN

Sheet 1 of 1

Job No.: 2012190.02
Date: 08/20/2013
Scale: 1" = 2000'
Drawn: jrl
Chk'd.: EBB
Rev.:



Gosling Czubak
engineering sciences, inc.
1280 Business Park Drive
Traverse City, MI 49686-8807
231-948-0191 800-988-1062
Fax: 231-941-4603

- Engineers
- Surveyors
- Environmental Services
- Landscape Architecture

DEQ/LWMD
Permitted Plan

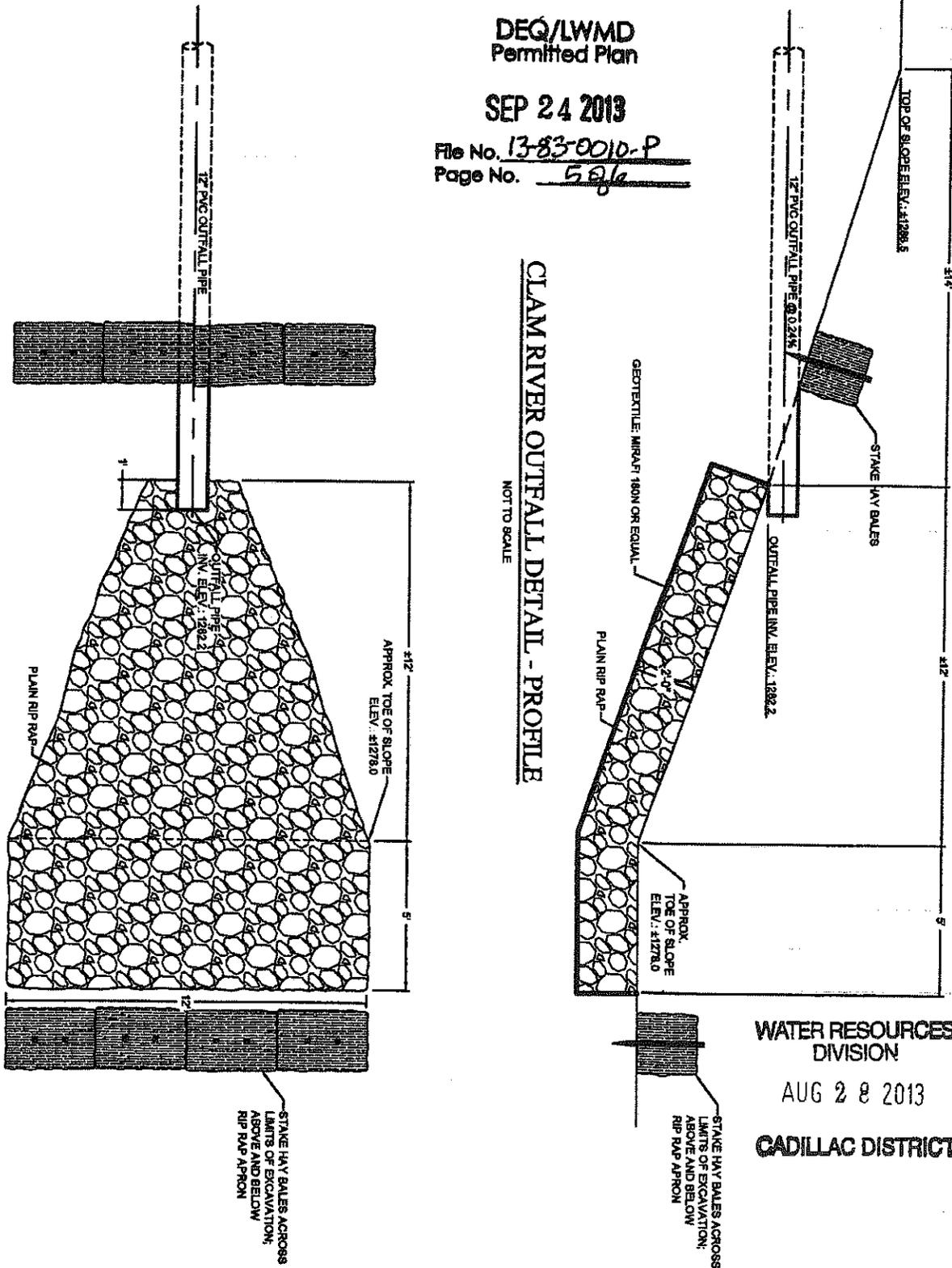
SEP 24 2013

File No. 13-83-0010-P

Page No. 586

CLAM RIVER OUTFALL DETAIL - PROFILE

NOT TO SCALE



WATER RESOURCES
DIVISION

AUG 28 2013

CADILLAC DISTRICT

CLAM RIVER OUTFALL DETAIL - PLAN

NOT TO SCALE

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Client: **Outfall Details**
Haring Charter Township - WWTP
 PART OF SECTION 27, T 22 N, R 09 W,
 HARING TOWNSHIP,
 WEXFORD COUNTY, MICHIGAN

Sheet 1 of 1

Job No.: 2012190.02
 Date: 08/20/2013
 Scale: NOT TO
 Drawn: jrl
 Chk'd.: EBB
 Rev.:



Gosling Czubak
 engineering sciences, inc.
 1280 Business Park Drive
 Traverse City, MI 49688-8807
 231-945-9191 800-885-1052
 Fax: 231-941-4603

- Engineers
- Surveyors
- Environmental Services
- Landscape Architecture

EXHIBIT 9

RESOLUTION NO. 2014-05

**CHARTER TOWNSHIP OF HARING
COUNTY OF WEXFORD, MICHIGAN**

**RESOLUTION TO ACCEPT LOAN AND GRANT FUNDING
FROM USDA – RURAL DEVELOPMENT FOR FINANCING OF
TOWNSHIP SEWER SYSTEM IMPROVEMENT PROJECT
AND MATTERS RELATED THERETO**

Minutes of a special meeting of the Township Board of the Charter Township of Haring, Wexford County, Michigan, held at the Township Hall, 515 Bell Avenue, Cadillac, Michigan, on the 13th day of February, 2014, at 6:00 p.m., Local Time.

PRESENT: Members: Whetstone, Soule, Scarbrough, Wilkinson, McCain, Fagerman, Baldwin

ABSENT: Members: None

The following resolution was offered by Member Scarbrough and supported by Member Wilkinson:

WHEREAS, the Township Board previously reviewed and approved a Financing Plan for the financing of improvements to the Township's Sewer System (the "Project"), which included the proposed issuance of the Township's \$2,931,000 Sewer Revenue Bonds (the "Bonds") to evidence a USDA – Rural Development ("Rural Development") loan and a Rural Development grant in the amount of \$595,000 for a total of loan and grant funds of \$3,526,000 (all as set forth in that certain Letter of Conditions from Rural Development to the Township dated July 12, 2012); and

WHEREAS, the pre-bid estimate of cost of the Project was \$4,526,000; and

WHEREAS, the Township Board solicited and received bids for the construction of the Project, which bids exceeded the pre-bid estimate of cost by \$421,000; and

WHEREAS, Rural Development has offered to the Township, in an amended Letter of Conditions, dated February 13, 2014, in the form attached to this resolution as Exhibit A (the

“Amended Letter of Conditions”), supplemental funds in the amount of \$117,000 in additional loan funds (15 years at 3.50%) and \$304,000 in additional grant funds to cover the additional costs of the Project; and

WHEREAS, pursuant to the Amended Letter of Conditions, the Township shall evidence the additional \$117,000 in loan funds from Rural Development through the issuance of an Act 99 Installment Purchase Agreement, in addition to the issuance of the Bonds; and

WHEREAS, it is appropriate for this Township Board to review and approve the Amended Letter of Conditions and authorize and direct the Supervisor to sign the necessary forms and documents required by Rural Development to evidence the Township’s acceptance of the terms and conditions of the Amended Letter of Conditions.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. The Township Board hereby accepts the loan and grant funds as described in the Amended Letter of Conditions, which includes: (a) loan funds in the amount of \$2,931,000 to be evidenced by the Township’s Bonds which will be outstanding for a period of 40 years at not to exceed 2.75%, (b) the supplemental loan of \$117,000 through an Act 99 installment purchase agreement, which will be outstanding for a period of 15 years at not to exceed 3.5%, (c) grant funds in the amount of \$899,000, and (d) a reduction in the annual set-aside for the repair, replacement and improvement reserve to \$19,450 from the previous annual requirement of \$24,800.

2. The Township Board hereby authorizes and directs the Supervisor to execute any and all documents necessary and required by Rural Development including, but not limited to, Form RD 1942-46 “Letter of Intent to Meet Conditions” and Form RD 1940-1 “Request for Obligation of Funds”, to evidence the Township’s acceptance of the loan and grant funds from Rural Development described in the Amended Letter of Conditions.

3. All resolutions or portions thereof inconsistent with the provisions of this resolution are hereby rescinded.

YEAS: Members: Whetstone, Soule, Scarbrough, Wilkinson, McCain, Fagerman, Baldwin

NAYS: Members: None

ABSTAIN: Members: None

RESOLUTION DECLARED ADOPTED.

Kirk Soule
Kirk Soule, Clerk
Charter Township of Haring

STATE OF MICHIGAN)
) ss.
COUNTY OF WEXFORD)

I, Kirk Soule, the duly qualified and acting Clerk of the Charter Township of Haring, Wexford County, Michigan (the "Township") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board at a special meeting held on the 13th day of February, 2014, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 13th day of February, 2014.

Kirk Soule
Kirk Soule, Clerk
Charter Township of Haring

EXHIBIT A
AMENDED LETTER OF CONDITIONS



February 13, 2014

Robert Scarbrough, Supervisor
Charter Township of Haring
51S Bell Ave.
Cadillac, MI 49601

SUBJECT: Sewer Project Amendment
Loan \$ 3,048,000 (an increase of \$117,000)
Grant \$ 899,000 (an increase of \$304,000)

Dear Mr. Scarbrough:

This is Amendment No. 1 to the letter of conditions dated July 12, 2012. This amendment establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and/or grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant, must be reported to and approved by USDA, Rural Development, by written amendment to this letter. If significant changes are made without obtaining such approval, Rural Development may discontinue processing of the application.

This letter does not constitute loan and/or grant approval, nor does it ensure that funds are or will be available for the project.

The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds", is mailed to you.

Please complete, sign and return the following forms if you agree to meet these conditions and desire that further consideration be given to your application:

Form RD 1942-46, "Letter of Intent to Meet Conditions,"
Form RD 1940-1, "Request for Obligation of Funds,"

Within 180 days of this letter, you must meet all of the conditions set forth which can be met prior to calling for construction bids. If you have not done so, Rural Development reserves the right to discontinue the processing of your application.

The conditions to be added, deleted or modified are as follows:

Project Budget – Funding from all sources has been budgeted for the estimated project cost of \$4,947,000. The project, as described is the approved Preliminary Engineering Report, is as follows:

The selected alternative was the oxidation ditch with surface water discharge as it has the lowest present worth cost. The proposed project includes: disconnection from the Cadillac collection system and redirection of sewage flow to a main pump station at Bell and Hawthorn which will convey sewage

Rural Development • Traverse City Area Office
1501 Cass Street • Suite A • Traverse City, MI 49684
Voice: (231) 941-0951 • Fax: (231) 929-7890

USDA is an equal opportunity provider and employer.

to the new treatment plant; a short run of gravity sewer on Fillmore Street; and an oxidation ditch treatment plant with appurtenances. The proposed project budget is summarized below:

Construction Costs	\$ 3,864,832
Admin/Legal/Land/Misc.	\$ 221,519
Contingencies	\$ 100,433
Engineering & RPR	\$ 662,000
Equipment, Utilities	\$ 98,216
Total:	\$ 4,947,000

Security – The two loans will be secured by a Revenue Bond as authorized under PA 34 of 1933, as amended and an Installment Purchase as authorized under PA 99 of 1933, as amended. The bonds will be fully registered as to both principal and interest in the name of the “United States of America Acting through the Department of Agriculture”.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the RD Loan Resolution, applicable regulations, and law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 USC 1983 (c).

Additional security requirements are contained in RUS Bulletin 1780-12, “Water or Waste System Grant Agreement” and RUS Bulletin 1780-27, “Loan Resolution (Public Bodies)”.

Loan Repayment – Your initial loan of **\$2,931,000** will be scheduled for repayment over a period of **40 years** at the **interest rate of 2.75%**. Subsequent loan of **\$117,000** will be scheduled for repayment over **15 years** at the **interest rate of 3.50%**. The first interest payment will be scheduled no later than six months from the bond closing date.

The interest during construction will not be capitalized. Principal repayment will not be deferred. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, whichever is less, unless you choose otherwise.

Reserves – The annual bond reserve requirement will remain at **\$12,200**. This will accumulate at the rate of one-tenth of one annual payment per year until the balance is equal to **\$122,000**.

The annual Repair, Replacement and Improvement (RRI) reserve requirement has been decreased to **\$19,450**. The RRI reserve will be prefunded with a deposit of \$214,000. It is understood that if construction contingency of \$100,433 is fully expended, the Township will be allow to use these funds for any construction shortfalls.

When the Bond Reserve Fund is fully funded the entire **\$31,650** annual requirement must be deposited in the RRI Fund for the life of the loan.

Use of Remaining Funds – When the sewer project is substantially complete and it appears that there will be remaining loan and/or grant funds after all approved costs are paid, it is the policy of Rural Development (§1780.45(f)) to close out the project as follows:

1. Remaining funds may be used for eligible loan or grant purposes as approved in the Preliminary Engineering Report and subsequent addendums, provided the use will not result in major changes to the facility(s) and the purpose of the loan and grant remains the same.

2. RUS loan funds that are not needed will be applied as an extra payment on the RUS indebtedness unless other disposition is required by bond ordinance, resolution, or State statute.
3. RUS grant funds not expended for authorized purposes will be cancelled within 30 days of project completion. Prior to actual cancellation, you and your attorney and engineer will be notified of the Agency's intent to cancel the remaining funds and given appropriate appeal rights.

All other conditions contained in the letter of July 12, 2012 remain in effect.

Sincerely yours,

Acting Area Director
USDA, Rural Development
Attachments

cc: Community Programs S/O
Attorney
Bond Counsel
Engineer

EXHIBIT 10

RESOLUTION NO. 2014-04

CHARTER TOWNSHIP OF HARING

COUNTY OF WEXFORD, MICHIGAN

**RESOLUTION TO MAKE CONDITIONAL AWARD OF
CONSTRUCTION CONTRACTS FOR SANITARY SEWER PROJECT**

At a special meeting of the Township Board of the Charter Township of Haring, held at the Township Hall, 515 Bell Avenue, Cadillac, Michigan, on the 13th day of February, 2014, at 6:00 p.m., Local Time.

PRESENT: Members: Scarbrough, McCain, Soule, Fagerman, Wilkinson, Baldwin, Whetstone.

ABSENT: Members: None

The following resolution was offered by Member Soule and supported by Member Baldwin:

WHEREAS, following the publication of advertisement for bids on December 20, 2014, sealed bids were received by the Charter Township of Haring (the "Township") on January 27, 2014 for Contract No. 1 – Sanitary Sewer and Watermain and Contract No. 2 – Wastewater Treatment Plant (together, the "Construction Contracts") for the Township's Sanitary Sewer Project (the "Project"); and

WHEREAS, Gosling Czubak Engineering Sciences, Inc. (the "Project Engineer") has submitted its written recommendation that Contract No. 1 – Sanitary Sewer and Watermain be awarded to Sterling Excavation, the low bidder, in the amount of \$782,684.00, subject to downward adjustment and the execution of a change order ("Change Order No. 1 for Contract No. 1") by the low bidder and the Township in accordance with the Engineer's written recommendation; and

WHEREAS, a copy of the bid tabulation and the Project Engineer's recommendation for award for Contract No. 1 – Sanitary Sewer and Watermain is attached to this Resolution as **Exhibit A**; and

WHEREAS, the Project Engineer has submitted its written recommendation that Contract No. 2 – Wastewater Treatment Plant be awarded to Grand Traverse Construction, the low bidder, in the amount of \$3,363,642.00, subject to downward adjustment and the execution of a change order ("Change Order No. 1 for Contract No. 2") by the low bidder and the Township in accordance with the Engineer's written recommendation; and

WHEREAS, a copy of the bid tabulation and the Project Engineer's recommendation for award of Contract No. 2 is attached to this Resolution as **Exhibit B**; and

WHEREAS, as a result of the construction bids and other factors, the as-bid cost of the Project exceeds the pre-bid estimate approved by the Township and, as a result, the Township has requested and received a supplemental loan and grant offer from USDA Rural Development ("Rural Development") to cover the incremental increase; and

WHEREAS, the cost of the Project is to be defrayed, in part, by the proceeds of the sale of Township revenue bonds (the "Bonds") to evidence a long-term loan from Rural Development, the proceeds of an installment purchase agreement to be entered into by the Township, Grand Traverse Construction, and Rural Development to evidence the supplemental loan from Rural Development in the amount of \$117,000, and USDA Rural Development grant funds; and

WHEREAS, the Bonds are expected to be sold and delivered, and the installment purchase agreement is expected to be delivered to Rural Development to evidence the Rural Development loans on or before the expiration of the 90-day hold period on the bids for the Construction Contracts.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. Based upon the written recommendation of the Project Engineer, Contract No. 1 – Sanitary Sewer and Watermain is hereby awarded to Sterling Excavating in the amount of \$778,904.00 (taking into account the reduction for Change Order No. 1 for Contract No. 1) and Contract No. 2 – Wastewater Treatment Plant is hereby awarded to Grand Traverse Construction in the amount of \$3,210,838.00 (taking into account the reduction for Change Order No. 1 for Contract No. 2) subject in each case to the following:

a. The concurrence by Rural Development with the award of the Construction Contracts and Change Order No. 1 for each of the Construction Contracts;

b. The acceptance by Sterling Excavating of Change Order No. 1 to Contract No. 1;

c. The acceptance by Grand Traverse Construction of Change Order No. 1 to Contract No. 2;

d. The receipt and approval by the Township of an acceptable supplemental loan and grant offer by Rural Development to pay the cost of the Project in excess of \$421,000.00; and

e. The successful sale and delivery of the Bonds to Rural Development to evidence the Rural Development loan and the delivery of the installment purchase agreement to Rural Development to evidence the supplemental loan.

2. Change Order No. 1 for Contract No. 1 and Change Order No. 1 for Contract No. 2, both of which are attached as **Exhibit C**, are hereby approved.

3. The Supervisor and Clerk are authorized and directed to execute appropriate Notices of Award and the necessary agreements and related documents applicable to the

Construction Contracts including, but not limited to Change Order No. 1, subject to the conditions set forth in Paragraph 1 above.

4. All resolutions or portions thereof inconsistent with the provisions of this resolution are hereby rescinded.

YEAS: Members: 7

NAYS: Members: 0

ABSENT: Members: 0

RESOLUTION DECLARED ADOPTED.

Kirk Soule
Kirk Soule, Clerk
Charter Township of Haring

STATE OF MICHIGAN)
) ss.
COUNTY OF WEXFORD)

I, Kirk Soule, the duly qualified and acting Clerk of the Charter Township of Haring, Wexford County, Michigan (the "Township") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board at a special meeting held on the 13th day of February, 2014, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 13 day of February, 2014.

Kirk Soule
Kirk Soule, Clerk
Charter Township of Haring

EXHIBIT A

**Project Engineer's Recommendation Letter
and Bid Tab for Contract No. 1 – Sanitary Sewer and Watermain**



Gosling Czubak
engineering sciences, inc.

*Engineers • Surveyors
Landscape Architects
Environmental Services*

February 8, 2014

Mr. Robert Scarbrough
Charter Haring Township
515 Bell Avenue
Cadillac, MI 49601-0282

Subject: Contract 1 – Sanitary Sewer and Water Main

Dear Bob:

On January 27, 2014 bids were opened on the subject project. A total of nine bids were received and the corrected base bids ranged from a low of \$849,844 to a high of \$1,487,079.50. Corrections to the as read bids were made to Robin Harsh Excavating who incorrectly totaled the sanitary sewer and water main work for their base bid, and a math error in CJ's Excavating. In addition, Elmer's qualified their bid by noting the proposed base bid water main directional drill would be PVC rather than the required ductile iron. Finally, the bid of Ron Meyer & Associates did not include the required Rural Development bid forms and omitted any alternate bid for PVC water main.

Base bid for Contract 1 was sanitary sewer work and water main as ductile iron. The low base bidder was Sterling Excavating with a sewer bid of \$661,554 and a water main bid of \$188,290 for a total base bid of \$849,844.

In addition alternate bids for Contract 1 to use PVC rather than ductile iron for the water main were taken. Using PVC water main rather than ductile iron material we had savings in the bids ranging from \$56,996.80 to \$103,516. Sterling Excavation's PVC bid was a savings of \$67,160, and would make their total bid for sewer (\$661,554) and water (\$121,130) \$782,684 and they would still be considered the low bidder.

We have checked the qualifications of Sterling Excavating and believe they are qualified to perform the work and would recommend the Township award Contract 1 to Sterling Excavation. We believe the use of PVC water main especially considering the anticipated savings of \$67,160 is in the best interest of the Township and would further recommend Contract 1 be awarded based on the use of PVC water main.

After bids were opened the permit from MDOT for crossing US131 was received. The MDOT permit requires the direction drills of US131 be extended to go from right of way to right of way and all equipment are kept out of the right of way. This change would add approximately 70 additional feet of directional drill water main and force main to the project. Finally, the quantity of 10" gravity sewer included in the bid was slightly higher than the quantity of 10" sewer shown on the project plans.

Mr. Robert Scarbrough
Contract 1 – Sanitary Sewer and Water Main

February 8, 2014
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Modifying the bid quantities to increase the directional bores of US131 and decreasing the 10" gravity sewer would result in a change order to reducing the sewer bid by \$7,560 and increasing the water main bid by \$3,780 for a net reduction \$3,780.

In summary it would be our recommendation to award Contract 1 to Sterling Excavation and to accept the alternate bid for PVC water main. The bid should be awarded in the submitted amount of \$661,554 for sanitary sewer and \$121,130 for PVC water main for a total of \$782,684. At that time of contract signing a change order one should also be executed to reduce the sewer amount by \$7,560 and increase the water main by \$3,780. Once the change order is executed the contract amounts would be \$653,994 for sewer work and \$124,910 for water main work for a total of \$778,904.

A copy of the bid tabulation and summary showing the proposed changes for Change Order One are attached for your review.

If you have any questions, please call.

Sincerely,

GOSLING CZUBAK



Clyde L. Johnson, P.E.
Manager of Engineering Services
Enc.



Gosling Czubak
engineering sciences, inc.

CHARTER TOWNSHIP OF HARING
CONTRACT 1 - BID TABULATION

Item	Description	Quantity	Unit	Engineer's Opinion of Cost		Sterling Excavation, Inc.		Robbin Harsh Excavating, Inc.		CJ's E)
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	
1	Audio Visual Route Survey	1	L.S.	\$ 3,000	\$ 3,000.00	\$ 2,000	\$ 2,000.00	\$ 3,480	\$ 3,480.00	\$ 1,41
2	Mobilization	1	L.S.	\$ 5,000	\$ 5,000.00	\$ 27,500	\$ 27,500.00	\$ 14,500	\$ 14,500.00	\$ 5,00
3	Traffic Control	1	L.S.	\$ 4,000	\$ 4,000.00	\$ 8,000	\$ 8,000.00	\$ 5,000	\$ 5,000.00	\$ 5,90
4	Connect to Existing Gravity Sewer	3	L.S.	\$ 1,500	\$ 4,500.00	\$ 1,500	\$ 4,500.00	\$ 350	\$ 1,050.00	\$ 2,90
5	Connect to Existing Force Main	2	L.S.	\$ 1,500	\$ 3,000.00	\$ 1,500	\$ 3,000.00	\$ 350	\$ 700.00	\$ 2,30
6	Verify Existing Watermain	1	L.S.	\$ 2,000	\$ 2,000.00	\$ 500	\$ 500.00	\$ 875	\$ 875.00	\$ 3,40
7	10" Sewer PVC Pipe (0'-8')	2,985	L.F.	\$ 35.00	\$ 104,475.00	\$ 30.00	\$ 89,550.00	\$ 39.15	\$ 116,862.75	\$ 21.00
8	8" Sewer PVC Pipe (0'-8')	345	L.F.	\$ 25.00	\$ 8,625.00	\$ 30.00	\$ 10,350.00	\$ 22.50	\$ 7,762.50	\$ 21.00
9	6" Sewer PVC Service Lead	1,415	L.F.	\$ 20.00	\$ 28,300.00	\$ 20.00	\$ 28,300.00	\$ 39.00	\$ 55,185.00	\$ 24.00
10	Sanitary Sewer Manhole (0' - 8')	10	EA	\$ 2,500	\$ 25,000.00	\$ 2,500	\$ 25,000.00	\$ 2,450	\$ 24,500.00	\$ 3,60
11	Manhole Additional Depth (> 8.1')	3.1	V.F.	\$ 120	\$ 372.00	\$ 150	\$ 465.00	\$ 275	\$ 852.50	\$ 520.00
12	8" PVC Sewer Forcemain	4,190	L.F.	\$ 25.00	\$ 104,750.00	\$ 14.00	\$ 58,660.00	\$ 21.75	\$ 91,132.50	\$ 25.00
13	6" PVC Sewer Forcemain	30	L.F.	\$ 20.00	\$ 600.00	\$ 14.00	\$ 420.00	\$ 45.00	\$ 1,350.00	\$ 78.00
14	8" PVC Directional Drill Forcemain	835	L.F.	\$ 120.00	\$ 100,200.00	\$ 50.00	\$ 41,750.00	\$ 38.50	\$ 32,147.50	\$ 79.00
15	8" PVC Sewer Forcemain in Casing	60	L.F.	\$ 30.00	\$ 1,800.00	\$ 20.00	\$ 1,200.00	\$ 30.00	\$ 1,800.00	\$ 68.00
16	8" Valve & Box	3	EA	\$ 1,200	\$ 3,600.00	\$ 1,300	\$ 3,900.00	\$ 1,750	\$ 5,250.00	\$ 1,903.00
17	Air Release & Vacuum Valve	3	EA	\$ 3,000	\$ 9,000.00	\$ 3,650	\$ 10,950.00	\$ 4,125	\$ 12,375.00	\$ 6,006.00
18	Forcemain Cleanout assembly	7	EA	\$ 3,000	\$ 21,000.00	\$ 3,025	\$ 21,175.00	\$ 3,625	\$ 25,375.00	\$ 3,000.00
19	Sewer Lead Cleanout	4	EA	\$ 200	\$ 800.00	\$ 350	\$ 1,400.00	\$ 375	\$ 1,500.00	\$ 698.00
20	Pump Station & 7x10 Enclosure	1	L.S.	\$ 120,000	\$ 120,000.00	\$ 146,000	\$ 146,000.00	\$ 122,000	\$ 122,000.00	\$ 165,908.00
21	Pump Station Pump Generator	1	L.S.	\$ 40,000	\$ 40,000.00	\$ 25,650	\$ 25,650.00	\$ 43,000	\$ 43,000.00	\$ 49,000.00
22	Abandon Existing PS	1	L.S.	\$ 10,000	\$ 10,000.00	\$ 10,000	\$ 10,000.00	\$ 2,850	\$ 2,850.00	\$ 5.00
23	Abandon Existing Force Main	1	L.S.	\$ 1,500	\$ 1,500.00	\$ 500	\$ 500.00	\$ 250	\$ 250.00	\$ 1,939.00
24	Abandon Existing Sewer Main	3	L.S.	\$ 1,500	\$ 4,500.00	\$ 1,000	\$ 3,000.00	\$ 185	\$ 555.00	\$ 3,331.00
25	Connect H&R Block Sanitary	1	L.S.	\$ 500	\$ 500.00	\$ 500	\$ 500.00	\$ 500	\$ 500.00	\$ 1,008.00
26	Gravel Restoration	1,180	S.Y.	\$ 6.00	\$ 7,080.00	\$ 4.50	\$ 5,310.00	\$ 6.25	\$ 7,375.00	\$ 3.00
27	Bituminous Restoration (275#/sy)	6,420	S.Y.	\$ 14.00	\$ 89,880.00	\$ 19.70	\$ 126,474.00	\$ 14.50	\$ 93,090.00	\$ 13.00
28	Restoration	1	L.S.	\$ 10,000	\$ 10,000.00	\$ 5,500	\$ 5,500.00	\$ 26,305	\$ 26,305.00	\$ 31.70
Subtotal Sewer Construction Costs					\$ 713,482.00		\$ 661,554.00		\$ 697,622.75	
29	12" DI Watermain	2,020	L.F.	\$ 60.00	\$ 121,200.00	\$ 52.00	\$ 105,040.00	\$ 69.75	\$ 140,895.00	\$ 55.40
30	12" DI Directional Drill Watermain	360	L.F.	\$ 140.00	\$ 50,400.00	\$ 110.00	\$ 39,600.00	\$ 95.00	\$ 34,200.00	\$ 122.80
31	8" DI Watermain	240	L.F.	\$ 50.00	\$ 12,000.00	\$ 50.00	\$ 12,000.00	\$ 54.00	\$ 12,960.00	\$ 51.20
32	8" Tapping Tee & Valve	1	L.S.	\$ 3,000	\$ 3,000.00	\$ 2,700	\$ 2,700.00	\$ 4,500	\$ 4,500.00	\$ 4,037.80
33	Connect to existing Watermain	2	L.S.	\$ 2,000	\$ 4,000.00	\$ 750	\$ 1,500.00	\$ 1,050	\$ 2,100.00	\$ 1,232.70
34	Abandon existing Watermain	1	L.S.	\$ 1,500	\$ 1,500.00	\$ 1,500	\$ 1,500.00	\$ 1,500	\$ 1,500.00	\$ 1,010.90
35	12" Gate Valve & Box	4	EA	\$ 3,500	\$ 14,000.00	\$ 2,200	\$ 8,800.00	\$ 2,685	\$ 10,740.00	\$ 3,271.80
36	4" Gate Valve & Box	1	EA	\$ 800	\$ 800.00	\$ 750	\$ 750.00	\$ 1,285	\$ 1,285.00	\$ 1,277.40
37	Fire Hydrant Assembly	3	EA	\$ 4,000	\$ 12,000.00	\$ 3,700	\$ 11,100.00	\$ 4,900	\$ 14,700.00	\$ 5,816.30
38	Insulate Water Main	1	L.S.	\$ 500	\$ 500.00	\$ 300	\$ 300.00	\$ 350	\$ 350.00	\$ 1,136.30
39	Remove & Replace Curb & Gutter	60	L.F.	\$ 35.00	\$ 2,100.00	\$ 25.00	\$ 1,500.00	\$ 35.00	\$ 2,100.00	\$ 27.60
40	Bituminous Restoration (275#/sy)	100	S.Y.	\$ 14.00	\$ 1,400.00	\$ 35.00	\$ 3,500.00	\$ 45.00	\$ 4,500.00	\$ 18.00
Subtotal Watermain Costs (ineligible RD costs)					\$ 222,900.00		\$ 188,290.00		\$ 229,830.00	
Total Construction Cost Sewer & Water					\$ 936,382.00		\$ 849,844.00		\$ 927,452.75	
41A	Lower Water Main	1	L.S.	\$ 6,000	\$ 6,000.00	\$ 4,500	\$ 4,500.00	\$ 3,100	\$ 3,100.00	\$ 2,963.60
41B	Encase existing Water Main	1	L.S.	\$ 1,000	\$ 1,000.00	\$ 1,500	\$ 1,500.00	\$ 1,650	\$ 1,650.00	\$ 2,963.60
29A	12" PVC Watermain	2,020	L.F.	\$ 45.00	\$ 90,900.00	\$ 26.00	\$ 52,520.00	\$ 39.75	\$ 80,295.00	\$ 35.50
30A	12" PVC Directional Drill WM	360	L.F.	\$ 120.00	\$ 43,200.00	\$ 80.00	\$ 28,800.00	\$ 77.00	\$ 27,720.00	\$ 89.50
31A	8" PVC Watermain	240	L.F.	\$ 30.00	\$ 7,200.00	\$ 34.00	\$ 8,160.00	\$ 34.50	\$ 8,280.00	\$ 29.80
Subtotal PVC Watermain Costs (ineligible RD costs)					\$ 180,600.00		\$ 121,130.00		\$ 158,070.00	
Total Construction Cost Sewer & PVC Water					\$ 894,082.00		\$ 782,684.00		\$ 855,692.75	
Cost Savings for using PVC water main vs DI water main					\$ (42,300.00)		\$ (67,160.00)		\$ (71,760.00)	

Corrected Bid Cor

CHARTER TOWNSHIP OF HARING
CONTRACT 1 - BID TABULATION

Item	Description	Quantity	Unit	Avating, Inc.		Pete's Contracting		Elmer's		Jackson-Mer
				Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	
1	Audio Visual Route Survey	1	L.S.	\$ 1,406.00	\$ 3,134	\$ 3,134.00	\$ 3,283.50	\$ 3,283.50	\$ 2,000	
2	Mobilization	1	L.S.	\$ 5,000.00	\$ 21,928	\$ 21,928.00	\$ 33,481	\$ 33,481.00	\$ 53,000	
3	Traffic Control	1	L.S.	\$ 5,995.00	\$ 3,000	\$ 3,000.00	\$ 6,155	\$ 6,155.00	\$ 8,800	
4	Connect to Existing Gravity Sewer	3	L.S.	\$ 8,838.00	\$ 430	\$ 1,290.00	\$ 1,502	\$ 4,506.00	\$ 1,000	
5	Connect to Existing Force Main	2	L.S.	\$ 4,652.00	\$ 874	\$ 1,748.00	\$ 995	\$ 1,990.00	\$ 1,400	
6	Verify Existing Watermain	1	L.S.	\$ 3,454.00	\$ 520	\$ 520.00	\$ 1,525	\$ 1,525.00	\$ 900	
7	10" Sewer PVC Pipe (0' - 8')	2,985	L.F.	\$ 64,356.60	\$ 24.56	\$ 73,311.60	\$ 21.38	\$ 63,819.30	\$ 24.00	
8	8" Sewer PVC Pipe (0' - 8')	345	L.F.	\$ 7,345.05	\$ 27.48	\$ 9,480.60	\$ 23.65	\$ 8,159.25	\$ 34.00	
9	6" Sewer PVC Service Lead	1,415	L.F.	\$ 34,030.75	\$ 16.62	\$ 23,517.30	\$ 29.86	\$ 42,251.90	\$ 20.00	
10	Sanitary Sewer Manhole (0' - 8')	10	EA	\$ 36,770.70	\$ 2,612	\$ 26,120.00	\$ 3,142	\$ 31,420.00	\$ 2,400	
11	Manhole Additional Depth (> 8.1')	3.1	V.F.	\$ 1,613.55	\$ 75	\$ 232.50	\$ 349	\$ 1,081.90	\$ 200	
12	8" PVC Sewer Forcemain	4,190	L.F.	\$ 105,252.80	\$ 13.50	\$ 56,565.00	\$ 16.77	\$ 70,266.30	\$ 21.00	
13	6" PVC Sewer Forcemain	30	L.F.	\$ 2,363.40	\$ 30.00	\$ 900.00	\$ 165.00	\$ 4,950.00	\$ 150.00	
14	8" PVC Directional Drill Forcemain	835	L.F.	\$ 66,716.50	\$ 65.62	\$ 54,792.70	\$ 87.10	\$ 72,728.50	\$ 60.00	
15	8" PVC Sewer Forcemain in Casing	60	L.F.	\$ 4,125.60	\$ 22.00	\$ 1,320.00	\$ 68.00	\$ 4,080.00	\$ 41.00	
16	8" Valve & Box	3	EA	\$ 5,711.85	\$ 1,250	\$ 3,750.00	\$ 1,475	\$ 4,425.00	\$ 1,500	
17	Air Release & Vacuum Valve	3	EA	\$ 18,019.23	\$ 10,216	\$ 30,648.00	\$ 4,713	\$ 14,139.00	\$ 5,600	
18	Forcemain Cleanout assembly	7	EA	\$ 21,448.03	\$ 3,644	\$ 25,508.00	\$ 2,862	\$ 20,034.00	\$ 5,000	
19	Sewer Lead Cleanout	4	EA	\$ 2,793.28	\$ 364	\$ 1,456.00	\$ 532	\$ 2,128.00	\$ 750	
20	Pump Station & 7x10 Enclosure	1	L.S.	\$ 165,908.79	\$ 176,750	\$ 176,750.00	\$ 176,788.88	\$ 176,788.88	\$ 138,000	
21	Pump Station Pump Generator	1	L.S.	\$ 49,061.00	\$ 38,535	\$ 38,535.00	\$ 37,683.10	\$ 37,683.10	\$ 26,000	
22	Abandon Existing PS	1	L.S.	\$ 5,181.00	\$ 2,780	\$ 2,780.00	\$ 5,138	\$ 5,138.00	\$ 7,700	
23	Abandon Existing Force Main	1	L.S.	\$ 1,939.40	\$ 310	\$ 310.00	\$ 1,500	\$ 1,500.00	\$ 2,000	
24	Abandon Existing Sewer Main	3	L.S.	\$ 9,993.60	\$ 1,800	\$ 5,400.00	\$ 2,735	\$ 8,205.00	\$ 1,100	
25	Connect H&R Block Sanitary	1	L.S.	\$ 1,008.50	\$ 587	\$ 587.00	\$ 1,583	\$ 1,583.00	\$ 850	
26	Gravel Restoration	1,180	S.Y.	\$ 4,377.80	\$ 3.00	\$ 3,540.00	\$ 15.61	\$ 18,419.80	\$ 9.00	
27	Bituminous Restoration (275#/sy)	6,420	S.Y.	\$ 87,825.60	\$ 24.00	\$ 154,080.00	\$ 18.21	\$ 116,908.20	\$ 22.00	
28	Restoration	1	L.S.	\$ 31,769.00	\$ 3,250	\$ 3,250.00	\$ 20,800	\$ 20,800.00	\$ 33,000	
Subtotal Sewer Construction Costs				\$ 756,957.00		\$ 724,453.70		\$ 777,449.63		
29	12" DI Watermain	2,020	L.F.	\$ 112,089.80	\$ 56.80	\$ 114,736.00	\$ 56.82	\$ 114,776.40	\$ 65.00	
30	12" DI Directional Drill Watermain	360	L.F.	\$ 44,211.60	\$ 243.00	\$ 87,480.00	\$ 121.38	\$ 40,456.80	\$ 200.00	
31	8" DI Watermain	240	L.F.	\$ 12,302.40	\$ 84.00	\$ 20,160.00	\$ 50.96	\$ 12,230.40	\$ 75.00	
32	8" Tapping Tee & Valve	1	L.S.	\$ 4,037.80	\$ 3,704	\$ 3,704.00	\$ 4,015	\$ 4,015.00	\$ 3,025	
33	Connect to existing Watermain	2	L.S.	\$ 2,465.48	\$ 2,018	\$ 4,036.00	\$ 475	\$ 950.00	\$ 500	
34	Abandon existing Watermain	1	L.S.	\$ 1,010.91	\$ 300	\$ 300.00	\$ 850	\$ 850.00	\$ 1,200	
35	12" Gate Valve & Box	4	EA	\$ 13,087.52	\$ 2,200	\$ 8,800.00	\$ 2,570	\$ 10,280.00	\$ 2,400	
36	4" Gate Valve & Box	1	EA	\$ 1,277.44	\$ 760	\$ 760.00	\$ 1,117	\$ 1,117.00	\$ 2,200	
37	Fire Hydrant Assembly	3	EA	\$ 17,449.14	\$ 3,273	\$ 9,819.00	\$ 4,717	\$ 14,151.00	\$ 4,000	
38	Insulate Water Main	1	L.S.	\$ 1,136.30	\$ 250	\$ 250.00	\$ 425	\$ 425.00	\$ 400	
39	Remove & Replace Curb & Gutter	60	L.F.	\$ 1,657.20	\$ 30.00	\$ 1,800.00	\$ 60.25	\$ 3,615.00	\$ 29.00	
40	Bituminous Restoration (275#/sy)	100	S.Y.	\$ 1,800.00	\$ 27.00	\$ 2,700.00	\$ 30.00	\$ 3,000.00	\$ 21.00	
Subtotal Watermain Costs (ineligible RD costs)				\$ 212,525.59		\$ 254,545.00		\$ 205,866.60		
Total Construction Cost Sewer & Water				\$ 969,482.59		\$ 978,998.70		\$ 983,316.23		
41A	Lower Water Main	1	L.S.	\$ 2,963.65	\$ 3,800	\$ 3,800.00	\$ 5,906	\$ 5,906.00	\$ 6,000	
41B	Encase existing Water Main	1	L.S.	\$ 2,963.65	\$ 1,500	\$ 1,500.00	\$ 1,500	\$ 1,500.00	\$ 2,000	
29A	12" PVC Watermain	2,020	L.F.	\$ 71,710.00	\$ 33.00	\$ 66,660.00	\$ 30.50	\$ 61,610.00	\$ 39.00	
30A	12" PVC Directional Drill WM	360	L.F.	\$ 32,241.60	\$ 97.00	\$ 34,920.00	\$ 112.38	\$ 40,456.80	\$ 120.00	
31A	8" PVC Watermain	240	L.F.	\$ 7,168.80	\$ 72.00	\$ 17,280.00	\$ 35.00	\$ 8,400.00	\$ 54.00	
Subtotal PVC Watermain Costs (ineligible RD costs)				\$ 155,042.19		\$ 151,029.00		\$ 148,869.80		
Total Construction Cost Sewer & PVC Water				\$ 911,999.19		\$ 875,482.70		\$ 926,319.43		
Cost Savings for using PVC water main vs DI water main				\$ (57,483.40)		\$ (103,516.00)		\$ (56,996.80)		

bid

Qualified Bid to PVC/DD

CHARTER TOWNSHIP OF HARING
CONTRACT 1 - BID TABULATION

Item	Description	Quantity	Units	DeJ Contractors, Inc.		Crawford Contracting, Inc.		Ron Meyer & Associates Excavating, Inc.		Dykstra
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	
1	Audio Visual Route Survey	1	L.S.	\$ 2,000.00	\$ 2,000.00	\$ 3,000.00	\$ 3,000.00	\$ 2,200.00	\$ 2,200.00	\$ 2,000.00
2	Mobilization	1	L.S.	\$ 53,000.00	\$ 53,000.00	\$ 67,200.00	\$ 67,200.00	\$ 49,775.00	\$ 49,775.00	\$ 100,000.00
3	Traffic Control	1	L.S.	\$ 8,800.00	\$ 8,800.00	\$ 9,500.00	\$ 9,500.00	\$ 11,170.00	\$ 11,170.00	\$ 14,800.00
4	Connect to Existing Gravity Sewer	3	L.S.	\$ 3,000.00	\$ 3,000.00	\$ 1,500.00	\$ 4,500.00	\$ 1,390.00	\$ 4,170.00	\$ 800.00
5	Connect to Existing Force Main	2	L.S.	\$ 2,800.00	\$ 2,800.00	\$ 1,500.00	\$ 3,000.00	\$ 734.60	\$ 1,469.20	\$ 605.00
6	Verify Existing Watermain	1	L.S.	\$ 900.00	\$ 900.00	\$ 750.00	\$ 750.00	\$ 2,100.00	\$ 2,100.00	\$ 800.00
7	10" Sewer PVC Pipe (0' - 8')	2,985	L.F.	\$ 71,640.00	\$ 71,640.00	\$ 40.00	\$ 119,400.00	\$ 47.40	\$ 141,489.00	\$ 28.55
8	8" Sewer PVC Pipe (0' - 8')	345	L.F.	\$ 11,730.00	\$ 11,730.00	\$ 38.00	\$ 13,110.00	\$ 44.22	\$ 15,255.90	\$ 24.55
9	6" Sewer PVC Service Lead	1,415	L.F.	\$ 28,300.00	\$ 28,300.00	\$ 32.00	\$ 45,280.00	\$ 39.00	\$ 55,185.00	\$ 22.00
10	Sanitary Sewer Manhole (0' - 8')	10	EA	\$ 24,000.00	\$ 24,000.00	\$ 3,000.00	\$ 30,000.00	\$ 2,229.00	\$ 22,290.00	\$ 2,135.00
11	Manhole Additional Depth (> 8.1')	3.1	V.F.	\$ 620.00	\$ 620.00	\$ 200.00	\$ 620.00	\$ 245.00	\$ 759.50	\$ 100.00
12	8" PVC Sewer Forcemain	4,190	L.F.	\$ 87,990.00	\$ 87,990.00	\$ 29.00	\$ 121,510.00	\$ 22.25	\$ 93,227.50	\$ 35.15
13	6" PVC Sewer Forcemain	30	L.F.	\$ 4,500.00	\$ 4,500.00	\$ 28.00	\$ 840.00	\$ 233.00	\$ 6,990.00	\$ 20.00
14	8" PVC Directional Drill Forcemain	835	L.F.	\$ 50,100.00	\$ 50,100.00	\$ 65.00	\$ 54,275.00	\$ 75.00	\$ 62,625.00	\$ 216.70
15	8" PVC Sewer Forcemain in Casing	60	L.F.	\$ 2,460.00	\$ 2,460.00	\$ 56.00	\$ 3,360.00	\$ 54.00	\$ 3,240.00	\$ 40.00
16	8" Valve & Box	3	EA	\$ 4,500.00	\$ 4,500.00	\$ 1,400.00	\$ 4,200.00	\$ 1,374.00	\$ 4,122.00	\$ 1,200.00
17	Air Release & Vacuum Valve	3	EA	\$ 16,800.00	\$ 16,800.00	\$ 12,000.00	\$ 36,000.00	\$ 4,677.00	\$ 14,031.00	\$ 4,130.00
18	Forcemain Cleanout assembly	7	EA	\$ 35,000.00	\$ 35,000.00	\$ 3,850.00	\$ 26,950.00	\$ 3,187.00	\$ 22,309.00	\$ 4,025.00
19	Sewer Lead Cleanout	4	EA	\$ 3,000.00	\$ 3,000.00	\$ 1,500.00	\$ 6,000.00	\$ 520.00	\$ 2,080.00	\$ 250.00
20	Pump Station & 7x10 Enclosure	1	L.S.	\$ 138,000.00	\$ 138,000.00	\$ 180,000.00	\$ 180,000.00	\$ 224,000.00	\$ 224,000.00	\$ 237,000.00
21	Pump Station Pump Generator	1	L.S.	\$ 26,000.00	\$ 26,000.00	\$ 40,000.00	\$ 40,000.00	\$ 42,572.00	\$ 42,572.00	\$ 38,535.00
22	Abandon Existing PS	1	L.S.	\$ 7,700.00	\$ 7,700.00	\$ 10,000.00	\$ 10,000.00	\$ 13,150.00	\$ 13,150.00	\$ 10,000.00
23	Abandon Existing Force Main	1	L.S.	\$ 2,000.00	\$ 2,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,375.00	\$ 5,375.00	\$ 20,000.00
24	Abandon Existing Sewer Main	3	L.S.	\$ 3,300.00	\$ 3,300.00	\$ 2,000.00	\$ 6,000.00	\$ 3,775.00	\$ 11,325.00	\$ 2,700.00
25	Connect H&R Block Sanitary	1	L.S.	\$ 850.00	\$ 850.00	\$ 8,100.00	\$ 8,100.00	\$ 1,005.00	\$ 1,005.00	\$ 2,000.00
26	Gravel Restoration	1,180	S.Y.	\$ 10,620.00	\$ 10,620.00	\$ 3.75	\$ 4,425.00	\$ 6.00	\$ 7,080.00	\$ 10.00
27	Bituminous Restoration (275#/sy)	6,420	S.Y.	\$ 141,240.00	\$ 141,240.00	\$ 14.10	\$ 90,522.00	\$ 13.37	\$ 85,835.40	\$ 29.15
28	Restoration	1	L.S.	\$ 33,000.00	\$ 33,000.00	\$ 47,000.00	\$ 47,000.00	\$ 42,405.00	\$ 42,405.00	\$ 65,000.00
Subtotal Sewer Construction Costs				\$ 773,850.00		\$ 940,542.00		\$ 947,235.50		
29	12" DI Watermain	2,020	L.F.	\$ 131,300.00	\$ 131,300.00	\$ 62.78	\$ 126,815.60	\$ 60.13	\$ 121,462.60	\$ 59.15
30	12" DI Directional Drill Watermain	360	L.F.	\$ 72,000.00	\$ 72,000.00	\$ 104.45	\$ 37,602.00	\$ 147.73	\$ 53,182.80	\$ 258.65
31	8" DI Watermain	240	L.F.	\$ 18,000.00	\$ 18,000.00	\$ 55.00	\$ 13,200.00	\$ 72.61	\$ 17,426.40	\$ 60.75
32	8" Tapping Tee & Valve	1	L.S.	\$ 3,025.00	\$ 3,025.00	\$ 3,800.00	\$ 3,800.00	\$ 3,027.60	\$ 3,027.60	\$ 3,760.00
33	Connect to existing Watermain	2	L.S.	\$ 1,000.00	\$ 1,000.00	\$ 2,500.00	\$ 5,000.00	\$ 430.00	\$ 860.00	\$ 870.00
34	Abandon existing Watermain	1	L.S.	\$ 1,200.00	\$ 1,200.00	\$ 5,000.00	\$ 5,000.00	\$ 1,285.00	\$ 1,285.00	\$ 4,000.00
35	12" Gate Valve & Box	4	EA	\$ 9,600.00	\$ 9,600.00	\$ 2,300.00	\$ 9,200.00	\$ 2,151.00	\$ 8,604.00	\$ 2,020.00
36	4" Gate Valve & Box	1	EA	\$ 2,200.00	\$ 2,200.00	\$ 800.00	\$ 800.00	\$ 768.00	\$ 768.00	\$ 710.00
37	Fire Hydrant Assembly	3	EA	\$ 12,000.00	\$ 12,000.00	\$ 4,600.00	\$ 13,800.00	\$ 3,859.00	\$ 11,577.00	\$ 3,785.00
38	Insulate Water Main	1	L.S.	\$ 400.00	\$ 400.00	\$ 500.00	\$ 500.00	\$ 495.00	\$ 495.00	\$ 800.00
39	Remove & Replace Curb & Gutter	60	L.F.	\$ 1,740.00	\$ 1,740.00	\$ 35.00	\$ 2,100.00	\$ 31.00	\$ 1,860.00	\$ 30.00
40	Bituminous Restoration (275#/sy)	100	S.Y.	\$ 2,100.00	\$ 2,100.00	\$ 14.10	\$ 1,410.00	\$ 13.37	\$ 1,337.00	\$ 40.00
Subtotal Watermain Costs (ineligible RD costs)				\$ 254,565.00		\$ 219,227.60		\$ 221,885.40		
Total Construction Cost Sewer & Water				\$ 1,028,415.00		\$ 1,159,769.60		\$ 1,169,120.90		
41A	Lower Water Main	1	L.S.	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 7,100.00	\$ 7,100.00	\$ 6,250.00
41B	Encase existing Water Main	1	L.S.	\$ 2,000.00	\$ 2,000.00	\$ 1,500.00	\$ 1,500.00	\$ 4,500.00	\$ 4,500.00	\$ 2,200.00
29A	12" PVC Watermain	2,020	L.F.	\$ 78,780.00	\$ 78,780.00	\$ 45.00	\$ 90,900.00			\$ 37.20
30A	12" PVC Directional Drill WM	360	L.F.	\$ 43,200.00	\$ 43,200.00	\$ 55.00	\$ 19,800.00			\$ 231.20
31A	8" PVC Watermain	240	L.F.	\$ 12,960.00	\$ 12,960.00	\$ 40.00	\$ 9,600.00			\$ 43.75
Subtotal PVC Watermain Costs (ineligible RD costs)				\$ 168,205.00		\$ 161,910.00				
Total Construction Cost Sewer & PVC Water				\$ 942,055.00		\$ 1,102,452.00				
Cost Savings for using PVC water main vs DI water main				\$ (86,360.00)		\$ (57,317.60)				

No RD Forms & No PVC Bid

CHARTER TOWNSHIP OF HARING
CONTRACT 1 - BID TABULATION

Item	Description	Quantity	Unit	Excavating	
				Amount	
1	Audio Visual Route Survey	1	L.S.	\$	2,000.00
2	Mobilization	1	L.S.	\$	100,000.00
3	Traffic Control	1	L.S.	\$	14,800.00
4	Connect to Existing Gravity Sewer	3	L.S.	\$	2,400.00
5	Connect to Existing Force Main	2	L.S.	\$	1,210.00
6	Verify Existing Watermain	1	L.S.	\$	800.00
7	10" Sewer PVC Pipe (0' - 8')	2,985	L.F.	\$	85,221.75
8	8" Sewer PVC Pipe (0' - 8')	345	L.F.	\$	8,469.75
9	6" Sewer PVC Service Lead	1,415	L.F.	\$	31,130.00
10	Sanitary Sewer Manhole (0' - 8')	10	EA	\$	21,350.00
11	Manhole Additional Depth (> 8.1')	3.1	V.F.	\$	310.00
12	8" PVC Sewer Forcemain	4,190	L.F.	\$	147,278.50
13	6" PVC Sewer Forcemain	30	L.F.	\$	600.00
14	8" PVC Directional Drill Forcemain	835	L.F.	\$	180,944.50
15	8" PVC Sewer Forcemain in Casing	60	L.F.	\$	2,400.00
16	8" Valve & Box	3	EA	\$	3,600.00
17	Air Release & Vacuum Valve	3	EA	\$	12,390.00
18	Forcemain Cleanout assembly	7	EA	\$	28,175.00
19	Sewer Lead Cleanout	4	EA	\$	1,000.00
20	Pump Station & 7x10 Enclosure	1	L.S.	\$	237,000.00
21	Pump Station Pump Generator	1	L.S.	\$	38,535.00
22	Abandon Existing PS	1	L.S.	\$	10,000.00
23	Abandon Existing Force Main	1	L.S.	\$	20,000.00
24	Abandon Existing Sewer Main	3	L.S.	\$	8,100.00
25	Connect H&R Block Sanitary	1	L.S.	\$	2,000.00
26	Gravel Restoration	1,180	S.Y.	\$	11,800.00
27	Bituminous Restoration (275#/sy)	6,420	S.Y.	\$	187,143.00
28	Restoration	1	L.S.	\$	65,000.00
Subtotal Sewer Construction Costs				\$	1,223,657.50
29	12" DI Watermain	2,020	L.F.	\$	119,483.00
30	12" DI Directional Drill Watermain	360	L.F.	\$	93,114.00
31	8" DI Watermain	240	L.F.	\$	14,580.00
32	8" Tapping Tee & Valve	1	L.S.	\$	3,760.00
33	Connect to existing Watermain	2	L.S.	\$	1,740.00
34	Abandon existing Watermain	1	L.S.	\$	4,000.00
35	12" Gate Valve & Box	4	EA	\$	8,080.00
36	4" Gate Valve & Box	1	EA	\$	710.00
37	Fire Hydrant Assembly	3	EA	\$	11,355.00
38	Insulate Water Main	1	L.S.	\$	800.00
39	Remove & Replace Curb & Gutter	60	L.F.	\$	1,800.00
40	Bituminous Restoration (275#/sy)	100	S.Y.	\$	4,000.00
Subtotal Watermain Costs (ineligible RD costs)				\$	263,422.00
Total Construction Cost Sewer & Water				\$	1,487,079.50
41A	Lower Water Main	1	L.S.	\$	6,250.00
41B	Encase existing Water Main	1	L.S.	\$	2,200.00
29A	12" PVC Watermain	2,020	L.F.	\$	75,144.00
30A	12" PVC Directional Drill WM	360	L.F.	\$	83,232.00
31A	8" PVC Watermain	240	L.F.	\$	10,500.00
Subtotal PVC Watermain Costs (ineligible RD costs)				\$	205,121.00
Total Construction Cost Sewer & PVC Water				\$	1,428,778.50
Cost Savings for using PVC water main vs DI water main				\$	(58,301.00)

Change Order

No. One

Date of Issuance: _____ Effective Date: _____

Project: Sanitary Sewer & Watermain	Owner: Charter Township of Haring	Owner's Contract No.: Contract 1
Contract: Contract 1 – Sanitary Sewer & Water Main		Date of Contract:
Contractor: Sterling Excavating		Engineer's Project No.: 2012190.09

The Contract Documents are modified as follows upon execution of this Change Order:

Description:
Modify 10" gravity sewer quantity and directional drill force main and open cut force main due to MDOT permit requirement
Modify directional drill water main and open cut water main due to MDOT permit requirement
Add contract requirements to comply with PA 517 of 2012 and modify interest rate in Article 7 Section 7.01 of Agreement
Attachments (list documents supporting change): Attached details

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

Original Contract Price: \$ <u>782,684.00</u>	Original Contract Times: <input type="checkbox"/> Working days <input checked="" type="checkbox"/> Calendar days Substantial completion (days or date): <u>June 30, 2015</u> Ready for final payment (days or date): <u>July 18, 2015</u>
Increase Decrease from previously approved Change Orders No. <u>N/A</u> to No. <u>N/A</u> : \$ <u>0.00</u>	Increase Decrease from previously approved Change Orders No. <u>N/A</u> to No. <u>N/A</u> : Substantial completion (days): <u>N/A</u> Ready for final payment (days): <u>N/A</u>
Contract Price prior to this Change Order: \$ <u>782,684.00</u>	Contract Times prior to this Change Order: Substantial completion (days or date): <u>June 30, 2015</u> Ready for final payment (days or date): <u>July 18, 2015</u>
Increase Decrease of this Change Order: \$ <u>(3,780.00)</u>	Increase Decrease of this Change Order: Substantial completion (days or date): <u>No Change</u> Ready for final payment (days or date): <u>No Change</u>
Contract Price incorporating this Change Order: \$ <u>778,904.00</u>	Contract Times with all approved Change Orders: Substantial completion (days or date): <u>June 30, 2015</u> Ready for final payment (days or date): <u>July 18, 2015</u>

RECOMMENDED: By: _____ Engineer (Authorized Signature) Date: _____ Approved by Funding Agency (if applicable): _____	ACCEPTED: By: _____ Owner (Authorized Signature) Date: _____	ACCEPTED: By: _____ Contractor (Authorized Signature) Date: _____ Date: _____
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**CHARTER TOWNSHIP OF HARING
CONTRACT 1 - CHANGE ORDER ONE ATTACHMENT**

Contract I

BASE SEWER LOW BID					\$ 661,554.00
Bid Quantity of 10" Sewer	2,985				
Actual Plan Quantity 10" Sewer	2,649				
Over Bid Quantity of 10" Sewer	336	\$	30.00	\$	(10,080.00)
Potential Add'l Sewer Bore	70	\$	50.00	\$	3,500.00
Deduct open cut FM	70	\$	14.00	\$	(980.00)
Potential Net Change in sewer bid				\$	(7,560.00)
NEW NET SEWER LOW BID					\$ 653,994.00
BASE WATER MAIN LOW BID PVC					\$ 121,130.00
Potential Add'l Water Bore	70	\$	80.00	\$	5,600.00
Deduct open cut WM	70	\$	26.00	\$	(1,820.00)
Potential Net Change in Water bid				\$	3,780.00
NEW NET WATER MAIN LOW BID PVC					\$ 124,910.00
NEW NET SEWER & WATER MAIN BID					\$ 778,904.00

MDOT permit just issued requires work to be outside fence area, increase sewer and water main bores by approximately 70 feet each.

The following comments will be incorporated into the Contract Documents.

1. The successful contractor must certify compliance with PA 517 of 2012 (not an "Iran-linked business).
2. Article 7, Section 7.01 of the Agreement (EJCDC C-520) (p. 3 of 7) should be changed from "maximum legal rate" to "at the rate of 7 percent per annum."

EXHIBIT B

**Project Engineer's Recommendation Letter
and Bid Tab for Contract No. 2 – Wastewater Treatment Plant**



Gosling Czubak
engineering sciences, Inc.

*Engineers • Surveyors
Landscape Architects
Environmental Services*

February 8, 2014

Mr. Robert Scarbrough
Charter Haring Township
515 Bell Avenue
Cadillac, MI 49601-0282

Subject: Contract 2 – Wastewater Treatment Plant

Dear Bob:

On January 27, 2014 bids were opened on the subject project. A total of ten bids were received and the base bids ranged from a low of \$3,363,642 to a high of \$4,315,342. The Contract 2 low base bidder was Grand Traverse Construction (GTC) out of Traverse City, MI with a bid of \$3,363,642. In addition, alternate bids for Contract 2 to pave the entrance road were taken. GTC's alternate bid for paving the entrance road was an additional \$45,000.

We have successfully worked with GTC on similar projects in the past and believe they are qualified to perform the work and would recommend the Township award Contract 2 to GTC.

After bids were opened, value engineering was conducted with GTC to develop cost reduction options due to some higher than expected costs for particular bid items. The value engineering summary noting the proposed adjustments in the overall contract are attached. The summary illustrates the value engineering gross cost reduction of up to \$197,804. The net cost reduction will range from \$86,804 to \$131,804 as the Township will need to set aside funds to bring utilities into the WWTP from Boon Road. Finally, we would recommend the Township consider paving the entrance road into the plant as bid by GTC. In summary, Item #1 in the value engineering summary notes a credit of \$24,075 to change from one type of gravel base to another (4G to 22A). As noted above, the alternate bid item for the road was an additional \$45,000, but with a credit of \$24,075 to use a different gravel base, the Township could get a paved entrance road per the alternate bid provided by GTC for a cost of \$20,925 (\$45,000 – \$24,075 = \$20,925).

In summary it would be our recommendation to award Contract 2 to GTC and to accept the alternate bid for a paved entrance road into the WWTP. The bid should be awarded in the submitted amount of \$3,363,642 contingent upon change order one being executed with GTC based upon the GTC Value Engineering Summary submitted January 31, 2014 (see attached). At the time of contract signing, attached change order one should be executed to reduce the contract amount by \$152,804 (\$Value Engineering Total – Paved Road; \$197,804 - \$45,000 = \$152,804). Once the change order is executed the contract amount would be \$3,210,838.

Mr. Robert Scarbrough
Contract 2 – WWTP

Page 2

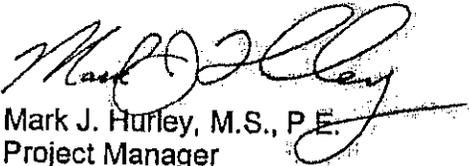
February 8, 2014

A copy of the bid tabulation and summary showing the proposed changes for Change Order One are attached for your review.

If you have any questions, please call.

Sincerely,

GOSLING CZUBAK



Mark J. Hurley, M.S., P.E.
Project Manager
Enc.



Gosling Czubak
engineering sciences, inc.

Contract II - WWTP
Haring Township

Item	Item Description	Qty	Unit	GTC	
				Unit Price	Total
1	Div 1 - General Conditions, Bonds & Insurance	1	lsum	\$ 147,514.00	\$ 147,514.00
2	Div 2 - Sitework	1	lsum	\$ 517,023.00	\$ 517,023.00
3	Div 3 - Concrete	1	lsum	\$ 642,597.00	\$ 642,597.00
4	Div 4 - Masonry	1	lsum	\$ 17,514.00	\$ 17,514.00
5	Div 5,6,7,8,9,10 - Carpentry and Finishes	1	lsum	\$ 262,275.00	\$ 262,275.00
6	Div 11 - Equipment	1	lsum	\$ 351,470.00	\$ 351,470.00
6a	Headworks Equipment Allowance	1	lsum	\$ 94,026.00	\$ 94,026.00
6b	Oxy Ditch and Clarifier Equipment Allowance	1	lsum	\$ 271,799.00	\$ 271,799.00
6c	Tertiary Filter Equipment Allowance	1	lsum	\$ 98,631.00	\$ 98,631.00
6d	Ultraviolet Disinfection Equipment Allowance	1	lsum	\$ 51,685.00	\$ 51,685.00
7	Div 12 - Furnishings	1	lsum	\$ 19,311.00	\$ 19,311.00
8	Div 13 - Chemical Tanks	1	lsum	\$ 21,892.00	\$ 21,892.00
9	Div 15 - Mechanical	1	lsum	\$ 337,760.00	\$ 337,760.00
10a	Div 16 - Electrical	1	lsum	\$ 376,290.00	\$ 376,290.00
10b	Div 16 - Instrumentation	1	lsum	\$ 153,855.00	\$ 153,855.00
					\$ 3,666,642.00

Contract II - WWTP
Haring Township

D&W		M&D	
Unit Price	Total	Unit Price	Total
\$ 40,000.00	\$ 40,000.00	\$ 484,361.00	\$ 484,361.00
\$ 540,000.00	\$ 540,000.00	\$ 520,255.00	\$ 520,255.00
\$ 1,124,000.00	\$ 1,124,000.00	\$ 762,342.00	\$ 762,342.00
\$ 20,000.00	\$ 20,000.00	\$ 22,980.00	\$ 22,980.00
\$ 200,000.00	\$ 200,000.00	\$ 275,290.00	\$ 275,290.00
\$ 20,000.00	\$ 20,000.00	\$ 227,258.00	\$ 227,258.00
\$ 94,026.00	\$ 94,026.00	\$ 94,026.00	\$ 94,026.00
\$ 271,799.00	\$ 271,799.00	\$ 271,799.00	\$ 271,799.00
\$ 98,631.00	\$ 98,631.00	\$ 98,631.00	\$ 98,631.00
\$ 51,685.00	\$ 51,685.00	\$ 51,685.00	\$ 51,685.00
\$ 20,000.00	\$ 20,000.00	\$ 89,390.00	\$ 89,390.00
\$ 10,000.00	\$ 10,000.00	\$ 21,000.00	\$ 21,000.00
\$ 620,000.00	\$ 620,000.00	\$ 323,990.00	\$ 323,990.00
\$ 400,000.00	\$ 400,000.00	\$ 386,950.00	\$ 386,950.00
\$ 127,859.00	\$ 127,859.00	\$ 93,097.00	\$ 93,097.00
	\$ 3,638,000.00		\$ 3,723,054.00

Contract II - WWTP
Haring Township

RO		Class	
Unit Price	Total	Unit Price	Total
\$ 170,000.00	\$ 170,000.00	\$ 339,380.00	\$ 339,380.00
\$ 430,000.00	\$ 430,000.00	\$ 523,641.00	\$ 523,641.00
\$ 1,020,000.00	\$ 1,020,000.00	\$ 874,558.00	\$ 874,558.00
\$ 20,000.00	\$ 20,000.00	\$ 18,800.00	\$ 18,800.00
\$ 400,000.00	\$ 400,000.00	\$ 334,057.00	\$ 334,057.00
\$ 240,000.00	\$ 240,000.00	\$ -	\$ -
\$ 94,026.00	\$ 94,026.00	\$ 94,026.00	\$ 94,026.00
\$ 271,799.00	\$ 271,799.00	\$ 271,799.00	\$ 271,799.00
\$ 98,631.00	\$ 98,631.00	\$ 98,631.00	\$ 98,631.00
\$ 51,685.00	\$ 51,685.00	\$ 51,685.00	\$ 51,685.00
\$ 24,000.00	\$ 24,000.00	\$ 62,088.00	\$ 62,088.00
\$ 23,000.00	\$ 23,000.00	\$ -	\$ -
\$ 340,000.00	\$ 340,000.00	\$ 603,646.00	\$ 603,646.00
\$ 430,000.00	\$ 430,000.00	\$ 360,950.00	\$ 360,950.00
\$ 135,000.00	\$ 135,000.00	\$ 126,800.00	\$ 126,800.00
	\$ 3,748,141.00		\$ 3,760,061.00

Contract II - WWTP
Haring Township

FISC		PAV		Grand River	
Unit Price	Total	Unit Price	Total	Unit Price	Total
\$ 400,859.00	\$ 400,859.00	\$ 389,351.00	\$ 389,351.00	\$ 266,859.00	\$ 266,859.00
\$ 525,000.00	\$ 525,000.00	\$ 524,409.00	\$ 524,409.00	\$ 577,300.00	\$ 577,300.00
\$ 857,000.00	\$ 857,000.00	\$ 825,000.00	\$ 825,000.00	\$ 1,055,100.00	\$ 1,055,100.00
\$ 21,000.00	\$ 21,000.00	\$ 18,800.00	\$ 18,800.00	\$ 19,600.00	\$ 19,600.00
\$ 274,000.00	\$ 274,000.00	\$ 368,022.00	\$ 368,022.00	\$ 302,700.00	\$ 302,700.00
\$ 302,000.00	\$ 302,000.00	\$ 319,000.00	\$ 319,000.00	\$ 259,500.00	\$ 259,500.00
\$ 94,026.00	\$ 94,026.00	\$ 94,026.00	\$ 94,026.00	\$ 94,026.00	\$ 94,026.00
\$ 271,799.00	\$ 271,799.00	\$ 271,799.00	\$ 271,799.00	\$ 271,799.00	\$ 271,799.00
\$ 98,631.00	\$ 98,631.00	\$ 98,631.00	\$ 98,631.00	\$ 98,631.00	\$ 98,631.00
\$ 51,685.00	\$ 51,685.00	\$ 51,685.00	\$ 51,685.00	\$ 51,685.00	\$ 51,685.00
\$ 21,000.00	\$ 21,000.00	\$ 31,550.00	\$ 31,550.00	\$ 15,700.00	\$ 15,700.00
\$ 21,000.00	\$ 21,000.00	\$ 15,000.00	\$ 15,000.00	\$ 21,800.00	\$ 21,800.00
\$ 327,000.00	\$ 327,000.00	\$ 369,000.00	\$ 369,000.00	\$ 337,000.00	\$ 337,000.00
\$ 400,000.00	\$ 400,000.00	\$ 396,797.00	\$ 396,797.00	\$ 435,400.00	\$ 435,400.00
\$ 99,000.00	\$ 99,000.00	\$ 100,656.00	\$ 100,656.00	\$ 99,400.00	\$ 99,400.00
\$ 3,764,000.00		\$ 3,873,726.00		\$ 3,906,500.00	

Contract II - WWTP
Haring Township

Special B		Special A	
Unit Price	Total	Unit Price	Total
\$ 510,815.00	\$ 510,815.00	\$ 427,860.00	\$ 427,860.00
\$ 511,272.00	\$ 511,272.00	\$ 609,906.00	\$ 609,906.00
\$ 923,993.00	\$ 923,993.00	\$ 806,530.00	\$ 806,530.00
\$ 16,800.00	\$ 16,800.00	\$ 44,613.00	\$ 44,613.00
\$ 281,461.00	\$ 281,461.00	\$ 440,955.00	\$ 440,955.00
\$ 312,074.00	\$ 312,074.00	\$ -	\$ -
\$ 94,026.00	\$ 94,026.00	\$ 94,026.00	\$ 94,026.00
\$ 271,799.00	\$ 271,799.00	\$ 271,799.00	\$ 271,799.00
\$ 98,631.00	\$ 98,631.00	\$ 98,631.00	\$ 98,631.00
\$ 51,685.00	\$ 51,685.00	\$ 51,685.00	\$ 51,685.00
\$ 35,567.00	\$ 35,567.00	\$ 77,720.00	\$ 77,720.00
\$ 21,000.00	\$ 21,000.00	\$ 35,766.00	\$ 35,766.00
\$ 323,990.00	\$ 323,990.00	\$ 698,895.00	\$ 698,895.00
\$ 394,797.00	\$ 394,797.00	\$ 513,789.00	\$ 513,789.00
\$ 100,656.00	\$ 100,656.00	\$ 143,167.00	\$ 143,167.00
	\$ 3,948,566.00		\$ 4,315,342.00



GRAND TRAVERSE CONSTRUCTION

January 31, 2014

Gosling Czubak
1280 Business Park Drive
Traverse City, MI 49686
Attn: Mark Hurley

RE: Haring Township WWTP

Value Engineering Summary

Grand Traverse Construction proposes the following value engineering options based on conversations with Gosling Czubak and GTC's subcontractor recommendations. Grand Traverse Construction has not included any costs associated with modifications to the plans and specifications to meet selected VE options.

Civil Drawings

Item #1- Change specified G4 gravel to 22A natural aggregate.

DEDUCT =	\$ 24,075.00
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Item #2- Change 4" DIP waterline to C-900.

DEDUCT =	\$ 2,340.00
----------	-------------

Item #3- Owner will furnish and supply all water required for the leak tests on all concrete structures and Basins.

DEDUCT =	\$ 6,000.00
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Item #4- Change all process pipe not under concrete structures to comparable PVC.

DEDUCT =	\$ 8,690.00
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GRAND TRAVERSE CONSTRUCTION

Building Related Changes

Item #5- Eliminated cast in stair nosing at steps. GTC will provide a tooled nosing.

DEDUCT =	\$ 1,350.00
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Item #6- Change specified waterproofing & Protection board on the basement walls to GMX ultra shield waterproofing w/o protection board.

DEDUCT =	\$ 3,780.00
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Item #7- Provide and install or equal Wayne Dalton overhead doors by Cadillac Garage Door in lieu of specified.

DEDUCT =	\$ 638.00
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Item #8- If owner provides grit and screening trash dumpsters deduct.

DEDUCT =	\$ 2,500.00
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Item #9- If owner provides Lab equipment per plans and specifications deduct:

DEDUCT =	\$ 69,000.00
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Item #10- Change FRP windows to a comparable Aluminum Wojan window. Please note: windows will have an XO configuration (one panel will be fixed the next will be active.

DEDUCT =	\$ 3,200.00
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Item #11- Change Doors 1,3,7,12,19,20 and 21 from FRP doors to Insulated, Galvanized hollow metal. These doors will also receive finish paint.

DEDUCT =	\$ 2,521.00
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GRAND TRAVERSE CONSTRUCTION

MECHANICAL

Item #15- Change specified FRP Storage Tanks to Edwards FRP tanks (2).

DEDUCT =	\$ 3,500.00
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Item #16- Mechanical changes per Nealis Engineering Memo dated 2/3/2014

DEDUCT =	\$ 30,531.00
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Item #18- Change all DIP process pipe to comparable PVC. All under slab to remain DIP.

DEDUCT =	\$ 10,968.00
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Item #19- Eliminate Painting on process pipe changed to PVC

DEDUCT =	\$ 7,500.00
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Item #20- Provide Rhombus control panels for the 4 submersible lift stations in lieu of specified.

DEDUCT =	\$ 4,040.00
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ELECTRICAL

Item # 21- Provide a 250 KW generator with a 350 KW Alternator. This is a parallel unit so at a later date a second generator could be added. ATS will stay the same.

DEDUCT =	\$ 7,450.00
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GRAND TRAVERSE CONSTRUCTION

- Item # 22- Revise the site lighting to a Type AA-ALT by Lithonia. DSX LED 40c 700 40K T5W 480 SPA DDBXD and is 700MA. Change pole to Lithonia Brand SSS 35 5 G DM19 DDB BC Steel Pole.
- Item #23- Change conduit to PVC from GRC

DEDUCT (item 22 and 23)=

\$ 17,171.00

Thank you for the opportunity to work with you on this project.

Respectfully,

Chris Weber

Director of Operations

Grand Traverse Construction

EXHIBIT C

Change Order No. 1 for Contract No. 1 and Contract No. 2

**Change Order
No. One**

Date of Issuance: _____ Effective Date: _____

Project: Sanitary Sewer & Watermain	Owner: Charter Township of Haring	Owner's Contract No.: Contract 1
Contract: Contract 1 – Sanitary Sewer & Water Main		Date of Contract:
Contractor: Sterling Excavating		Engineer's Project No.: 2012190.09

The Contract Documents are modified as follows upon execution of this Change Order:

Description:
 Modify 10" gravity sewer quantity and directional drill force main and open cut force main due to MDOT permit requirement
 Modify directional drill water main and open cut water main due to MDOT permit requirement
 Add contract requirements to comply with PA 517 of 2012 and modify interest rate in Article 7 Section 7.01 of Agreement
Attachments (list documents supporting change): Attached details

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

Original Contract Price: \$ <u>782,684.00</u>	Original Contract Times: <input type="checkbox"/> Working days <input checked="" type="checkbox"/> Calendar days Substantial completion (days or date): <u>June 30, 2015</u> Ready for final payment (days or date): <u>July 18, 2015</u>
{Increase} {Decrease} from previously approved Change Orders No. <u>N/A</u> to No. <u>N/A</u> : \$ <u>0.00</u>	{Increase} {Decrease} from previously approved Change Orders No. <u>N/A</u> to No. <u>N/A</u> : Substantial completion (days): <u>N/A</u> Ready for final payment (days): <u>N/A</u>
Contract Price prior to this Change Order: \$ <u>782,684.00</u>	Contract Times prior to this Change Order: Substantial completion (days or date): <u>June 30, 2015</u> Ready for final payment (days or date): <u>July 18, 2015</u>
{Increase} {Decrease} of this Change Order: \$ <u>(3,780.00)</u>	{Increase} {Decrease} of this Change Order: Substantial completion (days or date): <u>No Change</u> Ready for final payment (days or date): <u>No Change</u>
Contract Price incorporating this Change Order: \$ <u>778,904.00</u>	Contract Times with all approved Change Orders: Substantial completion (days or date): <u>June 30, 2015</u> Ready for final payment (days or date): <u>July 18, 2015</u>

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____ Engineer (Authorized Signature)	By: _____ Owner (Authorized Signature)	By: _____ Contractor (Authorized Signature)
Date: _____	Date: _____	Date: _____
Approved by Funding Agency (if applicable): _____		Date: _____

Change Order

No. 1

Date of Issuance: February 13, 2014 Effective Date: February 13, 2014

Project: WWTP	Owner: Charter Township of Haring	Owner's Contract No.:
Contract: WWTP	Date of Contract: TBD	
Contractor: Grand Traverse Construction	Engineer's Project No.: 2012190.00	

The Contract Documents are modified as follows upon execution of this Change Order:

Description: Per Attachments

Attachments (list documents supporting change):
 VE Summary and attachment to Change Order No. 1

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

Original Contract Price:
\$3,363,642

Original Contract Times: Working days Calendar days
 Substantial completion (days or date):
 Ready for final payment (days or date):

[Increase] [Decrease] from previously approved
 Change Orders No. ____ to No. ____;
 \$ _____

[Increase] [Decrease] from previously approved Change Orders
 No. ____ to No. ____;
 Substantial completion (days): _____
 Ready for final payment (days): _____

Contract Price prior to this Change Order:
 \$ _____

Contract Times prior to this Change Order:
 Substantial completion (days or date): _____
 Ready for final payment (days or date): _____

[Increase] [Decrease] of this Change Order:
\$152,804

[Increase] [Decrease] of this Change Order:
 Substantial completion (days or date): _____
 Ready for final payment (days or date): _____

Contract Price incorporating this Change Order:
\$3,210,838

Contract Times with all approved Change Orders:
 Substantial completion (days or date): _____
 Ready for final payment (days or date): _____

RECOMMENDED:
 By: _____
 Engineer (Authorized Signature)

ACCEPTED:
 By: _____
 Owner (Authorized Signature)

ACCEPTED:
 By: _____
 Contractor (Authorized Signature)

Date: _____
 Approved by Funding Agency (if applicable):

Date: _____

Date: _____

Date: _____

Attachment to Change Order No.1

The following comments will be incorporated into the Contract Documents.

1. The successful contractor must certify compliance with PA 517 of 2012 (not an "Iran-linked business).
2. Article 7, Section 7.01 of the Agreement (EJCDC C-520) (p. 3 of 7) should be changed from "maximum legal rate" to "at the rate of 7 percent per annum."
3. The Charter Township of Haring intends to finance a portion of the cost of the Project, namely the purchase of Bid Item #6b (Oxidation Ditch and Clarifier Equipment) (the "Equipment"), through the use of an installment purchase agreement under the provisions of Act 99 of the Public Acts of Michigan of 1933, as amended ("Act 99"). The Equipment is to be supplied by Lakeside Equipment to Grand Traverse Construction (the "Vendor"). The installment purchase agreement will be between the Township, the Vendor, and U.S. Department of Agriculture – Rural Development ("RD"). The Vendor will be required to execute an installment purchase agreement, in substantially the form on file with the Township, and other related certificates with respect to the Equipment with the Township and RD.

The Township's obligation to proceed with the Project, purchase the Equipment, and enter into the contract for the construction of the Project is expressly conditioned on the Township closing on the installment purchase agreement for the Equipment and the Township's issuance of its Sewer Revenue Bonds for the financing of the Project.

EXHIBIT 11

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE Township Board

OF THE Haring Charter Township

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS Sewer

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Haring Charter Township

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of Two Million Nine Hundred Thirty-One Thousand

pursuant to the provisions of Revenue Bond P.A. No. 94 of 1933, as amended; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its 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 periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal by permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- 11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
- 12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
- 13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
- 14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
- 15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17. To accept a grant in an amount not to exceed \$ 595,000.00

under the terms offered by the Government; that the Supervisor

and Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 7 Nays None Absent None

IN WITNESS WHEREOF, the Township Board of the Haring Charter Township has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this February, 13 day of 2014

(SEAL)

Attest: Kirk Soule

Title Clerk

Haring Charter Township

By [Signature]

Title Supervisor

EXHIBIT 12

LOAN RESOLUTION (Public Bodies)

A RESOLUTION OF THE Township Board

OF THE Haring Charter Township

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Sewer

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE

WHEREAS, it is necessary for the Haring Charter Township

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of One Hundred Seventeen Thousand

pursuant to the provisions of Installment Purchase P.A. No. 99 of 1933, as amend and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its 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 periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- 11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
- 12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
- 13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
- 14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
- 15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17. To accept a grant in an amount not to exceed \$ 304,000.00

under the terms offered by the Government; that the Supervisor

and Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 7 Nays None Absent None

IN WITNESS WHEREOF, the Township Board of the

Haring Charter Township has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this February, 13 day of 2014

(SEAL)

Attest: Kirk Soule

Title Clerk

Haring Charter Township

By [Signature]

Title Supervisor

EXHIBIT 13

James K. White

From: Smith, Blake - RD, Traverse City, MI <blake.smith@mi.usda.gov>
Sent: Tuesday, February 18, 2014 8:39 AM
To: James K. White; Corey J. Wiggins
Cc: caroscar@netonecom.net; Theron Parker (tparker@twpofharing.org); Doug Coates
Subject: FW: Haring Charter Township
Attachments: Haring Charter Township - sewer loan - michigan.docx; SCAN8757_000.pdf

Hi All,

Attached are the Closing Instructions and Michigan State Director's Docket Requirements. These are normal requirements and can be completed within the next three weeks. Please forward any items in these attachments or prior emails from me when you have them ready.

Blake Smith | Area Specialist
Rural Development
U.S. Department of Agriculture
1501 Cass St., Suite A | Traverse City, MI 49684
Phone: 1.800.944.8119 | Fax: 231.929.7890
www.rurdev.usda.gov

"Committed to the future of rural communities"
"Estamos dedicados al futuro de las comunidades rurales"

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1718 Peachtree Street, N.W.
Suite 576
Atlanta, Georgia 30309
Telephone: 404-347-1060
Facsimile: 404-347-1065

March 25, 2014

TO: Christine M. Maxwell
Community Programs Director
East Lansing, Michigan

FROM: Judith E. McKenzie-Abraham
Attorney

SUBJECT: **Haring Charter Township - SEWER**
Community Project: Sewer System Improvements
Loan: \$2,931,000 – 40 years, 2.75%
Sewer Revenue Bond, to be issued pursuant to PA 94 of 1933, as Amended

CLOSING INSTRUCTIONS

This transaction must be closed in accordance with Rural Development Instructions, the State Director's instructions, and the instructions contained herein. All requirements to the extent possible must be completed before the closing date.

1. All requirements of bond counsel must be met.
2. A Loan Resolution (Public Bodies) (RUS Bulletin 1780-27) must be properly completed, dated and executed, and included in the docket. The Certification To Be Executed At Loan Closing, which is the last page of the loan resolution, must not be executed or dated until the day of closing.
3. Evidence of the commitment of all necessary funds must be included in the docket.
4. All taxes and assessments now delinquent or becoming delinquent relating to or affecting the site(s) and rights-of-way of the project must be paid.
5. Evidence of adequate insurance and bonding must be in the docket. If the form of fidelity bond to be used is not Form RD 440-24, then the form must be approved by Rural Development.

6. The docket contains a Preliminary Title Opinion describing property vested in the applicant. The property is subject to a reversionary interest, however, the applicant will satisfy all requirements to prevent the reversion. The reversionary interest is not a concern. Should additional property be acquired, the docket should contain a final opinion describing that interest. The docket must contain an owner's insurance policy in an amount acceptable to Rural Development, and that reflects good and marketable fee simple title, or a perpetual easement, vested in the borrower.
7. All of the State Director's docket requirements must be met.
8. All of the conditions set forth in the Area Specialist's May 8, 2012 letter to the applicant must be met.
9. The applicant should present to the State Director its duly executed bond(s). The State Director should ascertain that the bond(s) has been properly executed, sealed, dated and duly registered. He or she should also ascertain that the maturity schedule of the bond(s) is correct and that the form of the bond complies with the bond ordinance. Finally, he or she should ascertain that the final unqualified, approving opinion of recognized bond counsel covering the delivered bond(s) has been dated and executed.
10. The bond transcript should be delivered to USDA.
11. The docket should contain evidence that the project is consistent with the current comprehensive water and sewer plan.
12. The last step must be the delivery of the funds.
13. Each requirement of these closing instructions when complied with should be initialed by you and the applicant's attorney, and the certificates below should be executed. Please return position 5 of the docket, bond counsel's opinion, grant agreement (if any) and right-of-way folder (for Illinois).

By Judith E. McKenzie-Abraham, Attorney

Enclosure

cc: Bond Counsel, James White, Esq. with Foster, Mika, Meyers, Beckett and Jones

I certify that this transaction was closed in accordance with all applicable Rural Development Instructions and the instructions contained in this memorandum.

Transaction closed _____, 20 ____.

Rural Development Specialist
RURAL DEVELOPMENT

I certify that I have complied with all requirements made of me in this memorandum and that this transaction has been closed in accordance with all legal requirements.

Attorney for the Applicant

Borrower Name: Charter Township of Haring
Loan Amount: \$2,931,000 Grant Amount: \$595,000
Interest Rate: 2.750% Term: 40 years
Security: Sewer Revenue Bond, Public Act No. 94 of the P.A. of 1933, as amended

MICHIGAN STATE DIRECTOR'S DOCKET REQUIREMENTS
 (THESE ITEMS MUST BE OBTAINED BY LOAN CLOSING OR
 PRIOR TO EXPENDITURE OF LOAN FUNDS)

Form #	Description	Filed	Position	Tab
1780-12	Water and Waste System Grant Agreement, (RUS Bulletin)		POS. 2,	TAB 3
	Document that <u>applicant</u> does not appear on the Debarment/suspension list and the CAIVRS system was checked prior to closing		POS. 3,	TAB 1
	Evidence that defeasance of the loan is not allowed in the bond documents/ordinances		POS. 3,	TAB 1
1927-10	Final Title Opinions		POS. 5,	TAB 3
1780-27	Loan resolution (RUS Bulletin)		POS. 5,	TAB 4
	Copy of minutes accepting bids, awarding contracts		POS. 6,	TAB 4
	Affidavit of Publication			
	RS Bid Tabulation			
	Project inspector resume approved by USDA-Rural Development		POS. 6,	TAB 4
	Permit or application to construct from State Highway, County Road Comm.		POS. 6,	TAB 5
	Permit to construct from MDEQ			
	Fidelity or Dishonesty Bond verification		POS. 7,	TAB 1

EXHIBIT 14

**CHARTER TOWNSHIP OF HARING
COUNTY OF WEXFORD, MICHIGAN**

At a regular meeting of the Township Board of the Charter Township of Haring, County of Wexford, Michigan, held at the Township Hall, 515 Bell Avenue, Cadillac, Michigan, on March 10, 2014, at 6:00 p.m. Local Time.

PRESENT: Members: Scarbrough, Soule, McCain, Baldwin, Fagerman, Whetstone
and Wilkinson

ABSENT: Members: None

It was moved by Member Scarbrough and seconded by Member Wilkinson that the following Ordinance be adopted under authority of Act 94 of the Public Acts of Michigan of 1933, as amended.

ORDINANCE NO. 2014-92

AN ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE OF SEWER REVENUE BONDS TO FUND THE COST OF IMPROVEMENTS TO THE HARING SEWER SYSTEM; 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: Scarbrough, Soule, McCain, Baldwin, Fagerman, Whetstone
and Wilkinson

NAYS: Members: None

ABSTAIN: Members: None

The Township Clerk declared the Ordinance adopted.

The following is Ordinance No. 2014-92 as adopted:

CHARTER TOWNSHIP OF HARING

ORDINANCE NO. 2014-92

AN ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE OF SEWER REVENUE BONDS TO FUND THE COST OF IMPROVEMENTS TO THE HARING SEWER SYSTEM; TO PROVIDE FOR THE SECURITY OF THE BONDS HEREIN AUTHORIZED; AND TO PROVIDE FOR OTHER MATTERS RELATIVE TO SAID IMPROVEMENTS AND BONDS.

THE CHARTER TOWNSHIP OF HARING 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. "Act 94" means Act 94 of the Public Acts of Michigan of 1933, as amended.

b. "Additional Bonds" means any additional bonds of equal standing with the Series 2014 Bonds issued pursuant to Section 20 of this Ordinance.

c. "Board" or "Township Board" means the Township Board of the Township.

d. "Bond Registrar" means the Township Treasurer who shall initially act on behalf of the Township as paying, registration and bond registrar with respect to the Bonds, or a bank or trust company qualified to act as a paying agent and registrar in the State of Michigan and designated by resolution of the Board.

e. "Bond Reserve Requirement" means an amount equal to the lesser of (i) 10% of the aggregate principal amount of the Bonds, (ii) an amount equal to the maximum annual principal and interest requirements on the Bonds, (iii) 125 percent (125%) of the average annual principal and interest requirements on the Bonds or (iv) \$122,000.

f. "Bonds" means the Series 2014 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 20 of this Ordinance.

g. "Code" means the Internal Revenue Code of 1986, as amended.

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 sewer supply systems, at the time retained by the Board to perform the acts and carry out the duties provided for such Consulting Engineers in the Ordinance.

i. "Depository" shall mean Chemical Bank, Cadillac, 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 Board.

j. "Government" means the United States of America.

k. "Government Obligations" means direct obligations of (including obligations issued or held in book entry form on the books of) the United States of America.

l. "Installment Purchase Agreement" means the Township's note and related documents which evidence a supplemental Rural Utilities Service loan for the Project in the amount of \$117,000.

m. "Investment Obligations" means the investments permitted by Section 24 of Act 94.

n. "Loan Resolution" means the Loan Resolution (RUS Bulletin 1780-27) adopted by the Township Board prior to issuance of and with respect to the Series 2014 Bonds.

o. "Net Revenues" means the Revenues remaining after deducting the reasonable expenses of administration, operation, and maintenance of the System.

p. "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.

q. "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, subject to Section 31 of 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.

r. "Project" includes the improvements to the System to be funded from proceeds of the Series 2014 Bonds including, without limitation, the construction of a new wastewater treatment facility, the improvement of certain existing sanitary sewer collection system facilities, the construction of new sanitary sewer collection system facilities, and related appurtenances, improvements and interests in land.

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

t. "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.

u. "Series 2014 Bonds" means the bonds issued in accordance with this Ordinance in the maximum amount of \$2,931,000 to pay a portion of the costs of the Project.

v. "System" means the complete sanitary sewage disposal system of the Township, including the collection and transmission sanitary sewers, pumping stations, force main 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).

w. "Township" means the Charter Township of Haring, Wexford 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 Township to acquire and construct the Project, in accordance with the detailed plans and specifications therefor prepared by Gosling Czubak Engineering Sciences, Inc., consulting engineers of Traverse City, Michigan, which plans and specifications are hereby approved. Based on the construction bids, the cost of the Project has been estimated by said engineers to be Four Million Nine Hundred Forty-seven Thousand Dollars (\$4,947,000) including the payment of incidental expenses as are hereafter specified in Section 3 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. Issuance of Bonds. To defray part 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 2014 Bonds, it is hereby determined that the Township borrow the sum of Two Million Nine Hundred Thirty-one Thousand Dollars (\$2,931,000) from the Government as a Rural Utilities Service Loan. To evidence this borrowing, the Township shall issue the Series 2014 Bonds to fund a portion of the cost of the Project in the amount of \$2,931,000. No interest on the Series 2014 Bonds shall be capitalized or paid from proceeds of the Series 2014 Bonds. The balance of the cost of the Project shall be defrayed by a supplemental Rural Utilities Service Loan in the amount of \$117,000 to be evidenced by the Installment Purchase Agreement, a Rural Utilities Service Grant in the amount of \$899,000, the proceeds of an irrevocable Letter of Credit in the amount of \$1,000,000 provided to the Township by Wal-Mart and other legally available funds.

Section 4. Series 2014 Bond Details.

a. The Series 2014 Bonds shall be issued in the amount of \$2,931,000 and shall be designated SEWER REVENUE BONDS, SERIES 2014, substantially in the form attached to this Ordinance as Exhibit A. The Series 2014 Bonds shall be payable and secured in

the manner set forth in Section 7 and Section 14b (with respect to the Bond Reserve Account). The Series 2014 Bonds shall be initially issued in fully-registered form in a single manuscript bond and shall be numbered R-1. The Series 2014 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 A at the rate of two and three-quarters percent (2.75%) per annum payable on September 1, 2014, and semi-annually thereafter on March 1 and September 1 of each year. The principal on the Series 2014 Bonds shall be due and payable on March 1 in the years 2015 through 2054 as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2015	44,000	2029	60,000	2042	86,000
2016	42,000	2030	62,000	2043	88,000
2017	43,000	2031	63,000	2044	90,000
2018	45,000	2032	65,000	2045	93,000
2019	46,000	2033	67,000	2046	95,000
2020	47,000	2034	69,000	2047	98,000
2021	48,000	2035	71,000	2048	101,000
2022	50,000	2036	73,000	2049	103,000
2023	51,000	2037	75,000	2050	106,000
2024	52,000	2038	77,000	2051	109,000
2025	54,000	2039	79,000	2052	112,000
2026	55,000	2040	81,000	2053	115,000
2027	57,000	2041	83,000	2054	118,000
2028	58,000				

b. Except to the extent provided on Exhibit A, principal and 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 Township maintained by the Bond Registrar. The principal and 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 due upon the final maturity of the Bonds shall be payable by the Bond Registrar at the principal office of the Bond Registrar upon presentation and surrender thereof.

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

d. Notwithstanding the foregoing or any other provision of this Ordinance, as amended, the Township Supervisor and the Township Treasurer are hereby authorized to adjust the final bond terms set forth herein to the extent necessary or convenient to complete the transactions authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c)(v) of Act 94 including, but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, designation of series or subseries, the title or titles of the Series 2014 Bonds, the final form or forms of the Series 2014 Bonds, and other terms and provisions as the Township Supervisor and the Township Treasurer determine to be necessary or appropriate in connection with the issuance of the Series 2014 Bonds, it being understood that any such adjustment in the final bond terms made by the Township Supervisor and the Township Treasurer shall be limited as follows:

(1) The final maturity date of the Series 2014 Bonds shall not be later than March 1, 2054.

(2) The purchase price of the Series 2014 Bonds shall not be less than 100% of the principal amount thereof.

(3) The rate of interest shall not exceed 2.75% per annum.

(4) The principal amount of the Series 2014 Bonds shall not exceed \$2,931,000.

Section 5. Redemption of Series 2014 Bonds.

The Series 2014 Bonds shall be subject to redemption prior to maturity, at the option of the Township, in whole or in part in increments of \$1,000 in inverse order of maturity as the Township may determine and within any maturity by lot on any date on or after September 1, 2014, at par and accrued interest to the date fixed for redemption, without premium.

Notice of the call of any Series 2014 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 6. Registration. The Bonds shall be fully registered as to principal and interest on the register maintained for the Township 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 Township 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 Township shall have the right to designate a successor to the Bond Registrar for any series of Bonds 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 Township 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 7. Payment of Bonds; Creation of Lien. The Bonds and the interest thereon shall be payable from the Net Revenues on a parity basis with the Installment Purchase Agreement and other bonds of equal standing issued by the Township. To secure payment of the Bonds, there is hereby created a first priority statutory lien upon the Net Revenues. Pursuant to provisions of Act 94, the Township hereby pledges the Net Revenues to the repayment of the principal of, redemption premium, if any, and interest on the Bonds and the Installment Purchase Agreement. The lien and pledge provided by this Ordinance shall continue until payment in full of all Bonds and the Installment Purchase Agreement payable from Net Revenues.

Section 8. No Pledge of Township Full Faith and Credit as Additional Security for Series 2014 Bonds. The full faith and credit of the Township has not been pledged as security for the payment of the principal and interest on the Series 2014 Bonds and the Series 2014 Bonds do not constitute a general obligation of the Township.

Section 9. Management. The operation, repair and management of the System shall be under the supervision and control of the Township Board. The Township may employ or contract with such person or persons or entity or entities in such capacity or capacities as it deems advisable to carry on the efficient administration of the System. The Township may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 10. 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 Board on or before the date of adoption of this Ordinance and thereafter as established by the Board.

Section 11. 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 12. Rate Covenant. The rates charged in accordance with Section 10 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 and the Installment Purchase Agreement as the same become due and payable, (ii) the maintenance of the Bond Reserve Account in accordance with Section 14b., 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 Township 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 13. Operating Year. The System shall be operated on the basis of an operating year which corresponds to the fiscal year of the Township which currently commences on January 1 and ends on the last day of the following December.

Section 14. 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 SEWER SYSTEM RECEIVING FUND (the "Receiving Fund"). The Revenues so credited 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 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 Township Board, 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 Township Board.

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, consistent with the pledge set forth in Section 7 above, be used solely for the purpose of paying the principal of, redemption premium, if any, and interest on the Bonds and the Installment Purchase Agreement. Separate subaccounts shall be maintained in the Redemption Fund for each series of Bonds and the Installment Purchase Agreement.

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 January, April, July and October, commencing April 1, 2014, and deposited in the Redemption Fund, for payment of principal and interest on the Bonds and the Installment Purchase Agreement, 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 therefore from accrued interest and with regard to the Bonds, investment earnings transferred from the Bond Reserve Account. 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 quarterly 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 Township commencing January 1, 2015 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 and the Installment Purchase Agreement as provided in the preceding paragraph. The Bond Reserve Account shall be funded, to the extent of available monies, in the amount of \$12,200 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 2014 Bonds for payment of current principal and interest on the Series 2014 Bonds and the Installment Purchase

Agreement. 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 2014 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 2014 Bonds and the Installment Purchase Agreement. 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 Township Board shall direct. No proceeds of the Series 2014 Bonds shall be used to fund the Bond Reserve Account.

No further payments need be made into the Redemption Fund subaccount for a particular series of Bonds or the Installment Purchase Agreement, as the case may be, after enough principal on said series of Bonds or the Installment Purchase Agreement, as the case may be, 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 or the Installment Purchase Agreement, as the case may be, and the monies so held shall be used solely to pay the principal of and interest on said series of Bonds or the Installment Purchase Agreement, as the case may be, including redemption premium, if any, as the series of Bonds or the Installment Purchase Agreement, as the case may be, become due.

c. REPAIR, REPLACEMENT AND IMPROVEMENT FUND: There shall be established and maintained with the Depository a fund designated REPAIR, REPLACEMENT AND IMPROVEMENT FUND (the "Repair, Replacement and Improvement Fund") for the purpose of making repairs, replacements, additions, improvements, extensions and enlargements to the System, including, in the sole discretion of the Township, payment of costs of the Project, for which funding is not available from other sources, and payment of debt service on the Bonds and the Installment Purchase Agreement. Not later than the date of issuance of the Series 2014 Bonds, the Township shall deposit to the Repair, Replacement and Improvement Fund the sum of \$214,000 from legally available funds of the Township. Commencing January 1, 2015, there shall be set aside in or credited to the Repair, Replacement and Improvement Fund, after provision is made for the requirements of the foregoing funds and accounts, the sum of not less than \$19,450 each year until the Bond Reserve Requirement has been accumulated in the Bond Reserve Account, and thereafter the sum of not less than \$31,650 each year, together with such additional amount as established by the Township Board.

d. SURPLUS MONEYS: Any Revenues in the Receiving Fund at the end of any quarter 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 Installment Purchase Agreement, and the Bond Reserve Account and the Repair, Replacement and Improvement Fund shall be deemed to be surplus moneys, and may, at the option of the Township Board be used for any of the following purposes:

- (1) Transfer to the Repair, Replacement and 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 Township Board may determine to be for the best interests of the Township, subject to the prior consent of the Government so long as the Government is a Registered Owner of the Series 2014 Bonds.

If there should be any deficit in the Operation and Maintenance Fund, Redemption Fund, including the Bond Reserve Account, or the Repair, Replacement and Improvement 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 15. 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 17, 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 Township 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 2014 Bonds, the Township Treasurer and all other persons responsible for the handling of Revenues and proceeds of the Series 2014 Bonds shall execute a fidelity bond in the amount required by the Government with a surety company approved by the Government, which names the Township and the Government as co-obligees and the amount thereof shall not be reduced without the prior written consent of the Government.

Section 16. 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 2014 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 17. Proceeds of Series 2014 Bonds. The proceeds of sale of the Series 2014 Bonds shall be deposited in a separate depository fund designated SEWER SYSTEM CONSTRUCTION FUND (the "Construction Fund"). 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 2014 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 Township 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 2014 Bonds shall be used to fund the Bond Reserve Account.

Proceeds of the Series 2014 Bonds shall be advanced to the Township in installments in accordance with the terms of the Government's loan commitment to the Township.

Any unexpected balance of the proceeds of sale of the Series 2014 Bonds remaining in the Construction Fund after completion of the Project may in the discretion of the Township Board be used for further improvements, enlargements and extensions to the System if, at the time of such expenditure, such use is approved by the Michigan Department of Treasury or any successor agency, if such permission is then required by law; provided that in the event the Government is a Registered Owner of the Series 2014 Bonds, the use of any unexpended

proceeds of the Series 2014 Bonds must be authorized in writing by the Government. Any balance remaining in the Construction Fund after any such expenditure shall be paid into the Redemption Fund and may be used for the purpose of prepaying Series 2014 Bonds or purchasing said Series 2014 Bonds on the open market at not more than the fair market value thereof.

Section 18. Investments. Moneys in the funds and accounts established herein may be invested by the Township Treasurer on behalf of the Township 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 or the Installment Purchase Agreement 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 or a money market fund with daily liquidity invested exclusively in Government Obligations and which maintains a net asset value of \$1.00 per share. 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 Township 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 19. Covenants. The Township 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 Township 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 Township will maintain and keep proper books of record and account separate from all other records and accounts of the Township in accordance with applicable law. Not later than six (6) months after the close of each operating year of the System, the Township 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.

c. The Township 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 Township is the owner of the System. The Township 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 the Government, so long as the Government is a Registered Owner of Bonds.

e. So long as the Government is a Registered Owner of the Bonds, the Government 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 2014 Bonds, and notwithstanding anything provided to the contrary in this Ordinance, the Township shall comply with all terms and provisions of the Loan Resolution.

Section 20. Additional Bonds. The Township may issue Additional Bonds of equal standing with the Series 2014 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, the Installment Purchase Agreement, 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 Board 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 the Government during the period that the Government is a registered holder of any Bonds.

Section 21. 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 Township and the Board, including the fixing of sufficient rates, the collection of Revenues, the proper segregation

of Revenues, and the proper application of Revenues. 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 22. 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 23. 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 24. Negotiated Sale of Series 2014 Bonds. The Series 2014 Bonds shall be sold on a negotiated sale basis at par to the Government, pursuant to Section 12(2) of Act 94 on the terms set forth in this Ordinance. The Township has elected a negotiated sale to the Government instead of a competitive sale to take advantage of the maximum fixed interest rate of 2.75% offered by the Government for the full forty (40) year term of the Series 2014 Bonds. The Supervisor, 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 2014 Bonds.

Section 25. Covenant Regarding Tax Exempt Status of the Series 2014 Bonds.

a. The Township covenants to comply with all requirements of the Code necessary to assure that the interest on the Series 2014 Bonds, if any, will be and will remain excludable from gross income for federal income tax purposes (as opposed to alternative minimum or other indirect taxation). The Township hereby covenants that the Township will make no use of the proceeds of the Series 2014 Bonds, if any, which if such use had been reasonably expected on the date of issuance of the Series 2014 Bonds, would have caused the Series 2014 Bonds to be "arbitrage bonds", as defined in Section 148 of the Code. In addition, the Township covenants to comply with all applicable provisions of the Code that must be satisfied subsequent to the issuance of the Series 2014 Bonds, if any, in order that the interest on the Series 2014 Bonds be excluded (or continue to be excluded) from gross income within the meaning of Section 103(a) of the Code.

b. The Township hereby designates the Series 2014 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 Township and all subordinate entities to the Township shall not exceed \$10,000,000 during calendar year 2014.

c. The Series 2014 Bonds and the interest, if any, on the Series 2014 Bonds shall be exempt from taxation by the State of Michigan or by any taxing authority within the State of Michigan.

Section 26. 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 Township 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 Township 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 27. Execution of Series 2014 Bonds. The Supervisor and Township Clerk are authorized and directed to execute the Series 2014 Bonds on behalf of the Township in substantially the form approved with such necessary variations, omissions, corrections and insertions as they deem appropriate and are required for and on behalf of the Township, manually or by facsimile signature for and on behalf of the Township, and to place thereon the Township Seal or a facsimile thereof; provided that the Bonds shall be executed by the facsimile signatures of the said Supervisor and Township Clerk only if the Bonds are thereafter manually authenticated by the Bond Registrar. Upon execution of the Series 2014 Bonds, the Township Treasurer is hereby authorized and directed to deliver or cause to be delivered the Series 2014 Bonds to the Bond Registrar for authentication and, in turn to the purchaser thereof, upon receipt of the purchase price therefor. Executed blank Series 2014 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 Government may take delivery of and/or pay for the Series 2014 Bonds in one or more installments.

Section 28. Execution of Closing Documents. The Supervisor, Clerk and Treasurer are authorized and directed to execute and deliver on behalf of the Township such other certificates, affidavits, investment agreements or other documents or instruments as may be required by the Government or bond counsel or convenient to effectuate the execution and delivery of the Series 2014 Bonds.

Section 29. Delivery of Bonds. The Township shall furnish the Series 2014 Bonds ready for execution without expense to the purchaser. The Township shall also furnish without expense to the respective purchaser at the time of delivery of the Series 2014 Bonds, the approving opinion of Mika Meyers Beckett & Jones PLC, Attorneys, Grand Rapids, Michigan, approving the legality of the Series 2014 Bonds. The Series 2014 Bonds will be delivered at the expense of the Township in the manner and at the location as agreed upon with the purchaser thereof.

Section 30. No Defeasance of Series 2014 Bonds. So long as the Government is a Registered Owner of the Series 2014 Bonds, the Series 2014 Bonds shall not be subject to defeasance.

Section 31. Revised Municipal Finance Act. The Township meets the requirements of qualified status under Section 303(3) of the Revised Municipal Finance Act, Act 34 of the Public Acts of Michigan of 2001, as amended ("Act 34") and shall comply with the requirements of Section 319(1) of Act 34.

Section 32. Conflicting Ordinances. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are repealed.

Section 33. 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 34. Publication and Recordation. This Ordinance shall be published in full in *The Cadillac News*, a newspaper of general circulation in the Township qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Township and such recording authenticated by the signatures of the Supervisor and the Township Clerk.

Section 35. Effective Date. In accordance with Act 94, this Ordinance shall become effective immediately upon its adoption.

Passed and adopted by the Township Board of the Charter Township of Haring, County of Wexford, Michigan, on March 10, 2014, and approved by me on March 10, 2014.



Robert Scarbrough, Supervisor
Charter Township of Haring

ATTEST:



Kirk Soule
Township Clerk

REGISTERED

REGISTERED

EXHIBIT A

(FORM OF REGISTERED BOND FOR SERIES 2014 BONDS)

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF WEXFORD

CHARTER TOWNSHIP OF HARING

SEWER REVENUE BONDS, SERIES 2014

No. R-1

REGISTERED OWNER: United States of America

PRINCIPAL AMOUNT: \$2,931,000

INTEREST RATE: Two and three-quarters percent (2.75%) 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 Charter Township of Haring, County of Wexford, State of Michigan (the "Township"), 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 September 1, 2014, and semi-annually on each March 1 and September 1 thereafter from the March 1 or September 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 due upon the final maturity of this bond is payable at the principal office of the Haring Township Treasurer (the "Bond Registrar"), or such other location as the Township may hereinafter designate by notice mailed to the registered owner not less than 60 days prior to any interest payment date. Principal (except for the final maturity thereof) and interest on the unpaid outstanding principal balance of this bond is payable to the registered owner of this bond as of the 15th day of the month next preceding the payment date as shown on the registration books of the Township 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 Haring Township 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. 2014-92 (the "Ordinance"), duly adopted by the Township Board of the Township 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 the cost of acquisition and construction of improvements to 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 Township, on any date on and after September 1, 2014, in whole or in part, in increments of \$1,000 or multiples thereof in the amount selected by the Township, 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 Bond Registrar to make the prepayment.

This bond is a self-liquidating bond and is not a general obligation of the Township and does not constitute an indebtedness of the Township 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 and other debt of equal standing.

The Township 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 or debt payable in accordance with the Ordinance from the Net Revenues as and when the same shall become due and payable, and to maintain a bond reserve fund for the bonds of this issue, 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 Township 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 Charter Township of Haring, County of Wexford, State of Michigan, by its Township Board, has caused this bond to be executed by its Supervisor and its Township Clerk and its corporate seal to be affixed on this bond all as of the Date of Original Issue and Registration.

CHARTER TOWNSHIP OF HARING

By _____
Robert Scarbrough
Its Supervisor

[SEAL]

By _____
Kirk Soule
Its Township 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

CHARTER TOWNSHIP OF HARING
\$2,931,000
SEWER REVENUE BONDS, SERIES 2014

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2015	44,000	2029	60,000	2042	86,000
2016	42,000	2030	62,000	2043	88,000
2017	43,000	2031	63,000	2044	90,000
2018	45,000	2032	65,000	2045	93,000
2019	46,000	2033	67,000	2046	95,000
2020	47,000	2034	69,000	2047	98,000
2021	48,000	2035	71,000	2048	101,000
2022	50,000	2036	73,000	2049	103,000
2023	51,000	2037	75,000	2050	106,000
2024	52,000	2038	77,000	2051	109,000
2025	54,000	2039	79,000	2052	112,000
2026	55,000	2040	81,000	2053	115,000
2027	57,000	2041	83,000	2054	118,000
2028	58,000				

EXHIBIT 15

CHARTER TOWNSHIP OF HARING
WEXFORD COUNTY, MICHIGAN

Minutes of a regular meeting of the Township Board of the Charter Township of Haring, Wexford County, Michigan, held at the Township Hall, 515 Bell Ave., Cadillac, Michigan, on the 10th day of March, 2014, at 6:00 p.m. Local Time.

PRESENT: Members: Scarborough, Soule, McCain, Baldwin, Fagerman, Whetstone
and Wilkinson

ABSENT: Members: None

The following preamble and resolution were offered by Member Scarborough and supported by Member McCain:

RESOLUTION NO. 2014-07

**RESOLUTION APPROVING PURCHASE CONTRACT,
NOTE AGREEMENT AND RELATED MATTERS**

WHEREAS, the Township Board of the Charter Township of Haring, County of Wexford, State of Michigan (the "Township"), determines it to be necessary for the public health, safety and welfare of the Township and its residents to acquire the personal property described on Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, under the provisions of Act No. 99 of the Public Acts of Michigan, 1933, as amended ("Act 99"), the Township Board is authorized to enter into contracts or agreements for the purchase of real or personal property to be paid for in installments over a period of not to exceed the useful life of the property acquired as determined by resolution of the Township Board; and

WHEREAS, the outstanding balance of all purchases by the Township under Act 99, exclusive of interest, shall not exceed one and one quarter percent (1 1/4 %) of the taxable value of the real and personal property in the Township at the date of such contract or agreement; and

WHEREAS, purchase of the Property pursuant to an installment purchase agreement will not result in the outstanding balance of all such purchases by the Township exceeding the limitation contained within Act 99 as set forth above; and

WHEREAS, the Township has received a loan proposal from the United States Department of Agriculture, Rural Development (the "U.S.A.") respecting the financing of the Property; and

WHEREAS, the Township Board has received the bid of the vendor listed on Exhibit A attached hereto and made a part hereof (the "Vendor"), for the sale to the Township of the Property as part of Contract No. 2 – Wastewater Treatment Plant ("Contract No. 2"), which bid has been reviewed by the Township Board, and the Township Board has conditionally awarded Contract No. 2 to Vendor by resolution adopted on February 13, 2014; and

WHEREAS, the Township Board has reviewed (1) a Purchase Contract (the "Purchase Contract") in the form attached to this resolution as Exhibit B, setting forth the terms and provisions of the sale of the Property by the Vendor to the Township and the payment by the Township therefor; (2) an Assignment of Purchase Contract (the "Assignment") in the form attached to this resolution as Exhibit C; (3) a Note Agreement between the Township and the U.S.A. (the "Note Agreement") in the form attached to this resolution as Exhibit D; and (4) a Note (the "Note") in the form attached to the Note Agreement as Exhibit B, and it is the desire of the Township Board to approve the purchase of the Property as part of Contract No. 2 and to approve the general terms of the financing thereof as set forth in the Purchase Contract, the Assignment, the Note Agreement and the Note and the execution thereof.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Purchase Contract is hereby approved substantially in the form attached as Exhibit B hereto with such additions, changes and modifications as shall be approved by the

Township Supervisor and the Township Clerk. The Township Supervisor and Clerk are hereby authorized and directed to execute and deliver the Purchase Contract when in final form.

2. The form of the Assignment in the form attached as Exhibit C is acknowledged.

3. The Note Agreement, including the Note attached thereto as Exhibit B, are hereby approved substantially in the forms attached as Exhibit D hereto with such additions, changes and modifications as shall be approved by the Township Supervisor and the Township Clerk, including the principal amount of \$117,000, the final interest rate which shall not exceed 3.50% per annum and the corresponding payment schedule, with interest payable semi-annually on March 1 and September 1 of each year commencing September 1, 2014, and an annual principal payment in the amounts set forth on Schedule I to the Note attached as Exhibit B to the Note Agreement payable on March 1 each year commencing March 1, 2015, with the final principal payment due March 1, 2029. The Township Supervisor and the Township Clerk are hereby authorized and directed to execute the Note Agreement and the Note authorized therein, when in final form, and deliver them to the U.S.A.

4. The useful life of the Property is hereby determined to be not less than fifteen (15) years.

5. The Township Supervisor and the Township Clerk each is hereby directed and authorized to execute such additional documentation as shall be necessary to effectuate the closing of the financing contemplated by the Purchase Contract, the Note Agreement and the Note.

6. The Township hereby agrees to include in its budget for each year, commencing with the 2014 fiscal year, a sum which will be sufficient to pay the principal installment of and the interest coming due under the Note Agreement and the Note before each following fiscal year. In addition, the Township hereby pledges to levy ad valorem taxes on all taxable property in the Township each year in an amount necessary to make its debt service payments under the Note

Agreement and the Note, subject to applicable constitutional, charter and statutory tax rate limitations.

7. The Township covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") necessary to assure that the interest on the Note, if any, will be and will remain excludable from gross income for federal income tax purposes (as opposed to alternative minimum or other indirect taxation). The Township hereby covenants that the Township will make no use of the proceeds of the Note, if any, which if such use had been reasonably expected on the date of issuance of the Note, would have caused the Note to be an "arbitrage bond," as defined in Section 148 of the Code. In addition, the Township covenants to comply with all applicable provisions of the Code that must be satisfied subsequent to the issuance of the Note, if any, in order that the interest on the Note be excluded (or continue to be excluded) from gross income within the meaning of Section 103(a) of the Code.

8. The Township hereby designates the Note as a "qualified tax exempt obligation" 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 Township and all subordinate entities to the Township shall not exceed \$10,000,000 during calendar year 2014.

9. The acquisition of the Property and the approval of the Purchase Contract, the Note Agreement and the Note hereby are found and declared to be for a valid public purpose and in the best interest of the health and welfare of the residents of the Township.

10. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded to the extent of such conflict.

AYES: Members: Scarbrough, Soule, McCain, Baldwin, Fagerman, Whetstone
and Wilkinson

NAYS: Members: None

ABSTAIN: Members: None

RESOLUTION DECLARED ADOPTED.

Kirk Soule
Kirk Soule, Township Clerk

STATE OF MICHIGAN)
) ss.
COUNTY OF WEXFORD)

I, the undersigned, the duly qualified and acting Clerk of the Charter Township of Haring, Wexford County, Michigan (the "Township") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board at a regular meeting on the 10th day of March, 2014, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature on this 20 day of March , 2014.

Kirk Soule
Kirk Soule, Township Clerk

EXHIBIT A

CHARTER TOWNSHIP OF HARING

**EQUIPMENT TO BE FINANCED BY UNITED STATES DEPARTMENT
OF AGRICULTURE – RURAL UTILITIES SERVICE LOAN**

<u>Vendor</u>	<u>Equipment</u>	<u>Total</u>
Grand Traverse Construction 1616 South Airport Rd. W Traverse City, MI 49686 Phone: 231-929-1000	Oxidation Ditch and Clarifier Equipment	\$ 271,799
Less portion to be funded by other sources		\$ <u>154,799</u>
Equals Total of Rural Utilities Services Loan to be Evidenced and Financed by Purchase Contract, Note Agreement and Note under Act 99 PA 1933		\$ 117,000

EXHIBIT B

PURCHASE CONTRACT

THIS PURCHASE CONTRACT, dated as of _____, 2014, by and between the Charter Township of Haring, County of Wexford, State of Michigan (the "Township"), and Grand Traverse Construction (the "Vendor"), is as follows:

1. **Purchase Price, Payment Amount, Acceptance Date, and Title.** The Township agrees to purchase and the Vendor agrees to sell _____ (the "Equipment"), as set forth that certain Contract 2 – Wastewater Treatment Plant dated _____, 2014, between the Township and Vendor ("Contract 2"), for the sum of \$ _____ (the "Purchase Price") of which sum the amount of \$ _____ will be paid by the Township to the Vendor from other legally available sources in accordance with Contract 2 and the remaining \$ _____ (the "Payment Amount") will be payable in fifteen (15) annual principal installments as set forth on Exhibit A attached hereto and made a part hereof.

The Township shall pay interest on the unpaid balance of the Payment Amount to the U.S.A. as assignee of this Purchase Contract at the interest rate per annum and on the interest payment dates set forth on Exhibit A attached hereto and made a part hereof.

The Purchase Price includes the Equipment and other rights assigned and conveyed by the Vendor to the Township. Upon delivery and acceptance by the Township of the Equipment, title to the Equipment shall vest in the Township.

2. **Incorporation by Reference.** Contract 2 is incorporated in full herein by this reference. In the event of a conflict in terms of payment for the Equipment between this Purchase Contract and Contract 2, the terms of this Purchase Contract shall govern.

3. **Acceptance Date, Payment of Payment Amount.** The Acceptance Date shall be the date when the Equipment has been delivered to the Township in accordance with Contract 2 and the Township has accepted the delivery of the Equipment. Upon the Acceptance Date the Township shall cause the Payment Amount to be paid to the Vendor and the Vendor shall assign and deliver to the U.S.A. this Purchase Contract.

4. **Warranty.** The Vendor warrants the Equipment as set forth in Contract 2 and pursuant to the manufacturer's warranties. Any warranties with respect to the Equipment shall not be assigned but shall remain enforceable by the Township.

5. **Governing Law.** This Purchase Contract shall be governed and construed in accordance with the laws of the State of Michigan.

6. **Counterparts.** This Purchase Contract may be executed in any number of counterparts.

Executed as of the date first above written by

CHARTER TOWNSHIP OF HARING

By _____
Robert Scarbrough
Its Supervisor

And by _____
Kirk Soule
Its Clerk

GRAND TRAVERSE CONSTRUCTION
as Vendor

By _____
*
Its _____

**EXHIBIT A
TO
PURCHASE CONTRACT**

Township of Haring

USDA Bonds

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+i	Fiscal Total
03/15/2014	-	-	-	-	-
09/01/2014	-	-	1,888.25	1,888.25	1,888.25
03/01/2015	6,000.00	3.500%	2,047.50	8,047.50	-
09/01/2015	-	-	1,942.50	1,942.50	9,990.00
03/01/2016	6,000.00	3.500%	1,942.50	7,942.50	-
09/01/2016	-	-	1,837.50	1,837.50	9,780.00
03/01/2017	7,000.00	3.500%	1,837.50	8,837.50	-
09/01/2017	-	-	1,715.00	1,715.00	10,552.50
03/01/2018	7,000.00	3.500%	1,715.00	8,715.00	-
09/01/2018	-	-	1,592.50	1,592.50	10,307.50
03/01/2019	7,000.00	3.500%	1,592.50	8,592.50	-
09/01/2019	-	-	1,470.00	1,470.00	10,062.50
03/01/2020	7,000.00	3.500%	1,470.00	8,470.00	-
09/01/2020	-	-	1,347.50	1,347.50	9,817.50
03/01/2021	7,000.00	3.500%	1,347.50	8,347.50	-
09/01/2021	-	-	1,225.00	1,225.00	9,572.50
03/01/2022	8,000.00	3.500%	1,225.00	9,225.00	-
09/01/2022	-	-	1,085.00	1,085.00	10,310.00
03/01/2023	8,000.00	3.500%	1,085.00	9,085.00	-
09/01/2023	-	-	945.00	945.00	10,030.00
03/01/2024	8,000.00	3.500%	945.00	8,945.00	-
09/01/2024	-	-	805.00	805.00	9,750.00
03/01/2025	9,000.00	3.500%	805.00	9,805.00	-
09/01/2025	-	-	647.50	647.50	10,452.50
03/01/2026	9,000.00	3.500%	647.50	9,647.50	-
09/01/2026	-	-	490.00	490.00	10,137.50
03/01/2027	9,000.00	3.500%	490.00	9,490.00	-
09/01/2027	-	-	332.50	332.50	9,822.50
03/01/2028	9,000.00	3.500%	332.50	9,332.50	-
09/01/2028	-	-	175.00	175.00	9,507.50
03/01/2029	10,000.00	3.500%	175.00	10,175.00	-
09/01/2029	-	-	-	-	10,175.00
Total	\$117,000.00	-	\$35,155.75	\$152,155.75	-

Haring Township USDA 0210 | SINGLE PURPOSE | 2/10/2014 | 1:41 PM

Umbaugh

Page 1

Township of Haring

USDA Bonds

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$1,004.45
Average Life	8.585 Years
Average Coupon	3.500000%

Net Interest Cost (NIC)	3.500000%
True Interest Cost (TIC)	3.5001508%
Bond Yield for Arbitrage Purposes	3.5001508%
All Inclusive Cost (AIC)	3.5001508%

IRS Form 8038

Net Interest Cost	3.500000%
Weighted Average Maturity	8.585 Years

EXHIBIT C

ASSIGNMENT OF PURCHASE CONTRACT

THIS ASSIGNMENT OF PURCHASE CONTRACT (the "Assignment") made this _____ 2014, by GRAND TRAVERSE CONSTRUCTION ("Assignor"), to the UNITED STATES OF AMERICA ("U.S.A.").

WHEREAS, the Assignor and the Charter Township of Haring, County of Wexford, State of Michigan, a Michigan municipal corporation (the "Township"), entered into a Purchase Contract dated as of _____, 2014 (the "Purchase Contract"), to enable the Township to purchase _____ (the "Property"); and

WHEREAS, the Township desires to finance part of the cost of the purchase of the Property; and

WHEREAS, the Assignor, by this Assignment, shall assign its rights to receive payment under the Purchase Contract to the U.S.A. in exchange for the full payment of the debt owned by the Township to the Assignor.

NOW, THEREFORE, in consideration of the premises, and for the good and valuable considerations:

1. Assignor hereby assigns to the U.S.A. the right to receive all payments due under and pursuant to the Purchase Contract in an amount equal to the Payment Amount plus interest.

2. The U.S.A. shall have no liability for payment of money to the Assignor or further performance of any obligations to the Assignor. The Assignor represents and warrants that this Assignment does not violate any agreement, contract or loan agreement to which the Assignor is a party and that the Assignment has been duly authorized, executed and delivered by the Assignor and is enforceable in accordance with its terms.

3. The Township has consented to this Assignment, except with respect to the warranty and other obligations of Assignor set forth in the Purchase Contract, any conveyance or other document delivered or to be delivered pursuant thereto, and the Assignor hereby acknowledges that all of such warranties and other obligations shall not be assigned or assumed by the U.S.A. and shall remain the sole responsibility of the Assignor.

4. Assignor hereby represents and warrants that it is the owner of and has absolute title to the Purchase Contract, free of all liens, security interests and encumbrances of any kind.

5. This Assignment shall be binding upon Assignor and its successors and assigns, and shall inure to the benefit of the U.S.A., its successors and assigns.

GRAND TRAVERSE CONSTRUCTION

By: _____

Its: _____

EXHIBIT D

CHARTER TOWNSHIP OF HARING

**NOTE AGREEMENT
(Act 99, P.A. 1933)**

THIS NOTE AGREEMENT made and executed on _____, 2014 (the "Note Agreement"), by and between the CHARTER TOWNSHIP OF HARING, County of Wexford, State of Michigan, a Michigan municipal corporation, organized and existing under the constitution and laws of the State of Michigan (the "Township"), and the UNITED STATES OF AMERICA (the "U.S.A.").

WITNESSETH:

WHEREAS, the Township intends to acquire certain property that is more particularly described on Exhibit A attached hereto (the "Property"), from the entity identified on Exhibit A (the "Vendor") for use by the Township for public purposes; and

WHEREAS, the Township is authorized, pursuant to Act 99 of the Public Acts of Michigan of 1933, as amended ("Act 99"), to purchase property, to be paid for in installments, and the Township desires to pay for the Property in installments, in accordance with Act 99; and

WHEREAS, the U.S.A. is willing to provide the required funding to the Township pursuant to the terms and conditions of this Note Agreement.

RECITALS

A. The Township shall purchase the Property from the Vendor pursuant to the terms of a Purchase Agreement (the "Purchase Agreement"), for the aggregate price of \$_____ (the "Sale Price").

B. The Township shall pay as a down payment to the Vendor \$_____ from legally available funds and shall pay the balance of the Sale Price in the amount of \$117,000 (the "Payment

Amount”), in installments as set forth in the Note attached hereto and by this reference made a part hereof.

C. The interest of the Vendor to receive a portion of the Sale Price equal to the amount of the Payment Amount from the U.S.A. has been assigned to the U.S.A.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Definitions. The following terms, wherever used in this Note Agreement shall have the following meanings, unless the context shall indicate another or different meaning:

“Code” means the Internal Revenue Code of 1986, as amended. Reference to the Code shall also include applicable final or temporary regulations and proposed regulations thereunder and any successor provisions thereof.

“Interest Rate” means an interest rate equal to the lesser of (1) 3.50 % per annum or (2) the USDA Rural Development intermediate loan rate applicable on the date of issuance of the Note, in each case computed on the basis of 365 or 366 days in the year, as the case may be, for the actual number of days elapsed.

“Loan Resolution” means the Loan Resolution, RUS Bulletin 1780-27, adopted by the Township with respect to the loan evidenced by the Note Agreement and the Note.

“Note” means the Note evidencing the Township’s obligation to repay the Payment Amount with interest at the Interest Rate, substantially as set forth in Exhibit B attached hereto and made a part hereof.

“Payment Amount” means the amount required to be paid by the Township to the U.S.A., pursuant hereto, in the amount of \$117,000.

“Payment Date” means the date a payment of principal and/or interest is due and payable in accordance with the Note.

“State” means the State of Michigan.

Section 2. Installment Payments. The Township agrees to pay to the U.S.A. the Payment Amount in installments on the Payment Dates, and to pay interest on the unpaid balance of the Payment Amount at the Interest Rate, all in accordance with the Note.

Section 3. Payments Unconditional. The Township’s obligation to pay the principal of and interest and any other amounts owed pursuant to the Note is absolute and unconditional and shall remain in full force and effect until the amounts owed under the Note shall have been paid, and such obligation shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation, any of the following:

- (a) Any failure of title with respect to the Township’s interest in the Property;

(b) The invalidity, unenforceability or termination of this Note Agreement;

(c) The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Note Agreement;

(d) The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceedings affecting Vendor or any of its assets or any allocation or contest of the validity of this Note Agreement or the Note, or the disaffirmance of this Note Agreement or the Note in any such proceeding;

(e) Any casualty or destruction of the Property.

The Township shall make payments when due and shall not withhold any such payments as a result of any disputes arising between the Township and the Vendor or any other person, nor shall the Township assert any right of set off or counterclaim against its obligation to make such payments or be entitled to any abatement of such payments as a result of accident or unforeseen circumstances, or the Property being inoperative.

Section 4. Prepayment. The balance of principal under the Note may be prepaid in part or in full by the Township without penalty at any time upon at least seven (7) days prior written notice to the U.S.A.

Section 5. Useful Life of Property. The Township represents that the useful life of the Property is equal to or longer than the date of the final payment on the Note.

Section 6. Security for Payment Limited Full Faith and Credit. The Township agrees to include in its budget for each fiscal year during the term hereof an amount sufficient to pay when due the principal of and interest coming due under this Note Agreement and the Note during such fiscal year. In addition, the Township hereby pledges to levy in each fiscal year ad valorem taxes on all taxable property in the Township in an amount which, together with other funds available for such purpose, shall be sufficient to pay when due the principal of and interest coming due under this Note Agreement during such fiscal year. Any such tax levy is, however, subject to existing statutory, charter and constitutional tax limitations.

Section 7. No Security Interest in Property. The U.S.A. shall have no security interest in the Property.

Section 8. Term of Agreement. This Note Agreement shall terminate on such date that all amounts due hereunder and under the Note by the Township to U.S.A. are paid in full.

Section 9. Representations of the Township. The Township makes the following representations:

(a) The Township is a Michigan municipal corporation duly organized and legally existing under the constitution and laws of the State of Michigan.

(b) The Township will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a Michigan municipal corporation.

(c) The Township is authorized under the constitution and laws of the State to enter into this Note Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.

(d) This Note Agreement constitutes a legal, valid, binding and enforceable obligation of the Township in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally, now existing or hereafter enacted, and the application of the general principles of equity, including the doctrine of equitable subordination.

(e) During the term of this Note Agreement, the Property will be used exclusively by the Township only for the purpose of performing one or more governmental public functions of the Township consistent with the permissible scope of the Township's authority.

(f) The Township will provide the U.S.A. with a copy of its annual audit upon written request of the U.S.A.

(g) Neither the payment of principal and interest under the Note nor any portion thereof is directly or indirectly (a) secured by any interest in (i) property used or to be used for a private business use within the meaning of Section 141(b) of the Code or (ii) payments in respect of such property, or (b) to be derived from payments (whether or not to the Township) in respect of property, or borrowed money, used or to be used for a private business use within the meaning of Section 141(b) of the Code. The Property will not be used for any private business use within the meaning of Section 141(b).

Section 10. Disclaimer of Warranties by U.S.A. The U.S.A. makes no warranty or representation, either expressed or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of the Property, or warranty with respect thereto. In no event shall the U.S.A. be liable for any incidental, indirect, special, or consequential damage in connection with or arising out of this Note Agreement or the existence, furnishing, functioning or the Township's use of the Property.

Section 11. Events of Default. The following shall be an "Event of Default" under this Note Agreement:

(a) Failure by the Township to make the principal and/or interest payments at the times specified in the Note; or

(b) Failure of the Township to observe and perform any other covenant, condition or agreement hereunder on its part to be observed or performed and continuation of such failure for a period of 30 days after written notice specifying such failure and requesting that it be remedied, unless the U.S.A. shall agree in writing to an extension of time prior to its expiration, provided that if the failure shall be such that it cannot with due diligence be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Township within such period and diligently pursued until corrected; or

(c) The Township shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) commence a proceeding under any federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed or unstayed for 60 days; (iii) make an assignment for the benefit of creditors or provide for the entry into any agreement for the composition of creditors; or (iv) have applied for the appointment of a receiver, purchaser or liquidator for it or the whole or any substantial part of its property; or

(d) The Township shall materially breach any representation or warranty under this Note Agreement.

Section 12. Remedies Upon Default. Whenever an Event of Default referred to in Section 11 hereof shall occur and be continuing the U.S.A. may:

(a) Upon the occurrence of an Event of Default described in Section 11 (a) hereof and the failure to cure such Event of Default within 5 days after receipt of written request from the U.S.A., declare all of the unpaid amounts of principal and interest (the portion thereof accrued) to be immediately due and payable, whereupon such amounts shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived; and

(b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Note Agreement.

Section 13. Assignment by the U.S.A. This Note Agreement and the Note hereunder may be assigned by the U.S.A. at any time subsequent to its execution, without the necessity of obtaining the consent of the Township. The U.S.A. agrees to give notice of assignment to the Township, and upon receipt of such notice the Township agrees to make all payments to the assignee, notwithstanding any claim, defense, set off or counterclaim whatsoever (whether arising from a breach of this Note Agreement, the Note or otherwise) that the Township may from time to time have against the U.S.A., or the assignee. The interest of the U.S.A. in this Note Agreement and the Note may not be assigned or reassigned in whole or in part unless (i) the document by which such assignment or reassignment is made discloses the name and address of the assignee, and (ii) the Township receives written notification of the name and address of the assignee. The Township hereby designates the U.S.A. or its assignee as its agent to maintain a book entry system in conformance with Section 149(a) of the Code, consisting of a record of ownership that identifies the owner of any interest in the Note Agreement, which record may be examined by the Township at its request. The right to payment of the amounts due hereunder may be transferred only through such book entry system. Anything in the foregoing to the contrary notwithstanding, the interest of the U.S.A. in this Note Agreement may be assigned in whole or in part upon terms which provide in effect that the assignor or assignee will act as a collection and paying agent for holders of certificates of participation in this Note Agreement.

Section 14. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when dispatched by registered or certified mail, return receipt requested, postage prepaid, or by hand delivery, or by telegram or facsimile transmission and

confirmed the same day by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Township:

Charter Township of Haring
Attn: Township Supervisor
515 Bell Ave.
Cadillac, MI 49601

If to the U.S.A.

USDA Rural Development
Attn: Blake Smith
Rural Development Specialist
1501 Cass St., Suite A
Traverse City, MI 49684

The parties hereto may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates or other communications may be sent.

Section 15. Loan Agreement. So long as the U.S.A. is the registered owner of the Note, and notwithstanding anything provided to the contrary in this Note Agreement, the Township covenants to comply with all terms and provisions of the Loan Resolution.

Section 16. Governing Law. This Note Agreement and the Note shall be construed in all respects in accordance with the laws of the State.

Section 17. Severability. In the event any provision of this Note Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 18. Binding Effect. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto.

Section 19. Counterparts. This Note Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 20. Entire Note Agreement. This Note Agreement and the Note constitute the entire agreement between the parties, and there are no representations, warranties, promises, guarantees or agreements, oral or written, express or implied, between the parties hereto with respect to this Note Agreement and the Note.

Section 21. Amendments. Neither this Note Agreement nor the Note may be effectively amended, changed, modified, altered or terminated without the prior written consent of the Township and the U.S.A.

Section 22. No Defeasance. So long as the U.S.A. is the holder of the Note, the Township covenants that it will not defease the Note.

IN WITNESS WHEREOF, the Township and the U.S.A. have caused these presents to be signed all as of the day and year first above written.

CHARTER TOWNSHIP OF HARING

Robert Scarbrough, Township Supervisor

Kirk Soule, Township Clerk

UNITED STATES OF AMERICA

By _____

Title _____
USDA Rural Development

EXHIBIT A

CHARTER TOWNSHIP OF HARING

**EQUIPMENT TO BE FINANCED BY UNITED STATES DEPARTMENT
OF AGRICULTURE – RURAL UTILITIES SERVICE LOAN**

<u>Vendor</u>	<u>Equipment</u>	<u>Total</u>
Grand Traverse Construction 1616 South Airport Rd. W Traverse City, MI 49686 Phone: 231-929-1000	Oxidation Ditch and Clarifier Equipment	\$
Less portion to be funded by other sources		\$ _____
Equals Total of Rural Utilities Services Loan to be Evidenced and Financed by Purchase Contract, Note Agreement and Note under Act 99 PA 1933		\$ 117,000

**EXHIBIT B
TO
NOTE AGREEMENT**

NOTE

Principal Amount: \$117,000

Interest Rate: 3.50%

Issue Date: _____, 2014

Tax I.D. No: _____

Final Due Date: March 1, 2029

KNOW ALL PERSONS BY THESE PRESENTS: that the Charter Township of Haring, County of Wexford, State of Michigan, a Michigan municipal corporation (the "Township"), hereby acknowledges itself indebted and for value received promises to pay to the United States of America (the "U.S.A."), or its assigns, the sum of One Hundred Seventeen Thousand Dollars (\$117,000), together with interest thereon at the rate of Three and 50/100 percent (3.50%) per annum from the date hereof. All payments of principal and interest shall be made on the Payment Dates as set forth on Schedule 1 attached hereto and made a part hereof. Both principal of and interest on this Note are payable in lawful money of the United States of America at the office of Rural Development Services, Department of Agriculture, United States of America, _____, _____, Michigan _____, as paying agent and Note registrar.

Interest on this Note shall be calculated on the basis of a 365 or 366 day year, as the case may be, for the actual number of days elapsed.

This Note evidences the Township's obligations to pay the Payment Amount as described in the Note Agreement, dated _____, 2014 (the "Note Agreement"), between the Township and the U.S.A., in accordance with the provisions of Act No. 99 of the Public Acts of 1933, as amended, which provides a means by which a Township may enter into agreements for the purchase of real or personal property for public purposes, to be paid for in installments. The obligation of the Township to make the principal and interest payments under this Note is a general obligation of the Township, and the Township has pledged its limited tax full faith and credit general obligation to the payment of principal of and interest on this Note, as and when due, subject to constitutional, charter and statutory limitations.

This Note is subject to prepayment in part or in full without penalty at any time prior to the dates on which principal and interest are due at the discretion of the Township, upon seven (7) days written notice to the U.S.A.

So long as the U.S.A. is the registered owner of this Note, this Note shall not be subject to defeasance.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to the issuance of this Note, existed, happened and have been performed in the time, form and manner as required by the Constitution and statutes of the State of

Michigan, and that the amount of this Note, together with all other indebtedness of the Township does not exceed any constitutional or statutory limitations; and that no other note or notes have been issued or will be issued having equal dignity with this Note.

IN WITNESS WHEREOF, the Charter Township of Haring, by its Township Board, has caused this Note to be signed in its name by the Supervisor and Township Clerk, on _____, 2014.

CHARTER TOWNSHIP OF HARING
a Michigan municipal corporation

By _____
Robert Scarbrough, Supervisor

By _____
Kirk Soule, Township Clerk

SCHEDULE I TO NOTE
PRINCIPAL AND INTEREST PAYMENTS

INTEREST RATE 3.50%
PRINCIPAL AMOUNT \$117,000

Township of Haring

USDA Bonds

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/15/2014	-	-	-	-	-
09/01/2014	-	-	1,888.25	1,888.25	1,888.25
03/01/2015	6,000.00	3.500%	2,047.50	8,047.50	-
09/01/2015	-	-	1,942.50	1,942.50	9,990.00
03/01/2016	6,000.00	3.500%	1,942.50	7,942.50	-
09/01/2016	-	-	1,837.50	1,837.50	9,780.00
03/01/2017	7,000.00	3.500%	1,837.50	8,837.50	-
09/01/2017	-	-	1,715.00	1,715.00	10,552.50
03/01/2018	7,000.00	3.500%	1,715.00	8,715.00	-
09/01/2018	-	-	1,592.50	1,592.50	10,307.50
03/01/2019	7,000.00	3.500%	1,592.50	8,592.50	-
09/01/2019	-	-	1,470.00	1,470.00	10,062.50
03/01/2020	7,000.00	3.500%	1,470.00	8,470.00	-
09/01/2020	-	-	1,347.50	1,347.50	9,817.50
03/01/2021	7,000.00	3.500%	1,347.50	8,347.50	-
09/01/2021	-	-	1,225.00	1,225.00	9,572.50
03/01/2022	8,000.00	3.500%	1,225.00	9,225.00	-
09/01/2022	-	-	1,085.00	1,085.00	10,310.00
03/01/2023	8,000.00	3.500%	1,085.00	9,085.00	-
09/01/2023	-	-	945.00	945.00	10,030.00
03/01/2024	8,000.00	3.500%	945.00	8,945.00	-
09/01/2024	-	-	805.00	805.00	9,750.00
03/01/2025	9,000.00	3.500%	805.00	9,805.00	-
09/01/2025	-	-	647.50	647.50	10,452.50
03/01/2026	9,000.00	3.500%	647.50	9,647.50	-
09/01/2026	-	-	490.00	490.00	10,137.50
03/01/2027	9,000.00	3.500%	490.00	9,490.00	-
09/01/2027	-	-	332.50	332.50	9,822.50
03/01/2028	9,000.00	3.500%	332.50	9,332.50	-
09/01/2028	-	-	175.00	175.00	9,507.50
03/01/2029	10,000.00	3.500%	175.00	10,175.00	-
09/01/2029	-	-	-	-	10,175.00
Total	\$117,000.00	-	\$35,155.75	\$152,155.75	-

Haring Township USDA 0210 | SINGLE PURPOSE | 2/10/2014 | 1:41 PM

Umbaugh

Page 1

Township of Haring

USDA Bonds

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$1,004.45
Average Life	8.585 Years
Average Coupon	3.5000000%
Net Interest Cost (NIC)	3.5000000%
True Interest Cost (TIC)	3.5001508%
Bond Yield for Arbitrage Purposes	3.5001508%
All Inclusive Cost (AIC)	3.5001508%

IRS Form 8038

Net Interest Cost	3.5000000%
Weighted Average Maturity	8.585 Years

EXHIBIT 16

CHARTER TOWNSHIP OF HARING

WEXFORD COUNTY, MICHIGAN

Minutes of a regular meeting of the Township Board of the Charter Township of Haring, Wexford County, Michigan, held at the Township Hall, 515 Bell Ave., Cadillac, Michigan, on the 10th day of March, 2014, at 6:00 p.m. Local Time.

PRESENT: Members: Scarborough, Soule, McCain, Baldwin, Fagerman, Whetstone
and Wilkinson

ABSENT: Members: None

The following preamble and resolution were offered by Member Soule and supported by Member Wilkinson:

RESOLUTION NO. 2014-08

**RESOLUTION TO APPROVE FORM OF WATER
AND WASTE SYSTEM GRANT AGREEMENT**

WHEREAS, a Water and Waste System Grant Agreement (the "Agreement") by and between the Charter Township of Haring (the "Township") and the United States Department of Agriculture has been presented to the Township Board in the form attached as Attachment I in conjunction with the issuance of the Township's \$2,931,000 Sewer Revenue Bonds, Series 2014 and the Township's \$117,000 Installment Purchase Agreement, and a copy has been placed on file with the Township Clerk; and

WHEREAS, it is in the best interest of the Township and its residents to authorize and enter into the Agreement.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. The Agreement in the form attached as Attachment I is hereby approved.
2. The Supervisor and Clerk are hereby authorized and directed to execute the Agreement in the form attached hereto, with such immaterial additions and deletions deemed

ATTACHMENT I
FORM OF
WATER AND WASTE SYSTEM GRANT AGREEMENT

Water and Waste System Grant Agreement

United States Department of Agriculture

Rural Utilities Service

THIS AGREEMENT dated _____, between

Haring Charter Township

a public corporation organized and operating under

Revenue Bond P.A. No. 94 of 1933, as amended

(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under its jurisdiction at an estimated cost of \$ 4,947,000.00 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 4,048,000.00 of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 4,048,000.00 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 899,000.00 or 18.17 percent of said project development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the Conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306(a) of The Consolidated Farm and Rural Development Act for the purpose only of defraying a part not to exceed 18.17 percent of the project development costs, as defined by applicable Rural Utilities Service instructions.

Grantee Agrees That Grantee Will:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated 2/13/2014, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

See Attachment A

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.
[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment(use continuation sheets as necessary).

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/1997]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 899,000.00 which it will advance to Grantee to meet not to exceed 18.17 percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

attested and its corporate seal affixed by its duly authorized

Attest:

By _____

(Title) _____

By _____

(Title) _____

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By _____

(Title)

EXHIBIT 17

James K. White

From: Smith, Blake - RD, Traverse City, MI <blake.smith@mi.usda.gov>
Sent: Tuesday, March 25, 2014 7:52 AM
To: James K. White
Cc: Theron Parker (tparker@twpofharing.org); caroscar@netonecom.net
Subject: FW: WEP Interest Rates for April 1, 2014
Attachments: InterestRateMemoApr2014WEP.pdf

Jim,

Finally, see the new intermediate interest rate of 3.25% for the \$117,000 new loan. The first loan for the \$2,931,000 will continue to be the 2.75%.

Please produce the bond(s) and note(s) per this notice for a closing in April. As we discussed before, please prepare Final Approving Opinions for the bond(s).

Thanks - Blake

Blake Smith | Area Specialist
Rural Development
U.S. Department of Agriculture
1501 Cass St., Suite A | Traverse City, MI 49684
Phone: 1.800.944.8119 | Fax: 231.929.7890
www.rurdev.usda.gov

"Committed to the future of rural communities"
"Estamos dedicados al futuro de las comunidades rurales"

From: CPAP Client Application [mailto:cpap_client@usda.gov]
Sent: Tuesday, March 25, 2014 7:07 AM
To: emailservice@usda.gov
Subject: WEP Interest Rates for April 1, 2014

Attached, please find the unnumbered letter for the water and waste interest rates, effective April 1, 2014. These have been loaded into CPAP with an effective date of March 24, 2014.

Scott Barringer, Deputy Assistant Administrator
Rural Development
U.S. Department of Agriculture
1400 Independence Ave., S.W. | Washington, D.C. 20250
Phone: 202.720.9643 | Fax: 202.690.0649
www.rurdev.usda.gov

"Committed to the future of rural communities"
"Estamos dedicados al futuro de las comunidades rurales"

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EXHIBIT 18

James K. White

From: Smith, Blake - RD, Traverse City, MI <blake.smith@mi.usda.gov>
Sent: Wednesday, March 26, 2014 9:48 AM
To: caroscar@netonecom.net; clerk@twpofharing.org; Theron Parker (tparker@twpofharing.org); James K. White; Doug Coates; 'Mark Hurley (mjhurley@goslingczubak.com)'; Clyde Johnson; Corey J. Wiggins
Cc: Fuller, Shelly - RD, Traverse City, MI; Maxwell, Chris - RD, East Lansing, MI; Granskog, Andy - RD, East Lansing, MI
Subject: Haring Township - Sewer Project
Importance: High

The loan closing for the Haring Township's sewer project is scheduled for April 9th at 11:00 a.m. The closing will be held at the Township office located at 515 Bell Avenue, Cadillac, MI 49601.

Additionally, the preconstruction conference will be held at the same location at 9:30 a.m.

Blake Smith | Area Specialist
Rural Development
U.S. Department of Agriculture
1501 Cass St., Suite A | Traverse City, MI 49684
Phone: 1.800.944.8119 | Fax: 231.929.7890
www.rurdev.usda.gov

"Committed to the future of rural communities"
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EXHIBIT 19



Gosling Czubak
engineering sciences, inc.

*Engineers • Surveyors
Planners
Environmental Services*

March 26, 2014

Subject: Update on the Haring Township Wastewater Treatment Plant Project Schedule

The following actions have taken place since the Boundary Commission Public Hearing on October 23, 2013:

- Authorization to Bid from Rural Development: December 16, 2013
- Bids received by the Township: January 27, 2014
- Received amended letter of conditions from RD for additional funding: February 13, 2014
- Haring Township approves tentative award of contracts: February 13, 2014
- Received Loan Closing Instructions from RD: February 18, 2014
- Rural Development Schedules Loan Closing for April 9, 2014

Based on the Loan Closing date of April 9, 2014, the following project schedule has been incorporated into the construction contracts:

- Hold Pre-Construction meeting with contractors: April 9, 2014
- Issue "Notice to Proceed": April 9, 2014
- Commence construction: May 1, 2014 (or earlier, weather permitting)
- Substantial Completion – ready for service: June 30, 2015
- Final Completion – project close out: July 18, 2015

Prepared by:

Douglas A. Coates, P.E.
President

P:\2011065.03\Docs\Update - Gosling Czubak letter for Sewer Project Schedule.docx

1280 Business Park Drive, Traverse City, MI 49686-8607
231-946-9191 800-968-1062 Fax: 231-941-4603

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
STATE BOUNDARY COMMISSION**

In the Matter of the Petition
for Annexation of Territory
in Clam Lake Township to the
City of Cadillac in Wexford County

Docket No. 13-AP-2

PROOF OF SERVICE

I, Marcy L. Link, hereby state that I am an employee in the law firm of Mika Meyers Beckett & Jones PLC, and that on March 27, 2014 served a copy of the following documents:

**Motion to Supplement the Record, Submitted by Clam Lake Township and
Haring Charter Township**

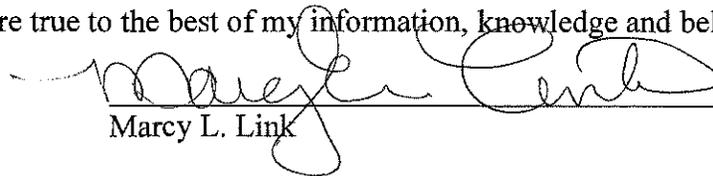
upon the following individuals by e-mail at the address indicated:

Michael D. Homier
E-mail: mhomier@fosterswift.com

Randall W. Kraker
E-mail: rwkraker@varnumlaw.com

I declare that the statements above are true to the best of my information, knowledge and belief.

Dated: March 27, 2014



Marcy L. Link