

MICHIGAN STATE TRANSPORTATION COMMISSION
PUBLIC MEETING
AGENDA

DATE: Thursday, May 21, 2015
TIME: 9:00 a.m.
LOCATION: Office of Aeronautics, Auditorium
Aeronautics Building, First Floor, 2700 Port Lansing Road, Lansing, Michigan

I. **WELCOME**

- Michigan Department of Transportation Director's Report – Director Kirk Steudle

II. **COMMISSION BUSINESS**

- Minutes of March 19, 2015, Commission Meeting (**motion required**)
- Resolution Authorizing the Issuance and Sale of Comprehensive Transportation Refunding Bonds, 2015 Series – Myron Frierson (**motion and roll call vote required**)
- Resolution Authorizing the Issuance and Sale of State Trunk Line Fund Refunding Bonds, 2015 Series – Myron Frierson (**motion and roll call vote required**)

III. **OVERSIGHT**

- Exhibit A: Contract Agreements – Myron Frierson (**motion required**)
- Exhibit A-1: Bid Letting Pre-Approvals – Myron Frierson (**motion required**)
- Exhibit A-1-Supplemental: Bid Letting Pre-Approvals – Myron Frierson (**motion required**) ^{added 5/14/15}
- Exhibit A-2: Letting Exceptions – Mark Van Port Fleet (**motion required**)
- Exhibit A-3: Information for the Commission – Myron Frierson (no motion required)
- Exhibit B: Construction Contracts – Brenda O'Brien (no motion required)

IV. **PRESENTATIONS**

- Tribal Affairs Update – Stuart Lindsay

V. **PUBLIC COMMENTS**

VI. **ADJOURNMENT**

VII. **NEXT MEETING**

- The next full meeting will be held Thursday, July 23, 2015, in Lansing at the Aeronautics Building.

The Commission may, at its discretion, revise this agenda or take up any other issues as need and as time allows. If you have any questions regarding this meeting, or need special accommodations to attend this meeting, please notify the State Transportation Commission Office at 517-373-2110.

Meeting agendas and minutes can be found on our website at www.michigan.gov/transcommission.

MICHIGAN STATE TRANSPORTATION COMMISSION

PUBLIC MEETING

March 19, 2015, Auburn Hills, Michigan

MEETING MINUTES

Members Present: Jerrold Jung, Chair
Todd Wyett, Vice Chair
Angelynn Afendoulis, Commissioner
Ron Boji, Commissioner
Michael Hayes, Commissioner
Charles Moser, Commissioner

Members Absent: None

Also Present: Kirk Steudle, Director, Michigan Department of Transportation (MDOT)
David Brickey, Assistant Attorney General, Transportation Division
Frank E. Raha, Commission Advisor
Phil Browne, Deputy Commission Advisor
Myron Frierson, Director, MDOT Bureau of Finance and Administration
Mark Van Port Fleet, Director, MDOT Bureau of Highway Development
Brenda O'Brien, Engineer, MDOT Construction Field Services Division
Jack Cotter, Commission Auditor, Office of Commission Audits
Mary Fedewa, Executive Assistant, Office of Commission Audits
Thomas A. Tanghe, City Manager, City of Auburn Hills
Tony Kratofil, MDOT Metro Region Engineer
Craig Newell, MDOT Statewide Planning Division
William McEntee, Vice-Chair, Transportation Asset Management Council
About 40 people were in the audience; a sign-in list is attached to the official minutes.

I. WELCOME

Chair Jung called the meeting to order at 10:00 a.m. in Auburn Hills, Michigan.

- ***City of Auburn Hills – Thomas Tanghe***

Mr. Tanghe welcomed the Commissioners on behalf of Mayor Kevin McDaniel and the entire city council. He spoke about the city and its diversity of business, recreational, educational, and residential settings, and the expected growth during 2015. He noted that growth impacts the road infrastructure, so the City of Auburn Hills is investing \$4 million in a partnership with MDOT to build the state's first diverging diamond interchange (DDI) to be constructed at I-75 and University Drive this year. The DDI is expected to make traffic flow more smoothly in the highly traveled area.

- ***Michigan Department of Transportation Director's Report – Kirk Steudle***

Director Steudle updated the Commissioners on the year-to-date number of traffic deaths, currently 142. These deaths affect families in our communities. He noted that MDOT is here to build a transportation network that moves people and goods both

safely and efficiently. He stated that we must keep safety in mind when discussing funding and the condition of roads and bridges.

The Director has given over 20 educational presentations about Proposal 1 for public vote on May 5. He noted the end result is to un-complicate funding so that all taxes paid at the pump go to roads and the increase in sales tax goes to schools, which will make up for the shift in taxes at the pump. The next Commission meeting will be after the public vote, so that meeting will contain a lot of information about next steps no matter whether the proposal passes or not.

Lastly, the Director recognized the Metro Region for how well they handled a recent tanker fire on I-94. Though not required in emergency situations, the Metro Region held a competitive bid for the repair; and they did other repair work while the road was shut down in order to avoid delays to motorists later.

- ***Metro Region Presentation – Tony Kratofil***

Mr. Kratofil first spoke about how diligent inspections discovered cracks in the beams under the I-75/University Drive Bridge, which led to closing the bridge for a short time while temporary supports were installed. He then spoke about adding a diverging diamond interchange at I-75 and University Drive in order to improve traffic flow and safety. The project total is \$25.1 million; construction is scheduled to start in mid-April and will be open to traffic in December 2015.

Statewide there currently are 74 bridges with temporary supports in place to make them safe until rehabilitation or replacement can be done, 60 percent of those bridges are in the Metro Region. Mr. Kratofil anticipates another 23 bridges needing supports soon. He spoke about the work of bridge inspectors and their ability to take action to protect the public. He also talked about pavement conditions and work being done in some areas because of the importance of those roadways to the economy.

Commissioner Hayes asked about follow-up inspections after temporary supports are installed. Mr. Kratofil said that the supports are meant to only secure the area temporarily so those bridges are inspected more often and include inspections of the supports.

No motions required.

II. **COMMISSION BUSINESS**

- ***Minutes of January 22, 2015, Commission Meeting***

Chair Jung requested a motion regarding approval of the minutes from the State Transportation Commission meeting of January 22, 2015. Commissioner Afendoulis made a motion to approve and Commissioner Hayes supported. Chair Jung led a voice vote; all members present voted in favor; **motion to approve carried.**

III. **OVERSIGHT**

- ***Exhibit A: Contract Agreements – Myron Frierson***

Mr. Frierson presented information on 13 agreements. Pending any questions, Mr. Frierson asked for approval of Exhibit A.

Chair Jung requested a motion regarding Exhibit A. Commissioner Afendoulis made a motion to approve and Commissioner Hayes supported. Chair Jung led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Supplemental Exhibit A: Contract Agreements – Myron Frierson***

Mr. Frierson presented information about one agreement. Pending any questions, Mr. Frierson asked for approval of Supplemental Exhibit A.

Chair Jung requested a motion regarding Supplemental Exhibit A. Commissioner Boji made a motion to approve and Commissioner Afendoulis supported. Chair Jung led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-1: Bid Letting Pre-Approvals – Myron Frierson***

Mr. Frierson presented information about Letting Statistics and Exhibit A-1. Projections for fiscal year 2015 are for 276 state jobs and a total construction cost estimate of \$691 billion. At this point in the year, MDOT has let 61.5 percent of jobs anticipated and 117.7 percent of cost estimates. There were 6 lettings in February and March. Upcoming April lettings are currently advertising 85 projects. Exhibit A-1 lists 60 projects. Pending any questions, Mr. Frierson asked for approval of Exhibit A-1.

Chair Jung requested a motion regarding Exhibit A-1. Commissioner Hayes made a motion to approve and Commissioner Moser supported. Chair Jung led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Supplemental Exhibit A-1: Bid Letting Pre-Approvals – Myron Frierson***

Mr. Frierson presented information about Supplemental Exhibit A-1, which lists 2 projects. Pending any questions, Mr. Frierson asked for approval of Supplemental Exhibit A-1.

Chair Jung requested a motion regarding Supplemental Exhibit A-1. Commissioner Wyatt made a motion to approve and Commissioner Afendoulis supported. Chair Jung led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit A-2: Letting Exceptions – Mark Van Port Fleet***

Mr. Van Port Fleet provided information on 12 projects that were over the engineer's estimates. There were 12 justifications for projects where the low bid exceeded the engineer's estimate by more than ten percent; OCA has reviewed. Pending any questions, Mr. Van Port Fleet asked for approval of Exhibit A-2.

Chair Jung asked for Mr. Van Port Fleet for his thoughts. Mr. Van Port Fleet noted some things that are impacting costs and that they are still trying to get a handle on increased cost. Chair Jung spoke about the impact extended warranties have on the number of contractors that can secure performance bonds. Mr. Van Port Fleet noted some projects did have healthy competition of up to 12 bidders, but the bids were still close.

Chair Jung requested a motion regarding Exhibit A-2. Commissioner Boji made a motion to approve and Commissioner Afendoulis supported. Chair Jung led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***Exhibit B: Contract Projects Finaled – Brenda O’Brien***

Ms. O’Brien presented information about Exhibit B, which included cost comparison information about recently finaled contracts.

- For MDOT projects in January and February, there were 95 projects totaling \$191.6 million finaled; 4 of those were more than 10 percent over original contract amounts. 67 projects came in under original contract amounts. For January and February, final contract costs averaged 0.83 percent over and 4.3 percent under original contract amounts, respectively. So far during fiscal year 2015, closed out MDOT projects have totaled \$313.4 million and averaged 0.99 percent under original contract amounts.
- For local agency projects in January and February, there were 102 projects totaling \$65.6 million finaled; 4 of those were more than 10 percent over original contract amounts. 59 projects came in under original contract amounts.

Reasons for additional project costs were provided in the meeting materials for 6 MDOT and 7 local agency projects that exceeded their original contract amounts by more than 10 percent.

Chair Jung noted that the information is a good summary and good way to keep matters transparent to the public.

No motion required.

- ***Exhibit C: Six-month Financial Audit Follow-up Report – Jack Cotter***

Mr. Cotter presented a report about audit projects that are unresolved more than 120 days since the auditor’s report was issued. Reported are six audits with approximately \$700,000 in net recommended adjustments owed to MDOT. MDOT agencies, including the Office of Commission Audits, are working with the audited entities to close these audits. Mr. Cotter also noted that this is the lowest number of unresolved audits in recent years.

Chair Jung requested a motion regarding approval of Exhibit C. Commissioner Wyett made a motion to approve and Commissioner Hayes supported. Chair Jung led a voice vote; all members present voted in favor; **motion to approve carried.**

IV. **PRESENTATIONS**

- ***MDOT Pavement Conditions – Craig Newell***

Mr. Newell reviewed the different types of routes (corridors) throughout the state and projected conditions for each corridor. MDOT currently does pavement forecasting based on Remaining Service Life (RSL) measures. As part of a Federal Highway Administration (FHWA) proposed rule, pavement conditions on National Highway System (NHS) roads will be measured by an International Roughness Index (IRI). The proposed rule requires no more than 5 percent of lane miles to be rated as poor. If this change takes effect, MDOT may need to adjust corridor investment allocations in order to continue receiving federal funds.

He then spoke about options to consider if additional funding is not received through passing of the ballot proposal. One strategy is to focus on rehabilitation vs. reconstruction, which is less expensive to start but costs three-times more than rehabilitation. Another strategy is to focus on the national/international roads and reduce allocations to other roads. Next steps by the Bureau of Transportation Planning are to analyze the impact of proposed FHWA measures and to bring the Commission options for consideration after the May 5th ballot results.

Commissioner Hayes thanked Mr. Newell for the presentation in response to his request at the last meeting, and then asked about how the new federal mandates will affect other roads even if the ballot proposal passes. Mr. Newell agreed that if the new rule is enacted as proposed, we may be required to spend more funds on the NHS to meet FHWA goals, so there will be less funds for the rest of the system. Director Steudle noted that the number of road in NHS was increased two years ago but funding was not, so congress needs to address funding.

Commissioner Afendoulis asked when the rule will be finalized. Mr. Newell said comments are due in May and then after that the rule will be finalized. Director Steudle said that MDOT has sent in comments on the rule and it may be appropriate for the Commission to send in comments also.

No motion required.

- ***Michigan Transportation Asset Management Council (TAMC) 2014 PASER Data and Annual Report Update – William McEntee, Vice-Chair, TAMC***

Mr. McEntee noted that the TAMC has decided to provide the Commission an overview of Pavement Surface Evaluation and Rating (PACER) data that is available at this time. The full report will be finalized the third week in April, presented at the April 30th TAMC Spring Conference, and submitted to the Legislature by May 2nd, as required by PA199 of 2007.

PACER data following the “Polar Vortex” winter of 2013/2014 shows that a number of roads that were previously rated good or fair have become poor. From 2010 to 2014 the rate of decline of paved federal-aid roads exceeded the rate of improvement by 29,000 lane miles or 32 percent. Bridge condition data for 2014 is still being analyzed. While Michigan has made significant improvement to the condition of its bridges we continue to trail neighboring states. Mr. McEntee also highlighted the interactive maps and data available on their website, www.michigan.gov/tamc, to assist both agencies and the public.

Chair Jung asked about developing a database to tie back contractors and construction methods to road conditions. Mr. McEntee said an Investment Reporting Tool (IRT) and Act 51 Distribution and Reporting System (ADARS) is being used to collect that type of data and he expects information to be included in next year’s annual report.

No motion required.

V. **PUBLIC COMMENTS**

• ***Jim Casha***

Mr. Casha suggested that MDOT take a lead in planning a multi-modal transportation hub in Southeast Michigan. Last night he attended a presentation by proposed developers of the former Michigan State Fairgrounds, and he felt it did not address needs of the area. He also feels that the Regional Transportation Authority (RTA) is losing momentum of public support.

• ***Robin Bennett***

Ms. Bennett noted that the Commissioners received a Michigan Statewide Independent Living Council (SILC) position paper on the importance of affordable, reliable, and assessable transportation be available to everyone. She is here to share a personal perspective. A few years ago Ms. Bennett graduated from college but found that her employment options were limited because she could not find transportation at either the times she needed or to the work area. In some cases, the area was only 15 minutes from her home. She also found that most public transportation doesn't run at night. She then researched private options, but found them to not be affordable to a recent college graduate, a private vehicle that would accommodate a wheelchair costs around \$50,000 dollars, and private transportation service would cost about \$35 to go five miles to work. She feels that many people are limited in their life choices due to the lack of public transportation.

Chair Jung thanked her for putting a face on the issue and letting them know that though we spend a lot on public transportation there are more areas of need.

VI. **ADJOURNMENT**

With no further business being before the Commission, Chair Jung declared the meeting adjourned at 11:45 a.m.

VII. **NEXT MEETING**

The next full meeting will be held Thursday, May 21, 2015, in Lansing at the Aeronautics Building.

Frank E. Raha, III
Commission Advisor

2015 COMPREHENSIVE TRANSPORTATION REFUNDING

RESOLUTION OF STATE TRANSPORTATION COMMISSION
AUTHORIZING THE ISSUANCE AND SALE OF STATE OF MICHIGAN
COMPREHENSIVE TRANSPORTATION REFUNDING BONDS 2015 SERIES

ADOPTED: May 21, 2015

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RESOLUTION OF STATE TRANSPORTATION COMMISSION
AUTHORIZING THE ISSUANCE AND SALE OF STATE OF MICHIGAN
COMPREHENSIVE TRANSPORTATION REFUNDING BONDS

**ARTICLE I.
PREMISES**

1. Under the Mich Const 1963, art 9, §9, all specific taxes (except general sales and use taxes and regulatory fees) imposed directly or indirectly on aircraft fuels and registered aircraft after payment of necessary collection expenses; not more than 10 percent (as specified by the Michigan legislature) of the specific taxes (except general sales and use taxes and regulatory fees) imposed directly or indirectly on fuels sold or used to propel motor vehicles upon highways and on registered motor vehicles, after payment of necessary collection expenses; and not more than 25 percent (as specified by the Michigan legislature) of the general sales taxes imposed directly or indirectly on fuels sold to propel motor vehicles upon highways, on the sale of motor vehicles, and on the sale of parts and accessories of motor vehicles after payment of necessary collection expenses, are to be used exclusively for comprehensive transportation purposes, as defined by law.

2. Under 1951 PA 51, as amended ("Act 51") all of the above-referenced taxes except the taxes on aircraft fuel and registered aircraft, and general sales taxes, are required to be deposited into the State Treasury to the credit of the Michigan Transportation Fund.

3. Under Section 10 of Act 51, a portion of the above referenced taxes deposited in the Michigan Transportation Fund and certain general sales taxes are required to be allocated and transferred each year to the Comprehensive Transportation Fund in the State Treasury and used for the purposes described in Section 10e of Act 51.

4. Section 18b of Act 51 authorizes the State Transportation Commission (the "Commission") to borrow money and issue bonds for comprehensive transportation purposes, for the purposes of refunding bonds previously issued for such purposes and payable from the Comprehensive Transportation Fund, or for a combination of such purposes, and for paying costs relating to the issuance of the bonds.

5. Section 18b of Act 51 further provides that bonds issued pursuant to the authorization of Section 18b may be issued as separate issues or series with different dates of issuance, but the aggregate principal amount of the bonds shall be subject to the limitations provided in Section 18b.

6. Any series of the bonds authorized hereby (the "Bonds") may be sold at public or negotiated sale, and issued with interest on such series excluded from gross income of the holders thereof for federal income tax purpose ("Federally Tax-Exempt") or not so excluded ("Federally Taxable"), as shall be determined by the Director of the Michigan Department of Transportation (as modified by Section 20 hereof, the "Director").

7. Section 18b(11)(d) of Act 51 provides that the Commission may authorize or provide for a person designated by the Commission, but only within limitations which shall be contained in the authorization resolution of the Commission, to do one or more of the following:

- (i) Sell and deliver and receive payment for bonds or notes,
- (ii) Refund bonds or notes by the delivery of new bonds or notes, whether or not the bonds or notes to be refunded have matured or are subject to redemption prior to maturity on the date of delivery of the refunding bonds or notes,

- (iii) Deliver bonds or notes partly to refund bonds or notes and partly for any other authorized purposes,
- (iv) Buy, hold without cancellation, or sell bonds or notes so issued, and
- (v) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, optional or mandatory redemption or tender rights and obligations to be exercised by the state transportation commission or the holder, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

8. The Director has advised the Commission that it may be appropriate, and in the best interests of the State of Michigan (the "State"), subject to favorable market conditions, to refund or advance refund and pay the principal or principal and interest, and premium, if any, on all or any portion of the previously issued and outstanding State of Michigan Comprehensive Transportation Bonds issued for comprehensive transportation purposes (the "Prior Bonds") and to fund all or part of the costs of such refunding from the proceeds of the Bonds authorized hereby.

9. Section 18b(11)(e) of Act 51 provides that in connection with the proposed issuance of bonds the Commission may authorize by resolution the execution and delivery of agreements providing for interest rate exchanges or swaps, hedges, or similar agreements, under which the payment obligations of the State, including termination payments may be made payable from and secured by a pledge of the same sources of funds as the bonds or from any other sources of funds available as a payment source of bonds and the payment obligation under

the bonds and such agreement (without regard to termination payments) shall be aggregated and treated as a single obligation.

10. Section 18b(11)(a) of Act 51 provides that the Commission may authorize and enter into insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase obligations, remarketing agreements, reimbursement agreements, and any other transactions to provide security to assure timely payment of bond or notes.

11. The total amount of bonds and notes that may be issued under Section 18b of Act 51 for comprehensive transportation purposes shall not exceed an amount as will be serviced out of state funds only as to the maximum annual principal and interest requirements (excluding the principal and interest requirements on bonds refunded or for the refunding of which refunding bonds have been sold), by an amount equal to 50% of the total amount of money received from taxes, the use of which money is restricted by Mich Const 1963, art 9, §9, and which money is deposited in the State Treasury to the credit of the Comprehensive Transportation Fund during the State fiscal year immediately preceding the issuance of the bonds or notes.

ARTICLE II.
RESOLUTIONS OF THE COMMISSION

The Commission resolves:

Section 1. Findings and Determinations. The Commission finds and determines that:

a. It is necessary, expedient and desirable to refund all or a portion of the Prior Bonds, which were previously issued for comprehensive transportation purposes.

b. To accomplish the purposes set forth above and to pay costs of issuance of the Bonds, it is necessary to borrow the sum of not to exceed the amount specified on Appendix

C and to issue bonds in an amount not to exceed the same aggregate original principal amount in accordance with Section 18b of Act 51.

c. The maximum annual principal and interest requirements on (i) the Bonds, and (ii) all outstanding bonds and notes issued under Section 18b for comprehensive transportation purposes, and payable from the Comprehensive Transportation Fund (excluding the principal and interest requirements of the Bonds To Be Refunded (as defined in Section 3) and other bonds which have been refunded) shall be not more than \$25 million, which amount is less than 50% of the money received from taxes (exclusive of interest earnings thereon) the use of which is restricted by Mich Const 1963, art 9, §9, and deposited in the State Treasury to the credit of the Comprehensive Transportation Fund in the fiscal year ended September 30, 2014, which amount was not less than \$265 million.

Section 2. Authorization of Bonds. The Bonds shall be issued in accordance with the authorization set forth in Section 18b of Act 51 and pursuant to this Resolution, for the purposes of paying all or part of the costs of refunding the Bonds To Be Refunded, if any, and costs related to the issuance of the Bonds and the refunding, paying capitalized interest on the Bonds through a date not later than three (3) years after their date of issuance or such earlier date as determined by the Director. The Bonds shall be issued in one or more series, designated "State of Michigan Comprehensive Transportation Refunding Bonds, Series 2015," with appropriate completions and alternative or additional series designations, if deemed necessary by the Director. The Bonds may be issued as Federally Tax-Exempt or Federally Taxable, as determined by the Director. The Bonds, and the principal of and interest and premiums, if any, thereon, are not general obligations of the State, but are payable solely from and secured by the funds and sources of funds specified herein pursuant to Act 51.

Section 3. Determination of Bonds To Be Refunded; Notification of Legislature.

The Director (or, in the case of the unavailability of the Director, his authorized Chief Administrative Officer or Bureau Director) and the Chairperson of the Commission (or, in the case the unavailability of the Chairperson another member of the Commission so authorized by the Chairperson to act in his place) acting jointly (collectively, the "Designated Person") shall determine which outstanding bonds of the Prior Bonds shall be refunded (the "Bonds To Be Refunded") based on which of those bonds are necessary or appropriate for refunding to achieve debt service savings or a more favorable debt structure. The Director shall give instructions to the transfer agents for the Bonds To Be Refunded to pay such bonds at maturity or upon prior redemption in accordance with the Escrow Deposit Agreement (as defined in Section 13).

The Director is directed to provide, pursuant to Section 18k of Act 51, a letter on behalf of the Commission to the appropriation committees of the State Senate and House of Representatives, setting forth the purposes of the issuance of the Bonds described herein.

Section 4. Terms of Bonds and Insurance. The Bonds may consist of interest bearing bonds (the "Current Interest Bonds") or bonds which do not bear interest, but appreciate in principal amount over time (the "Capital Appreciation Bonds"), or a combination thereof. The Bonds may also consist of serial bonds or term bonds with mandatory redemption requirements, or a combination thereof. For each series of Bonds, the Designated Person shall determine the principal amounts, original principal amounts per \$5,000 Maturity Amounts(as defined in this Section 4), Maturity Amounts, maturity dates, character as Current Interest Bonds or Capital Appreciation Bonds, and character as serial Bonds or term Bonds, interest rates, interest payment dates, prices, record date or dates to be used in determining the bondholder entitled to receive interest ("Record Dates"), capital appreciation schedules with approximate rates, and optional

and mandatory redemption schedules and requirements, all subject to the limitations contained in Appendix C to this Resolution. The designation of principal amounts payable as serial maturities or mandatory redemption requirements on term bonds may be determined as part of the sale process. The Designated Person is hereby authorized and directed on behalf of the Commission to negotiate with possible bond insurers with respect to the acquisition of one or more separate Policies (as defined in this Section 4) of insurance guaranteeing the payment when due of principal, including mandatory redemption requirements and interest on all or a portion of the Bonds generally consistent (except with respect to the amount of premium and other provisions specific to the issue of the Bonds) with the terms of prior commitments or standard terms provided by such possible bond insurers and on file with the Commission on the date hereof. The Designated Person shall designate which maturities of the Bonds, if any, shall be insured based on a determination that the cost to insure such Bonds is less than the debt service estimated to be saved on said insured Bonds. "Bond Insurer" means, as the context requires, the specific issuer of the Policy that insures payment of all or any portion of the principal and interest on the Bonds when due selected as provided in this Section 4 and any successor insurer. "Policy" means, as the context requires, the policy of bond insurance issued by a Bond Insurer which insures payment of all or any portion of the principal of and interest on the Bonds when due. The Director is authorized to execute and deliver an agreement (the "Insurance Agreement") with the Bond Insurer providing for the terms and conditions of the Bond Insurance, including without limitation, provisions for payment, notices, and reporting requirements. The Insurance Agreement shall be in form and substance acceptable to the Director in consultation with the Michigan Department of Attorney General and shall not require changes in the transaction as presented to the Commission which substantially alter the transaction or which are materially

adverse to the State. Except as otherwise provided in the Insurance Agreement, requirements set forth in this Resolution or the Insurance Agreement with respect to consents or approvals of a Bond Insurer or notices to a Bond Insurer shall not be effective during such time as (i) there are no outstanding Bonds insured by the related Policy; (ii) the Bond Insurer fails to make payments at the times and in the manner provided for in the related Policy; (iii) the related Policy is for any reason unavailable for the benefit of the Bonds insured by such Policy; or (iv) there is an act of bankruptcy by the Bond Insurer. In the event that the Designated Person determines not to obtain a Policy for any of the Bonds, the provisions of this Resolution relating to bond insurance, including specifically references to the Policy and the Bond Insurer, shall be null and void, provided however that in any event the Bonds may be prequalified by the State for bond insurance to be obtained by and at the cost of the purchasers of the Bonds.

Each series of the Bonds shall bear as their original issue date the date that series of Bonds is initially delivered, or such other date not more than sixty (60) days prior to the anticipated delivery date of that series of Bonds, as the Designated Person shall determine.

The Current Interest Bonds shall bear interest from their original issue date, or such later date to which interest has been paid, payable on the dates and at the rates determined as provided in this Section 4, computed on the basis of a 360 day year with twelve 30 day months.

The Capital Appreciation Bonds shall not bear interest, but shall appreciate in principal amount over time from their original issue date in accordance with the Capital Appreciation Schedule approved by the Designated Person and filed with the records of the Commission and the State Treasurer, which schedule shall be based on the approximate rates set forth therein, compounded semiannually and which shall state the semiannual compounding dates (the "Semiannual Dates").

As used in this Resolution, the term "Appreciated Amount" means with respect to any Capital Appreciation Bond of any maturity, on each Semiannual Date as set forth in the capital appreciation schedule of each year (until scheduled maturity or redemption) the corresponding principal amount for each \$5,000 principal amount of such Bond if held to maturity (as shown on the face of the Bond). The Appreciated Amount with respect to any date other than a Semiannual Date is the Appreciated Amount on the immediately preceding Semiannual Date plus an amount equal to the fraction of the difference between the Appreciated Amount on the immediately preceding Semiannual Date and the next succeeding Semiannual Date that equals the ratio of (a) the number of days from such immediately preceding Semiannual Date to the date of calculation, to (b) 180, computed on the basis of a 360 day year with twelve 30 day months. As used in this Resolution, the term "Maturity Amount" means with respect to any Capital Appreciation Bond of any maturity the Appreciated Amount of such Bond on its date of maturity.

Section 5. Redemption of Bonds. The specific provisions with respect to optional and mandatory redemptions of each series of the Bonds shall be determined as provided in Section 4 above. Procedures described below for redemption of Bonds apply only to those Bonds that are made subject to redemption as specified in Section 4, and nothing in this Section 5 shall be construed to require optional or mandatory redemption for all or any part of any series of Bonds. Bonds shall be selected for redemption between series and maturities, and between Current Interest Bonds and Capital Appreciation Bonds as the Director shall direct and within any one maturity of the same series and nature as to payment of interest, by the Transfer Agent (as defined in Section 7) by lot. Within allowable call periods, Bonds may be selected for redemption in whole or in part on any date.

The principal amount of term Bonds required to be redeemed on any date shall be reduced, in the order determined by the Director, by the principal amount of any term Bond of like series, maturity and nature as to payment of interest which has been previously redeemed (otherwise than as a result of a previous mandatory redemption requirement) or purchased or acquired by the State and delivered to the Transfer Agent for cancellation; provided that each such term Bond had not theretofore been applied as a credit against any mandatory redemption obligation. The Director shall give written notice to the Transfer Agent at least 45 days prior to any mandatory redemption date of the State's exercise of its option to reduce the amount of the mandatory redemption requirement on such date and the amount of such reduction.

Notice of redemption of any Bond will be given by the Transfer Agent upon direction of the Director at least thirty (30) days prior to the date fixed for redemption by mail to the registered holder or holders at the registered address, as of the date of mailing, of the Bonds to be redeemed. Failure of a holder to receive any such notice shall not affect the validity of the proceedings for redemption. Bonds so called for redemption will not bear interest, and principal will no longer appreciate from and after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem those Bonds. Current Interest Bonds shall be called for redemption in integral multiples of \$5,000, and such Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000, and those Bonds may be selected for redemption in part. Capital Appreciation Bonds shall be called for redemption in Appreciated Amounts appreciating to Maturity Amounts of \$5,000 or integral multiples thereof and those bonds with Maturity Amounts greater than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the Maturity Amount by \$5,000 and may be selected for redemption in part. The notice

of redemption of any Bond in a denomination, or Maturity Amount, of more than \$5,000, selected for redemption in part shall state that the holder of the Bond, upon surrender of the Bond for redemption, shall receive, without cost, a new Bond of like tenor, series, interest or appreciation rate and nature as to payment of interest and maturity, in the amount of the unredeemed portion of the Bond being surrendered.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption with the Transfer Agent no later than the redemption date, or (ii) that the Director retains the right to rescind such notice at any time on or before the immediately preceding business day prior to the redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded and such Bonds shall remain outstanding hereunder.

The Transfer Agent, at the same time as it gives notice of redemption to the registered holders of any Bonds, shall give notice of such redemption to the Bond Insurer if the Bonds to be redeemed are insured by the Bond Insurer.

Notwithstanding anything to the contrary in this section, but subject to the limitations set forth in Appendix C, the Designated Person, as part of the sale process for any Bonds that are Federally Taxable, may determine the manner of selection of those Bonds to be redeemed in the case that less than all of the Bonds of a maturity are redeemed, including providing for the pro rata redemption of such Bonds.

Section 6. Denominations, Registration, and Execution of the Bonds. The Bonds shall be issued in the forms set forth in Appendices A and B, with such changes, including clarifying additions or modifications in the designations of the Bonds, as the Director shall

approve. The Current Interest Bonds shall be issued in fully registered form in the denominations of \$5,000 or integral multiples thereof, not exceeding the amount of the Current Interest Bonds of that series maturing on the date that the Bond matures. The Capital Appreciation Bonds shall be issued as fully registered Bonds in original principal amounts, which appreciate to Maturity Amounts of Five Thousand Dollars (\$5,000), or any integral multiple of \$5,000 not exceeding the aggregate Maturity Amount of all Capital Appreciation Bonds of that series maturing on the date that the Bond matures. Capital Appreciation Bonds shall be issued with the original principal amount per \$5,000 Maturity Amount determined as provided in Section 4.

Principal, premium, if any, and interest on the Bonds shall be payable by the Transfer Agent to the registered holders of the Bonds. Interest on the Current Interest Bonds shall be payable by check or bank draft mailed by the Transfer Agent to the registered holders at the registered addresses, as shown on the registration books for the Bonds maintained by the Transfer Agent; provided, however, that the registered holder of Bonds of \$1,000,000 or more in principal amount shall have the option of being paid by wire transfer to a wire transfer address designated in writing to the Transfer Agent not less than 10 business days prior to a payment date which designation shall remain effective until rescinded. Interest shall be payable when due to the person or entity who is, as of the applicable Record Date (determined as provided in Section 4), the registered holder of record. Principal of, and premium, if any, on, the Bonds shall be payable when due by maturity or redemption, upon surrender of the Bond at the designated office of the Transfer Agent. Notwithstanding the foregoing, so long as all Bonds of any series are held by a nominee of The Depository Trust Company, the State Treasurer, the Transfer

Agent and The Depository Trust Company may agree upon alternate methods of paying such Bonds.

Payments on the Bonds by the Bond Insurer shall be made in accordance with the Insurance Agreement and the Policy. To the extent the Bond Insurer makes payment of principal of or interest on the Bonds, it shall become the owner of such Bonds, shall have the right to receive payment of principal of and/or interest on such Bonds and shall be fully subrogated to all of the rights of the registered holder of such Bonds thereunder and hereunder including the right to receive payment thereof. Evidence of such subrogation shall be made in accordance with the Insurance Agreement.

Section 7. The Transfer Agent. So long as all of the Bonds of any series are registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), the State Treasurer (or a qualified bank or trust company appointed by the State Treasurer) shall be the Transfer Agent under this Resolution for such series. Upon notification to the State Treasurer from DTC or the Director that the book-entry system for the Bonds referenced below is being discontinued, the State Treasurer shall appoint a qualified bank or trust company as successor Transfer Agent. The Transfer Agent shall also act as registrar and paying agent for the Bonds.

The Transfer Agent shall keep at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection at reasonable times by the State Treasurer, the Auditor General of the State, the Attorney General and the Michigan Department of Transportation (the "Department") or their representatives. Upon presentation of Bonds for such purposes, the Transfer Agent shall, under such reasonable regulations as it may prescribe, exchange or transfer, on those books, Bonds as provided below.

Any Transfer Agent, other than the State Treasurer, may resign by giving not less than ninety (90) days' prior written notice to the State Treasurer, and the State Treasurer may remove the Transfer Agent by giving not less than ninety (90) days' prior written notice to the Transfer Agent, but no such resignation shall be effective until the appointment of a successor Transfer Agent, as described herein. The State Treasurer shall designate a successor Transfer Agent and shall mail notice of the appointment of the successor Transfer Agent to each registered holder of the Bonds not less than sixty (60) days prior to the date for which the appointment is effective. Upon the appointment of a successor Transfer Agent, the predecessor Transfer Agent shall transfer all moneys and funds, the registration books, and all other documents and instruments relating to the Bonds held by it as Transfer Agent to the successor Transfer Agent.

In addition to the other requirements of this Section, the substitution or removal of the Transfer Agent as provided in this Section shall occur only with the consent of the Bond Insurer, if any.

Section 8 Execution and Authentication of Bonds. The Bonds shall be signed in the name of the State of Michigan by the manual or facsimile signatures of the Chairperson of the Commission and the Director. No Bond shall be valid until authenticated by an authorized officer of the Transfer Agent. The Bonds, when executed and authenticated, shall be delivered by the Transfer Agent as directed by the State Treasurer or, under his authorization, a Deputy State Treasurer, a Bureau Director within the Michigan Department of Treasury (the "Treasury"), or other appropriate official of the Department or the Treasury as the State Treasurer may direct in writing, to the registered holders of the Bonds upon payment of the purchase price therefor by the purchasers or Underwriters. Blank bonds for registration of transfer, executed with the manual or facsimile signatures of the Chairperson of the Commission and the Director, may

concurrently with the delivery of the Bonds, and thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

In case any officer whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, either as part of the initial delivery of the Bonds or in connection with a transfer or exchange, such signature shall nevertheless be valid for all purposes, as if such officer had remained in office until such delivery. The Transfer Agent's certificate of authentication of any Bond shall be deemed to have been executed by it if signed by a person or persons authorized as signatory of the Transfer Agent, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds.

Section 9. Transfer or Exchange of Bonds. Any Bond may be exchanged for Bonds of other authorized denominations or transferred upon the books maintained by the Transfer Agent upon application by the registered holder, in person or by his or her 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 Transfer Agent. Whenever any Bond shall be surrendered for transfer or exchange, the Transfer Agent shall authenticate and deliver a new Bond or Bonds, in like aggregate principal amount or Maturity Amount, and of like tenor, series, interest or principal appreciation rate and maturity. The Transfer Agent shall, prior to transfer or exchange, require the payment by the holder requesting the transfer or exchange of any tax or other governmental charge required to be paid with respect to the transfer or exchange. The Director shall give at least 10 days' (or such lesser number of days or none as shall be acceptable to the Transfer Agent) prior notice to the Transfer Agent of the mailing of any notice of redemption of any Bonds. The Transfer Agent shall not be required to (i) register the transfer of or exchange any Bond during a period beginning at the opening of business five

days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of that mailing, or (ii) register the transfer of or exchange any Bond so selected for redemption in whole or in part within thirty days of the redemption date, except the unredeemed portion of Bonds being redeemed in part.

The initial ownership of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. In the event DTC discontinues the book-entry-only system, or the Director determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of the Bonds or of the State, the Director shall notify the Transfer Agent, whereupon the Transfer Agent shall notify DTC of the Director's determination and shall direct DTC to make bond certificates available to the beneficial owners through DTC. In such event, the State shall provide and the Transfer Agent shall transfer and exchange Bonds as requested by DTC of like tenor, principal amount, series, maturity, interest or principal appreciation rate and nature as to payment of interest, in authorized denominations or Maturity Amounts to the identifiable beneficial owners in replacement of the beneficial interests of such beneficial owners in the Bonds.

Section 10. Replacement of Lost, Stolen, Destroyed, or Mutilated Bonds. If any Bond shall become mutilated, the Chairperson of the Commission and the Director, at the expense of the holder of the Bond, shall execute, in the manner specified in Section 8 hereof, and the Transfer Agent shall authenticate and deliver, a new Bond of like tenor in substitution for the mutilated Bond. In accordance with 1972 PA 354 ("Act 354"), if any Bond shall be lost, destroyed or stolen, evidence of the loss, destruction or theft shall be submitted to the Transfer Agent and, if this evidence is satisfactory to both the Transfer Agent and the Director and indemnity satisfactory to the Transfer Agent and the Director is provided by the holder, the

Chairperson of the Commission and the Director, at the expense of the holder, shall execute in the manner specified in Section 8 hereof and the Transfer Agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable Michigan law hereafter enacted, in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or, shall be about to mature, instead of issuing a substitute Bond the Transfer Agent may pay the Bond without surrender thereof.

Section 11. Establishment and Uses of Funds and Accounts. Upon the order of the Director, with respect to each series of Bonds a separate fund shall be established by the Department of Technology, Management and Budget ("DTMB") in the State Treasury, to be designated the Comprehensive Transportation Bond Proceeds Fund (each a "Bond Proceeds Fund") and with respect to each series of Bonds one separate account shall be established by DTMB in the Combined Comprehensive Transportation Bond and Interest Redemption Fund in the State Treasury to be designated as Bond Payment Account (each a "Bond Payment Account"). Each such fund or account may have appropriate alternative series designations as deemed necessary by the Director.

The Director may direct the establishment of, and DTMB may, on its own action or in response to that direction, establish additional accounts or subaccounts in the Combined Comprehensive Transportation Bond and Interest Redemption Fund, the Bond Payment Account or the Bond Proceeds Fund as may be necessary, convenient, or appropriate. The net proceeds of each series of the Bonds shall be deposited and used as follows:

(a) All accrued interest received on delivery of each series of the Bonds shall be deposited in the Bond Payment Account and used to pay interest on the Bonds of such series on the first interest payment date;

(b) From the proceeds of any series of Bonds, and from other available funds in the Comprehensive Transportation Fund as may be specified by the Director, the sum determined by the Director to be necessary to purchase investments sufficient (including investment earnings thereon), with any uninvested cash, to pay all principal of, and premium and interest on the Bonds To Be Refunded from the proceeds of such series, to and including the date fixed for payment or redemption thereof, as shall be specified by the Director, shall be deposited in the Escrow Fund established pursuant to the Escrow Deposit Agreement (as defined in Section 13 below) and used as provided therein;

(c) The balance of the net proceeds of each series of Bonds shall be deposited in the Bond Proceeds Fund, and used, together with investment earnings thereon, to pay costs related to the issuance of that series of the Bonds, the costs related to the refunding and interest, if any, on the Bonds or a portion thereof for a period not beyond three years after the date of issuance of such series as determined by the Director.

Except as hereinafter provided, the moneys deposited in the Bond Proceeds Fund shall be expended solely for the purposes set forth above, in accordance with the accounting and disbursement procedures of the State and the Department; provided, however, that periodically, as the Director may direct, investment earnings on such funds may be set aside and used to pay rebate obligations related to the Bonds to the United States government.

Subject to Section 19 and the Insurance Agreement, if any, moneys deposited in the Bond Proceeds Fund until disbursed, shall, as nearly as may be practicable, be continuously invested and reinvested by the State Treasurer in investments permitted by law. Investments of moneys in the Bond Proceeds Fund and any earnings, gains and losses resulting from such investment shall be applied to that Fund.

When all the costs of issuance of the Bonds and costs related to the refunding of the Bonds To Be Refunded have been paid, the Director shall certify that fact in writing to the State Treasurer. After the certification has been made, any moneys or securities remaining in the Bond Proceeds Fund (other than amounts held to pay rebate requirements) shall at the written direction of the Director, be transferred to the Bond Payment Account and shall be used to pay current debt service on the Bonds.

Money from the Comprehensive Transportation Fund shall be deposited into the Bond Payment Account in amounts sufficient (together with funds then on deposit in the account) to pay, when due, whether by maturity, redemption prior to maturity, or otherwise, the principal, redemption premium, if any, and interest on the Bonds, and the fees and expenses of the Transfer Agent. On or before each date specified for the payment of principal, premium, if any, and/or interest on the Bonds, the State Treasurer shall transfer from the Bond Payment Account to the Transfer Agent sufficient immediately available funds to pay when due the principal, premium, if any, and/or interest, respectively, whether due by maturity, redemption prior to maturity, or otherwise. Periodically, the State Treasurer shall pay the fees and expenses of the Transfer Agent from the Bond Payment Account.

Subject to Section 19 and the Insurance Agreement, if any, moneys in the Bond Payment Account until disbursed shall, as nearly as may be practicable, be continuously invested and reinvested by the State Treasurer in investments permitted by law. Investments of moneys in the Bond Payment Account shall be deemed at all times to be a part of the Bond Payment Account, and any earnings, gains and losses resulting from such investment shall be applied to the Bond Payment Account.

Section 12. Pledge of Funds and Limitations. In accordance with Act 51, there is irrevocably pledged for the payment of the obligations of the State under any related Hedge Agreement (as defined in Section 13), if any, (including termination payments owing by the State, to the extent such payments are not made from the proceeds of the Bonds) and the principal of and interest on the Bonds as they become due, sufficient moneys restricted as to use by Mich Const 1963, art. 9, §9, and which is deposited or to be deposited by law in the Comprehensive Transportation Fund. This pledge of moneys for the payment of the Bonds and the Hedge Agreement, if any, and any pledge of such moneys already or subsequently appropriated or pledged for the payment of bonds or notes already or subsequently issued under Section 18b of Act 51 for comprehensive transportation purposes and, in each case, payable from funds in the Comprehensive Transportation Fund, or other obligations payable from the Comprehensive Transportation Fund within the limitations set forth in Act 51, on a parity with the Bonds, shall be a first charge or lien, without preference of one over the other, against the moneys so deposited or to be deposited.

Section 13. Sale of the Bonds, Approval of, and Execution of Documents, Escrow Deposit Agreement, Hedge Agreement, and Continuing Disclosure Agreement. The Bonds of each series shall be sold at public sale following publication or posting of a notice of sale or on a negotiated sale basis, as shall be determined by the Director. With respect to Bonds sold at public sale, the Director is authorized to cause to be prepared and published the notice of sale at least seven days before the bids are to be received, and the Designated Person is authorized to award the Bonds so sold to the bidder with the lowest qualifying bid, or to reject all bids. The notice of sale may provide for a purchase price not less than the amount described in Appendix C, for the designation by the bidder of principal amounts to be paid as serial maturities or

mandatory redemption requirements of term Bonds and for the adjustment of maturity amounts (within ranges) in order to properly size the issue or to maintain the required debt service structure. With respect to each series of Bonds sold on a negotiated basis, the Designated Person is authorized to select the investment banking firm or firms to act as underwriters (the "Underwriters") and to accept an offer by the Underwriters to purchase the Bonds at a purchase price and with an original issue discount, if any, approved by the Designated Person subject to the limitations contained on Appendix C attached hereto. The Director or, his authorized Chief Administrative Officer, or the Bureau Director, is authorized to execute and deliver a bond purchase agreement with the Underwriters in a form approved by the Michigan Department of Attorney General.

The Director or, his authorized Chief Administrative Officer, or Bureau Director, and the State Treasurer or his authorized Deputy or a Bureau Director within Treasury, are authorized to execute and deliver an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with an Escrow Agent (the "Escrow Agent") selected by the Director and approved by the State Treasurer or his authorized Deputy or a Bureau Director within Treasury in a form approved by the Michigan Department of Attorney General. Each of the Escrow Agent, the State's financial advisor and the State's underwriter, if any, for the Bonds, is authorized to subscribe for the issuance of United States Treasury obligations as attorney-in-fact for the State, as may be required by the Escrow Deposit Agreement. Upon the direction, and subject to the approval, of the Director, the Escrow Agent is authorized to enter into a forward float agreement or similar agreement relating to the investment of certain monies held under the Escrow Deposit Agreement. The Director may also authorize and direct the Escrow Agent to sell, redeem, purchase, subscribe for, cancel subscriptions for and re-subscribe for securities deposited or to be

deposited in the Escrow Fund established under the Escrow Deposit Agreement, and in connection therewith, the Director may cause to be deposited in the Escrow Fund moneys from the Comprehensive Transportation Fund as temporary collateral for the payment of the principal of and interest and premium on the Bonds To Be Refunded.

The Director, or, his authorized Chief Administrative Officer, or Bureau Director, is authorized to execute and deliver one or more interest rate swap agreement(s) or similar agreement(s), including hedging agreements which provide for payments on a notional amount corresponding to all or a portion of the Bonds or the Prior Bonds, based on changes in a bond or other security pricing index or indices (individually and collectively herein, the "Hedge Agreement") in connection with the proposed issuance of any series of the Bonds, in the form and with terms approved by the Director and with one or more provider(s) or counterparties selected by the Director on a negotiated or competitive bid basis as determined by the Director. It is intended that the Hedge Agreement, if entered into, will be terminated in connection with the delivery of the Bonds in a manner that will provide for a lock in of the effective interest rates on the Bonds prior to the date the Bonds can be sold. Any termination or other payments to the State under the Hedge Agreement shall be deposited into the Bond Payment Account, the Escrow Fund, or the Bond Proceeds Fund, as determined by the Director. Any termination payments or other payments required to be made by the State during the term of or upon termination of the Hedge Agreement may be paid initially from the proceeds of the related Bonds, and in the case of insufficiency of such proceeds for such purpose, from moneys on deposit in the Comprehensive Transportation Fund.

The Commission approves the distribution in accordance with law of a preliminary official statement (the "Preliminary Official Statement") with respect to each series of the Bonds

in a form approved by the Director. The Director is further authorized to deem the Preliminary Official Statement final, in consultation with the Michigan Department of Attorney General and Bond Counsel (as defined in Section 17), for purposes of Securities and Exchange Commission Rule 15c2-12. The Director is authorized to have prepared a final official statement (the "Official Statement") substantially in the form of the Preliminary Official Statement, with such changes as are necessary and appropriate to reflect the final terms of each series of the Bonds or are otherwise deemed appropriate by the Director. The distribution and use of the Official Statement in accordance with applicable law by the Underwriters or purchasers at public sale of the Bonds in connection with the marketing of the Bonds is authorized. The Director or his authorized Chief Administrative Officer or Bureau Director is authorized to execute the Official Statement on behalf of the State of Michigan.

The Chairperson of the Commission, the Director, and under his authorization any Chief Administrative Officer or Bureau Director, the State Treasurer, and under his authorization a Deputy Treasurer or a Bureau Director within Treasury, and all other appropriate officers of the State, the Department and the Commission are authorized on behalf of the Commission, to take any actions, and execute any documents, including, if appropriate, but not limited to, obtaining ratings on the Bonds from nationally recognized bond rating agencies and the execution of a direction letter and issuer's acknowledgment agreement relating to any forward float agreement that shall be determined by the Director to be necessary or desirable to implement this Resolution and the delivery of the Bonds. The selection of Bond Counsel and financial advisor with respect to the Bonds is ratified and confirmed. The Director, or his authorized Chief Administrative Officer or Bureau Director, the State Treasurer, or his authorized Deputy or Bureau Director within Treasury, and the Transfer Agent, or any of them are authorized to

execute and deliver a Letter of Representation, if necessary, to The Depository Trust Company in connection with the issuance of the Bonds.

The Director, or his authorized Chief Administrative Officer or Bureau Director, and the State Treasurer, or his authorized Deputy or Bureau Director within Treasury so authorized, are authorized to execute and deliver an agreement of the State (the agreement and any amendments thereto are collectively, the "Continuing Disclosure Agreement") in a form approved by the Michigan Department of Attorney General, to assist in compliance with the continuing disclosure undertaking requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. The State, acting through the Commission and the Director, covenants that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement which are applicable to the State. Any failure of the State to comply with and carry out the provisions of this Section or of the Continuing Disclosure Agreement shall not be an event of default with respect to the Bonds.

Section 14. Cancellation. All Bonds surrendered to the Transfer Agent for payment upon redemption or maturity, or for transfer or exchange, shall be canceled by the Transfer Agent by perforation and notice of such cancellation shall be given by the Transfer Agent to the Director and the State Treasurer. Upon the direction of the State Treasurer, all such canceled Bonds shall be destroyed, and a certificate of destruction with respect thereto shall be delivered by the Transfer Agent to the State Treasurer and the Director.

Section 15. Amendments. This Resolution may be amended by the Commission and the Director without the consent of the holders of any Bonds (i) to increase or decrease the amount of Bonds which may be issued hereunder, (ii) to provide for the issuance of Bonds hereunder to refund any Bonds then outstanding (iii) to cure any ambiguity or defect in the form

of this Resolution, (iv) to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, or (v) to make any other changes determined in good faith by the Commission to be not to the detriment of the holders of outstanding Bonds. In determining whether such changes are to the detriment of the holders of outstanding Bonds, the Commission shall consider the effect of such changes as if no Policy from the Bond Insurer were then in effect. No amendments shall be made pursuant to this paragraph, which would materially and adversely affect the rights of the Bond Insurer without the consent of the Bond Insurer.

Exclusive of amendments undertaken pursuant to the preceding paragraph, the holders of not less than 51% in the aggregate principal amount of the Bonds outstanding shall have the right to consent to the adoption by the Commission and the Director of such amendments to this Resolution as shall be deemed necessary and desirable by the Commission and the Director and as are approved in writing by the Bond Insurer, if any; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest or principal appreciation thereon, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to an amendment to this Resolution. With respect to any Bond, which is insured by a Policy, the consent of the Bond Insurer shall constitute the consent of the holder of such Bond for the purposes of this paragraph, except with respect to amendments described in (i), (ii), (iii), or (iv) of the proviso of the preceding paragraph.

If the Commission and the Director shall propose to adopt an amendment to this Resolution requiring consent of the Bondholders, the Director shall have notice of the proposed amendment mailed to the Bond Insurer, if any, and to each registered holder at the registered

address shown on the registration books kept by the Transfer Agent. The notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal office of the Transfer Agent for inspection by all registered holders of Bonds. If within six months following the mailing of such notice, the Bond Insurer, if any, and the holders of not less than 51% in aggregate principal amount of the Bonds outstanding (determined as provided in this Section 15) at the time of the mailing of the notice consents in writing to the adoption thereof, this Resolution shall be so amended.

Solely for determining the principal amount of Bonds outstanding at any time for the purposes of this Section 15, the outstanding principal amount of a Capital Appreciation Bond shall be deemed to be the Appreciated Amount of such Bond as of the immediately preceding Semiannual Date.

Nothing contained in this Resolution shall in any way be construed to prevent the issuance of Bonds for any purpose authorized by law, subject to Act 51.

Section 16. Covenants of Commission. All covenants, agreements and obligations of the Commission contained in this Resolution are those of the Commission solely and not of any member, officer or employee of the Commission or the Department in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds, for any payments owing under any agreement related to the Bonds, or for any claim based on the Bonds or under this Resolution against any member, officer or employee of the Commission or the Department or any person executing or attesting to the Bonds and any agreement related thereto.

Section 17. Legal Opinions. The Bonds shall be issued subject to the approving legal opinion of the Attorney General of the State of Michigan and the approving legal opinions of

Bond Counsel, Dickinson Wright PLLC ("Bond Counsel"). The expense of Bond Counsel's opinions shall be paid out of the proceeds of the sale of the Bonds.

Section 18. Defeasance; Provision for Payment. If all the Bonds (i) shall have become due and payable in accordance with their terms, (ii) are to be paid at their maturity or maturities or (iii) if to be redeemed prior to maturity shall have been duly called for redemption or irrevocable instructions to call the Bonds for redemption shall have been given to the Transfer Agent by the Director, and the whole amount of the principal of and the interest and the premium, if any, so due and payable upon all of the Bonds then outstanding shall be paid or sufficient cash, or cash and non-callable Government Obligations (as defined in this Section 18), or specifically maturing interests in a fund composed entirely of Government Obligations, the principal of and the interest on which without reinvestment, when due and payable, will provide sufficient moneys for such payment, shall be segregated and held by the State Treasurer in the Bond Payment Account or by the Transfer Agent or other escrow agent in trust for the benefit of the holders of the Bonds, then this Resolution shall be defeased and terminated and all obligations of the State of Michigan, the Director and the Commission hereunder, and under Act 51 with respect to the Bonds, shall thereupon cease, provided, that the applicable provisions of this Resolution pertaining to the payment of the principal of and interest and redemption premium, if any, on the Bonds, to redemption of Bonds, and to the replacement, registration, transfer and exchange of the Bonds, and the tax covenant contained in Section 19 hereof, shall be continued in force until the Bonds have been fully paid. On demand of the Director, any surplus in the Bond Payment Account other than money held for the redemption or payment of the Bonds shall be transferred to the Comprehensive Transportation Fund.

Bonds or portions of Bonds for which cash or cash and Government Obligations, or specifically maturing interests in a fund composed entirely of Government Obligations (including principal of and interest thereon) shall be segregated and held by the State Treasurer, Transfer Agent or other escrow agent in trust for the holders of those Bonds or portions of Bonds sufficient to pay all principal, premium, if any, and interest through maturity or earlier specified redemption date for which notice shall have been duly given, or irrevocable instructions to give such notice shall have been given by the Director to the Transfer Agent, shall no longer be outstanding hereunder, and shall be deemed to be refunded, and the holders thereof shall have no further rights hereunder or under the Bonds except the right to receive payment from the cash or cash and Government Obligations held in trust as specified in this Section 18 and to effect the replacement, transfer and exchange of the Bonds as herein provided. Bonds and interest payments on Bonds which have become due, and for the payment of which funds shall be held in trust by the Transfer Agent, or segregated and held in the Bond Payment Account by the State Treasurer, in trust for the holders of those Bonds or the persons entitled to receive said interest payments shall, on the date of maturity thereof, be deemed to be paid, and the holders of such Bonds and the persons entitled to receive such interest shall have no further rights hereunder or under said Bonds except the rights to receive payment from the funds held in trust as specified above.

All moneys and Government Obligations held by the State Treasurer, Transfer Agent or other escrow agent pursuant to this Section 18 shall be segregated and held in trust and applied to the payment, when due, of the Bonds payable therewith. If funds are held for the payment of Bonds, as described in the preceding two paragraphs, by the State Treasurer, this Resolution shall only be defeased, or the lien of this Resolution only be released with respect to such Bonds,

if (i) such money and Government Obligations are held in trust for the sole and exclusive benefit of the registered owner of the Bonds (subject to the right of the State to require release of moneys therefrom to the extent such moneys are not required for the payment of the applicable Bonds) and (ii) the registered owners of such Bonds have a valid and binding first lien and security interest in such money and Government Obligations held by the State Treasurer.

In the event that the principal of and/or interest on any Bonds shall be paid by the Bond Insurer pursuant to the terms of the Policy, the pledge of this Resolution and all covenants, agreements and other obligations to the registered holders of such Bonds shall continue to exist with respect to such Bonds and the Bond Insurer shall be fully subrogated to the rights of such registered holders.

For the purposes of this Section 18, "Government Obligations" shall mean (i) non-callable direct obligations of the United States of America (including obligations issued or held in book-entry form), (ii) non-callable obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, (iii) non-callable, non-repayable obligations of agencies of the United States of America, or any other agency or corporation which is hereafter created pursuant to an act of Congress of the United States as an agency or instrumentality of the United States of America (provided that the agencies referenced in this clause (iii) retain ratings equivalent to or higher than the ratings held by direct obligations of the United States of America by Moody's, S&P or Fitch or any successor entities performing a similar function from which the State has requested a rating for the Bonds, as of the date the obligations are acquired); and (iv) certificates which evidence ownership of the right to payment of the principal of and interest on obligations described in clauses (i), (ii) and (iii) hereof; provided that such obligations are held in the custody of a bank or trust company

satisfactory to the State in a special account separate from the general assets of the custodian; provided, however, Government Obligations shall not include any investment which is prohibited or not permitted by the Act 51 or other applicable law.

Section 19. Tax Covenant. In the event future legislation allows the economic and efficient use of financing structures for the obligations authorized hereby which are different from or alternative to traditional tax-exempt bond structures, through related tax credits available to the State or the holders of such bonds, or assignees thereof, all or any portion of the obligations may, subject to the parameters set forth herein, be issued as obligations for which federal tax credits are payable to the State or obligations for which the federal income tax credits are allowed to the holder of the obligations, if the Designated Person determines such issuance is economic and in the best interests of the State, and in connection therewith, the Director is authorized to make, for and on behalf of and as the act of the State, any and all designations or elections (revocable or irrevocable), to make any tax covenants in connection with the issuance of such obligations, to execute and deliver any agreements, certificates or other instruments to or with the federal government or any agency thereof, and to take any other actions necessary for such obligations and the State to receive any benefits, funds or federal subsidies available to the State.

For Bonds that are Federally Tax-Exempt, the State, acting through the Commission and the Director, covenants that it will, to the extent permitted by law, comply with all requirements of the Internal Revenue Code of 1986, as amended, and all applicable regulations thereunder that must be satisfied in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, including but not limited to, requirements relating to the

rebate of arbitrage earnings, if required, and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

Section 20. The Director. For all purposes of this Resolution, except as specifically otherwise provided, the term "Director" shall mean the Director of the Michigan Department of Transportation, or, in the case that the Director is not reasonably available to take any action required or permitted hereunder, the Chief Administrative Officer of the Michigan Department of Transportation or Bureau Director so authorized by the Director.

Section 21. Immediate Effect. This Resolution shall be immediately effective. No delivery of Bonds authorized hereunder shall occur on or prior to the thirtieth day after the filing of the notification pursuant to Section 3 of this Resolution. Any Bonds authorized by this Resolution shall be sold and delivered on or before December 31, 2015.

I hereby certify the foregoing is a true and complete copy of a Resolution duly adopted by the State Transportation Commission, State of Michigan, at a Commission meeting held on the _____, 2015, the original of which is on file with the official records of the Commission and the meeting was conducted and public notice of the meeting was given in full compliance with all relevant rules and regulations of the Commission and the Open Meetings Act, 1976 PA 267, and the minutes of the meeting were kept and will be made available as required by 1976 PA 267.

I further certify the following Commissioners were present at the meeting _____ and that the following Commissioners were absent _____.

I further certify Commissioner _____ moved for adoption of the Resolution, and Commissioner _____ supported the motion. I further certify the following Commissioners voted for adoption of the Resolution: _____, the following Commissioners voted against adoption of the Resolution: _____, and the following. Commissioners abstained: _____.

RESOLUTION DECLARED ADOPTED.

_____, Commission Advisor
State Transportation Commission
State of Michigan

ORDER

DEPARTMENT OF TRANSPORTATION

I, Kirk T. Steudle, P.E., Director of the Department of Transportation of the State of Michigan, adopt the attached RESOLUTION OF STATE TRANSPORTATION COMMISSION AUTHORIZING THE ISSUANCE OF STATE OF MICHIGAN COMPREHENSIVE TRANSPORTATION REFUNDING BONDS as my act and deed for the Michigan Department of Transportation.

Signed and Dated: _____, 2015

Kirk T. Steudle, P.E., Director
Department of Transportation

APPENDIX A

[Form of Current Interest Bond]
[Information in brackets [] may be omitted]

UNITED STATES OF AMERICA
STATE OF MICHIGAN

COMPREHENSIVE TRANSPORTATION REFUNDING BOND,
SERIES 20____
(CURRENT INTEREST BOND)

CUSIP No. _____

No. _____

Principal Amount: \$ _____

Maturity Date: _____

Interest Rate: _____

Date of Original Issue: _____, 20__

Registered Owner: _____

Principal Amount: _____ Dollars

THE STATE OF MICHIGAN (the "State"), for value received, promises to pay the Principal Amount shown above to the Registered Owner specified above, or registered assigns, in lawful money of the United States of America on the Maturity Date shown above, unless redeemed prior thereto as hereinafter provided, with interest thereon until maturity or prior redemption date, from the date hereof or such later date through which interest on the Bond in exchange for which this Bond is issued shall have been paid, at the Interest Rate shown above, computed on the basis of a 360 day year with twelve 30 day months, payable on _____, 20__, and semiannually thereafter on each _____, _____ and _____, _____. Principal of this Bond is payable when due upon surrender of this Bond at the principal office of the State Treasurer of the State of Michigan, Lansing, Michigan, or such other transfer agent as the State may hereafter designate (the "Transfer Agent"). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is, as of the _____ of the month [prior to the month] in which each interest payment date occurs, the Registered Owner, at the registered address or by wire transfer subject to the requirements of the Resolution.

This Bond is not a general obligation of the State, but is payable solely from the funds irrevocably pledged by law which are restricted as to use by Mich Const 1963, art 9, §9, and deposited or to be deposited in the Comprehensive Transportation Fund. The issuance of the bonds of this issue has been authorized under 1951 PA 51, as amended ("Act 51") by resolutions

and orders (collectively the "Resolution") duly adopted by the State Transportation Commission (the "Commission") of the State and by the Director (the "Director") of the Michigan Department of Transportation (the "Department") for the purpose of providing funds to pay all or part of the costs of refunding certain bonds of the State previously issued to provide funds to pay part of the costs of certain Comprehensive Transportation projects as authorized in the Resolution, and paying costs incidental to the issuance of the Bonds and the refunding.

This Bond is one of a series of bonds (the "Bonds"), [which include Current Interest Bonds such as this Bond and Capital Appreciation Bonds which bear no interest but appreciate in principal amount over time,] of [even date and] like tenor, except as to denomination, [date of issue], rate of interest, [if any, principal appreciation rate, if any], redemption provisions, and date of maturity, aggregating the original principal sum of _____ Dollars (\$ _____). The Bonds are of equal standing and priority of lien as to the moneys in the Comprehensive Transportation Fund, with certain outstanding bonds previously issued by the State (the "Outstanding Bonds").

The State has the right to issue additional bonds and incur other obligations secured on a parity with and payable from the same sources as the Bonds and the Outstanding Bonds within the limitations of Act 51.

For a complete statement of the funds from which this Bond is payable and the conditions on which additional bonds or notes of equal standing and priority of lien with the Bonds and the Outstanding Bonds with respect to the constitutionally restricted moneys deposited or to be deposited in the Comprehensive Transportation Fund may be issued, reference is hereby made to the Resolution and Act 51.

[Capital Appreciation Bonds shall [not] be subject to redemption [as provided therein.]

[Current Interest] Bonds maturing on or after _____, _____, will be redeemable prior to maturity at the option of the Director on or after _____, as a whole or in part at any time in such order of maturity as the Director may determine and by lot within a maturity at the following respective redemption prices, applicable to optional redemption only and not to mandatory redemption or payments on maturity, (expressed as a percentage of principal amount) plus interest accrued to the redemption date:

Period

Redemption Price

In addition, the [Current Interest] Bonds maturing on _____, _____ and _____, _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity in part by lot at a price equal to 100% of the principal amount to be redeemed, plus

accrued and unpaid interest to the redemption date, but without premium, on the dates commencing _____, _____ and _____, _____, respectively and in the respective mandatory redemption amounts provided pursuant to the Resolution, but subject to reduction for previously redeemed or purchased Term Bonds of the same maturity, as provided in the Resolution.

Notice of redemption of any Bond shall be given at least thirty (30) days prior to the date fixed for redemption by mail to the registered holder or holders of the Bonds to be redeemed at the registered addresses shown on the registration books as of the date of mailing kept by the Transfer Agent. Failure of the holder to receive any such notice shall not affect the validity of the proceedings for redemption. Bonds shall be called for redemption in integral multiples of \$5,000, and Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denominations of the Bond by \$5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds of the same series in aggregate principal amount, equal to the unredeemed portion of the Bond surrendered and of like series, interest rate, and nature as to payment of interest and maturity shall be issued to the registered holder thereof, without cost to the holder. No further interest on the Bonds or portions of the Bonds called for redemption shall accrue from and after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem those Bonds or portions of Bonds.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption with the Transfer Agent no later than the redemption date, or (ii) that the Director retains the right to rescind such notice at any time on or before the immediately preceding business day prior to the redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded and such Bonds shall remain outstanding hereunder.

Any Bond may be exchanged for Bonds of other authorized denominations or transferred upon the books maintained by the Transfer Agent, upon application by the person in whose name it is registered, in person or by duly authorized attorney or legal representative, upon surrender of the Bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond is surrendered for transfer or exchange, the Transfer Agent shall authenticate and deliver a new Bond or Bonds of the same series, in like aggregate principal amount, and of like tenor, [with like nature as to payment of interest,] interest [or principal appreciation] rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer or exchange to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required to (i) issue, register the transfer of or exchange any Bond during a period beginning at the opening of business five days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of that mailing, or (ii) register the transfer of or exchange any Bond selected for redemption in whole or in part within thirty days of the redemption date, except the unredeemed portion of Bonds being redeemed in part.

It is hereby certified 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 Transfer Agent's Certificate of Authentication on this Bond has been duly executed by the authorized signatory of the Transfer Agent.

IN WITNESS WHEREOF, this Bond has been executed with the manual or facsimile signatures of the Chairperson of the State Transportation Commission and the Director of the Michigan Department of Transportation, all as of the Date of Original Issue.

Director
Michigan Department of Transportation

Chairperson
State Transportation Commission
State of Michigan

Certificate of Authentication

This Bond is one of the Bonds described in the within-mentioned Resolution.

State Treasurer of the State of Michigan

By: _____

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
[_____]
Please insert Social Security No. or other Identifying Number of Assignee

[please print or type name and address of transferee]

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint
_____ attorney to transfer the within bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as it appears
upon the face of the within bond in every particular, without alteration or enlargement or
any change whatever. When assignment is made by a guardian, trustee, executor or
administrator, an officer of a corporation, or anyone in a representative capacity, proof of
his authority to act must accompany the bond.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities
Transfer Association recognized signature guarantee program. The Transfer Agent will not
affect transfer of this Bond unless the information concerning the transferee requested below is
provided.

PLEASE INSERT SOCIAL SECURITY
NUMBER OR OTHER IDENTIFYING
NUMBER OF TRANSFEREE.

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

Name and Address: _____

(Include information for all joint owners if
the bond is held by joint account.)

APPENDIX B

[Form of Capital Appreciation Bond]
[Information in Brackets [] may be omitted]

UNITED STATES OF AMERICA
STATE OF MICHIGAN

COMPREHENSIVE TRANSPORTATION REFUNDING BOND,
SERIES 20__
(CAPITAL APPRECIATION BOND)

CUSIP No. _____

No. _____

Maturity Date: _____

Date of Original Issue: _____, 20__

Original Principal Amount Per \$5,000 Maturity Amount: _____

Registered Owner: _____

Maturity Amount: _____

_____ Dollars

The STATE OF MICHIGAN (the "State"), for value received promises to pay to the Registered Owner, or registered assigns, in lawful money of the United States of America, on the Maturity Date the Maturity Amount shown above, upon presentation and surrender of this Bond at the principal office of the State Treasurer of the State of Michigan, Lansing, Michigan or such other transfer agent as the State may hereafter designate (the "Transfer Agent"). Interest shall not be paid on this Bond.

This Bond is not a general obligation of the State, but is payable solely from the funds irrevocably pledged by law which are restricted as to use by Mich Const 1963, art 9, §9 and deposited or to be deposited in the Comprehensive Transportation Fund. The issuance of the bonds of this issue has been authorized under 1951 PA 51 ("Act 51") by resolutions and orders (collectively the "Resolution") duly adopted by the State Transportation Commission (the "Commission") of the State and by the Director (the "Director") of the Michigan Department of

Transportation (the "Department") for the purpose of providing funds to pay all or part of the costs of refunding certain bonds of the State previously issued to provide funds to pay part of the costs of certain Comprehensive Transportation projects as authorized in the Resolution and paying costs incidental to the issuance of the Bonds and the refunding.

This Bond is one of a series of bonds (the "Bonds") [which include Capital Appreciation Bonds such as this Bond, and bonds which bear interest ("Current Interest Bonds")] of like tenor, except as to denomination, date of issue, rate of interest, if any, principal appreciation rate, if any, redemption provisions, and date of maturity, aggregating the original principal sum of _____ Dollars (\$ _____). The Bonds are of equal standing and priority of lien, as to the moneys in the Comprehensive Transportation Fund, with certain outstanding bonds previously issued by the State (the "Outstanding Bonds").

The State has the right to issue additional bonds and incur other obligations secured on a parity with and payable from the same sources as the Bonds and the Outstanding Bonds within the limitations of Act 51.

Appreciated Amount means on each _____ and _____ (each a "Semiannual Date") the corresponding principal amount shown on the Capital Appreciation Schedule on file with the Commission and the State Treasurer of the State for each \$5,000 principal amount if held to the Maturity Date shown above. The Appreciated Amount with respect to any date other than a Semiannual Date is the Appreciated Amount on the immediately preceding Semiannual Date plus an amount equal to the fraction of the difference between the Appreciated Amount on the immediately preceding Semiannual Date and the next succeeding Semiannual Date that equals the ratio of (a) the number of days from such immediately preceding Semiannual Date to the date of calculation to (b) 180, computed on the basis of a 360 day year with twelve 30 day months.

For a complete statement of the funds from which this Bond is payable and the conditions on which additional bonds or notes of equal standing and priority of lien with the Bonds and the Outstanding Bonds with respect to the constitutionally restricted moneys deposited or to be deposited in the Comprehensive Transportation Fund may be issued, reference is hereby made to the Resolutions and Act 51.

Bonds which are Capital Appreciation Bonds will [not] be subject to redemption prior to maturity [as follows:].

[Redemption provisions, if any, to be added]

Any Bond may be exchanged for Bonds of other authorized denominations or transferred upon the books maintained by the Transfer Agent, upon application by the person in whose name it is registered, in person or by duly authorized attorney or legal representative, upon surrender of the Bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond is surrendered for transfer or exchange, the Transfer Agent shall authenticate and deliver a new Bond or Bonds of

the same series, in like aggregate Maturity Amount, and of like tenor, with like nature as to payment of interest, interest or principal appreciation rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer or exchange to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required to (i) issue, register the transfer of or exchange any Bond during a period beginning at the opening of business five days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of that mailing, or (ii) register the transfer of or exchange any Bond selected for redemption in whole or in part within thirty days of the redemption date, except the unredeemed portion of Bonds being redeemed in part.

It is hereby certified 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 Transfer Agent's Certificate of Authentication on this Bond has been duly executed by the authorized signatory of the Transfer Agent.

IN WITNESS WHEREOF, this Bond has been executed with the manual or facsimile signatures of the Chairperson of the State Transportation Commission and the Director of the Michigan Department of Transportation, all as of the Date of Original Issue.

Director
Michigan Department of Transportation

Chairperson
State Transportation Commission
State of Michigan

Certificate of Authentication

This Bond is one of the Bonds described in the within-mentioned Resolution.

State Treasurer of the State of Michigan

By: _____

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
[_____]
Please insert Social Security No. or other Identifying Number of Assignee

[please print or type name and address of transferee]

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint
_____ attorney to transfer the within bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as it appears
upon the face of the within bond in every particular, without alteration or enlargement or
any change whatever. When assignment is made by a guardian, trustee, executor or
administrator, an officer of a corporation, or anyone in a representative capacity, proof of
his authority to act must accompany the bond.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities
Transfer Association recognized signature guarantee program. The Transfer Agent will not
affect transfer of this Bond unless the information concerning the transferee requested below is
provided.

PLEASE INSERT SOCIAL SECURITY
NUMBER OR OTHER IDENTIFYING
NUMBER OF TRANSFEREE.

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

Name and Address: _____

(Include information for all joint owners if
the bond is held by joint account.)

APPENDIX C

BOND TERMS

1. The aggregate principal amount of Bonds, including initial principal amounts of capital appreciation bonds, shall not exceed \$35 million.
2. The purchase price of any series of the Bonds shall be not less than (a) 98 % of the original principal amount of that series of the Bonds, plus (b) accrued interest on that series of the Bonds, less (c) net original issue discount on any Bonds sold at negotiated sale.
3. The interest rate per annum on any series of Current Interest Bonds shall not exceed 10%.
4. The appreciation rate per annum on Capital Appreciation Bonds shall not exceed 10%.
5. The first principal or mandatory redemption payment on any series of the Bonds shall be due not later than ten years after the original issue date of that series.
6. The last principal or mandatory redemption payment on any series of the Bonds shall be due not later than thirty years from the original issue date of that series of the Bonds.
7. The Bonds may be subject to optional redemption not earlier than five years from the Date of Original Issue at redemption premiums not to exceed 5%, unless the redemption price is based on a "make-whole" formula, in which case the redemption premium shall not exceed 12%; provided, however that Bonds issued on a taxable basis may be subject to optional make-whole or extraordinary redemption and such 5% limitation shall not apply to such optional make-whole or extraordinary redemptions.
8. Original issue discount on any Current Interest Bonds sold at negotiated sale shall not exceed 10% of the original principal amount of such Bonds.

2015 TRUNK LINE REFUNDING

RESOLUTION OF STATE TRANSPORTATION COMMISSION
AUTHORIZING THE ISSUANCE AND SALE OF STATE OF MICHIGAN
STATE TRUNK LINE FUND REFUNDING BONDS 2015 SERIES

ADOPTED: May 21, 2015

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Appendix A Form of Current Interest Bond A-1

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RESOLUTION OF STATE TRANSPORTATION COMMISSION
AUTHORIZING THE ISSUANCE AND SALE OF STATE OF MICHIGAN
STATE TRUNK LINE FUND REFUNDING BONDS

**ARTICLE I.
PREMISES**

1. Under Mich Const 1963, art 9, § 9, not less than 90 percent of the specific taxes (except general sales and use taxes and regulatory fees) imposed directly or indirectly on fuels sold or used to propel motor vehicles upon highways and on registered motor vehicles, after payment of necessary collection expenses, are to be used exclusively for the transportation purposes of planning, administering, constructing, reconstructing, financing and maintaining state, county, city and village roads, streets and bridges designed primarily for the use of motor vehicles using tires and reasonable appurtenances to those state, county, city and village roads, streets and bridges.

2. Under 1951 PA 51, as amended ("Act 51"), all of the above-referenced taxes are required to be deposited into the State Treasury to the credit of the Michigan Transportation Fund.

3. Under Section 10 of Act 51, a portion of the above-referenced taxes deposited in the Michigan Transportation Fund are required to be allocated and transferred each year to the State Trunk Line Fund in the State Treasury and used for the purposes described in Section 11 of Act 51.

4. Section 18b of Act 51 authorizes the State Transportation Commission (the "Commission") to borrow money and issue bonds and notes for the purposes described in Mich Const 1963, art 9, § 9, for the purposes of refunding bonds and notes previously issued for such purposes payable from and secured by money which is restricted as to use by Mich Const 1963,

art 9, § 9, as amended, and which is deposited or to be deposited in the State Trunk Line Fund, or for a combination of such purposes, and paying costs relating to the issuance of the bonds.

5. Section 18b of Act 51 further provides that bonds or notes issued pursuant to the authorization of Section 18b may be issued as separate issues or series with different dates of issuance, but the aggregate principal amount of the bonds shall be subject to the limitations provided in Section 18b.

6. Any series of the bonds authorized hereby (the "Bonds") may be sold at public or negotiated sale, and issued with interest on such series excluded from gross income of the holders thereof for federal income tax purpose ("Federally Tax-Exempt") or not so excluded ("Federally Taxable"), as shall be determined by the Director of the Michigan Department of Transportation (as modified by Section 20 hereof, the "Director").

7. Section 18b(11)(d) of Act 51 provides that the Commission may authorize or provide for a person designated by the Commission, but only within limitations which shall be contained in the authorization resolution of the Commission, to do one or more of the following:

- (i) Sell and deliver and receive payment for bonds or notes,
 - (ii) Refund bonds or notes by the delivery of new bonds or notes, whether or not the bonds or notes to be refunded have matured or are subject to redemption prior to maturity on the date of delivery of the refunding bonds or notes,
 - (iii) Deliver bonds or notes partly to refund bonds and partly for any other authorized purposes,
 - (iv) Buy, hold without cancellation, or sell bonds or notes so issued,
- and

- (v) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, optional or mandatory redemption or tender rights and obligations to be exercised by the state transportation commission or the holder, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

8. Section 18b(11)(e) of Act 51 provides that in connection with the proposed issuance of bonds the Commission may authorize by resolution the execution and delivery of agreements providing for interest rate exchanges or swaps, hedges, or similar agreements, under which the payment obligations of the State, including termination payments may be made payable from and secured by a pledge of the same sources of funds as the bonds or from any other sources of funds available as a payment source of bonds and the payment obligation under the bonds and such agreement (without regard to termination payments) shall be aggregated and treated as a single obligation.

9. The Director has advised the Commission it is appropriate, and in the best interests of the State of Michigan (the "State"), subject to favorable market conditions, to refund or advance refund and pay the principal or principal and interest, and premium, if any, on all or any portion of the previously issued and outstanding State of Michigan bonds and notes issued for purposes described in the second paragraph of the Mich Const 1963, art 9, § 9 (herein the "Prior Bonds") and to fund all or part of the costs of such refunding from the proceeds of the Bonds authorized hereby.

10. Section 18b(11)(a) of Act 51 provides the Commission may authorize and enter into insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase obligations, remarketing agreements, reimbursement agreements, and any other transactions to provide security to assure timely payment of bond or notes.

11. The total amount of bonds and notes payable from funds deposited or to be deposited in the State Trunk Line Fund may be issued under Section 18b of Act 51 for purposes described in the second paragraph of Mich Const 1963, art 9, § 9 shall not exceed an amount as will be serviced as to the maximum annual principal and interest requirements (including the annual contractual payments of the Commission pledged for the payment of debt service on bonds issued pursuant to Section 18d of Act 51, but excluding the principal and interest requirements on bonds refunded or for the refunding of which refunding bonds have been sold), by an amount equal to 50% of the total amount of money received from taxes, the use of which money is restricted by Mich Const 1963, art 9, § 9, and which money is deposited in the State Treasury to the credit of the State Trunk Line Fund during the State fiscal year immediately preceding the issuance of the bonds or notes.

ARTICLE II.

RESOLUTIONS OF THE COMMISSION

The Commission resolves:

Section 1. Findings and Determinations. The Commission finds and determines that:

a. It is necessary, expedient and desirable to refund all or a portion of the Prior Bonds, which were previously issued for State Trunk Line Fund purposes, and to pay all or a part of the costs thereof from the proceeds of the Bonds.

b. To accomplish the purposes set forth above and to pay costs of issuance of the Bonds, it is necessary to borrow the sum of not to exceed the amount specified on Appendix C and to issue bonds in an amount not to exceed the same aggregate original principal amount in accordance with Section 18b of Act 51.

c. The maximum annual principal and interest requirements on (i) the Bonds, (ii) all outstanding bonds and notes issued under Section 18b for the transportation purposes described in the second paragraph of Mich Const 1963, art 9, § 9 and (iii) the share of the State of outstanding bonds issued under Section 18d of Act 51 (excluding in each case principal and interest requirements of the Bonds To Be Refunded (as defined in Section 3) and other bonds which have been refunded) shall be not more than \$165 million which is less than 50% of the money received from taxes (exclusive of interest earnings thereon) the use of which is restricted by Mich Const 1963, art 9, § 9, and deposited in the State Treasury to the credit of the State Trunk Line Fund in the fiscal year ended September 30, 2014, which was not less than \$740 million.

Section 2. Authorization of Bonds. The Bonds shall be issued in accordance with the authorization set forth in Section 18b of Act 51 and pursuant to this Resolution, for the purposes of paying all or part of the costs of refunding the Bonds To Be Refunded, if any, and costs related to the issuance of the Bonds and the refunding, paying capitalized interest on the Bonds through a date not later than three (3) years after their date of issuance or such earlier date as determined by the Director. The Bonds shall be issued in one or more series, designated "State of Michigan State Trunk Line Fund Refunding Bonds, Series 2015" with appropriate completions and alternative or additional series designations, if deemed necessary by the Director. The Bonds may be issued as Federally Tax-Exempt or Federally Taxable, as determined by the Director. The Bonds, and the

principal of and interest and premiums, if any, thereon, are not general obligations of the State, but are payable solely from and secured by the funds and sources of funds specified herein pursuant to Act 51.

Section 3. Bonds To Be Refunded. The Director (or, in the case of the unavailability of the Director, his authorized Chief Administrative Officer or Bureau Director) and the Chairperson of the Commission (or in the case of the unavailability of the Chairperson, another member of the Commission authorized by the Chairperson to act in his place), acting jointly (collectively, the "Designated Person") shall determine which outstanding bonds of the Prior Bonds shall be refunded (the "Bonds To Be Refunded") based on which of those bonds are necessary or appropriate for refunding to achieve debt service savings or a more favorable debt structure. The Director shall give instructions to the transfer agents for the Bonds To Be Refunded to pay such bonds at maturity or upon prior redemption in accordance with the Escrow Deposit Agreement (as defined below).

The Director is directed to provide, pursuant to Section 18k of Act 51, a letter on behalf of the Commission to the appropriation committees of the State Senate and House of Representatives, setting forth the purposes of the issuance of the Bonds described herein.

Section 4. Terms of Bonds and Insurance. The Bonds may consist of interest bearing bonds (the "Current Interest Bonds") or bonds which do not bear interest, but appreciate in principal amount over time (the "Capital Appreciation Bonds"), or a combination thereof. The Bonds may also consist of serial Bonds, and term Bonds with mandatory redemption requirements, or a combination thereof. For each series of Bonds, the Designated Person shall determine the principal amounts, original principal amounts per \$5,000 Maturity Amounts (as defined below), Maturity Amounts, maturity dates, character as Current Interest Bonds or Capital

Appreciation Bonds, and character as serial Bonds or term Bonds, interest rates, interest payment dates, prices, record date or dates to be used in determining the bondholder entitled to receive interest ("Record Dates"), capital appreciation schedules with approximate rates, and optional and mandatory redemption schedules and requirements, all subject to the limitations contained in Appendix C to this Resolution, provided the certification contained in Section 12 is not thereby made incorrect. The designation of principal amounts payable as serial maturities or mandatory redemption requirements on term bonds may be determined as part of the sale process. The Designated Person is hereby authorized and directed on behalf of the Commission to negotiate with possible bond insurers with respect to the acquisition of one or more separate Policies (as defined below) of insurance guaranteeing the payment when due of principal, including mandatory redemption requirements and interest on all or a portion of the Bonds generally consistent (except with respect to the amount of premium and other provisions specific to the issue of the Bonds) with the terms of prior commitments or standard terms provided by such possible bond insurers and on file with the Commission on the date hereof. The Designated Person shall designate which maturities of the Bonds, if any, shall be insured based on a determination the insurance costs less than the debt service estimated to be saved on insured Bonds. "Bond Insurer" means, as the context requires, the specific issuer of the Policy which insures payment of all or any portion of the principal and interest on the Bonds when due, selected as provided in this Section 4 and any successor insurer. "Policy" means, as the context requires, the policy of bond insurance issued by a Bond Insurer which insures payment of all or any portion of the principal of and interest on the Bonds when due. The Director is authorized to execute and deliver an agreement (the "Insurance Agreement") with the Bond Insurer providing for the terms and conditions of the Bond Insurance, including without limitation, provisions for payment, notices

and reporting requirements. The Insurance Agreement shall be in form and substance acceptable to the Director in consultation with the Michigan Department of Attorney General and shall not require changes in the transaction as presented to the Commission which substantially alter the transaction or which are materially adverse to the State. Except as otherwise provided in the Insurance Agreement, requirements set forth in this Resolution or the Insurance Agreement with respect to consents or approvals of a Bond Insurer or notices to a Bond Insurer shall not be effective during such time as (i) there are no outstanding Bonds insured by the related Policy; (ii) the Bond Insurer fails to make payments at the times and in the manner provided for in the related Policy; (iii) the related Policy is for any reason unavailable for the benefit of the Bonds insured by such Policy; or (iv) there is an act of bankruptcy by the Bond Insurer. In the event the Designated Person determines not to obtain a Policy for any of the Bonds, the provisions of this Resolution relating to bond insurance, including specifically references to the Policy and the Bond Insurer, shall be null and void, provided however in any event the Bonds may be prequalified by the State for bond insurance to be obtained by and at the cost of the purchasers of the Bonds.

Each series of the Bonds shall bear as their original issue date, the date the series of the Bonds is initially delivered, or such other date not more than sixty (60) days prior to the anticipated delivery date of the series of Bonds, as the Designated Person shall determine.

The Current Interest Bonds shall bear interest from their original issue date, or such later date to which interest has been paid, payable on the dates and at the rates determined as provided in this Section 4, computed on the basis of a 360 day year with twelve 30 day months.

The Capital Appreciation Bonds shall not bear interest, but shall appreciate in principal amount over time from their original issue date in accordance with the Capital Appreciation Schedule approved by the Designated Person and filed with the records of the Commission and

the State Treasurer, which schedule shall be based on the approximate rates set forth therein, compounded semiannually and which shall state the semiannual compounding dates (the "Semiannual Dates").

As used in this Resolution, the term "Appreciated Amount" means with respect to any Capital Appreciation Bond of any maturity, on each Semiannual Date as set forth in the capital appreciation schedule of each year (until scheduled maturity or redemption) the corresponding principal amount for each \$5,000 principal amount of such Bond if held to maturity (as shown on the face of the Bond). The Appreciated Amount with respect to any date other than a Semiannual Date is the Appreciated Amount on the immediately preceding Semiannual Date plus an amount equal to the fraction of the difference between the Appreciated Amount on the immediately preceding Semiannual Date and the next succeeding Semiannual Date that equals the ratio of (a) the number of days from such immediately preceding Semiannual Date to the date of calculation, to (b) 180, computed on the basis of a 360 day year with twelve 30 day months. As used in this Resolution, the term "Maturity Amount" means with respect to any Capital Appreciation Bond of any maturity the Appreciated Amount of such Bond on its date of maturity.

Section 5. Redemption of Bonds. The specific provisions with respect to optional and mandatory redemptions of each series of the Bonds shall be determined as provided in Section 4 above. Procedures described below for redemption of Bonds apply only to those Bonds that are made subject to redemption as specified in Section 4, and nothing in this Section 5 shall be construed to require optional or mandatory redemption for all or any part of any series of Bonds. Bonds shall be selected for redemption between series and maturities, and between Current Interest Bonds and Capital Appreciation Bonds as the Director shall direct and within any one maturity of the same series and nature as to payment of interest, by the Transfer Agent (as defined

in Section 7) by lot. Within allowable call periods, Bonds may be selected for redemption in whole or in part on any date.

The principal amount of term Bonds required to be redeemed on any date shall be reduced, in the order determined by the Director, by the principal amount of any term Bond of like series, maturity and nature as to payment of interest which has been previously redeemed (otherwise than as a result of a previous mandatory redemption requirement) or purchased or acquired by the State and delivered to the Transfer Agent for cancellation; provided that each such term Bond had not theretofore been applied as a credit against any mandatory redemption obligation. The Director shall give written notice to the Transfer Agent at least 45 days prior to any mandatory redemption date of the State's exercise of its option to reduce the amount of the mandatory redemption requirement on such date and the amount of such reduction.

Notice of redemption of any Bond will be given by the Transfer Agent upon direction of the Director at least thirty (30) days prior to the date fixed for redemption by mail to the registered holder or holders at the registered address, as of the date of mailing, of the Bonds to be redeemed. Failure of a holder to receive any such notice shall not affect the validity of the proceedings for redemption. Bonds so called for redemption will not bear interest, and principal will no longer appreciate from and after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem those Bonds. Current Interest Bonds shall be called for redemption in integral multiples of \$5,000, and such Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000, and those Bonds may be selected for redemption in part. Capital Appreciation Bonds shall be called for redemption in Appreciated Amounts appreciating to Maturity Amounts of \$5,000 or integral multiples thereof and those bonds with Maturity

Amounts greater than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the Maturity Amount by \$5,000 and may be selected for redemption in part. The notice of redemption of any Bond in a denomination, or Maturity Amount, of more than \$5,000, selected for redemption in part shall state that the holder of the Bond, upon surrender of the Bond for redemption, shall receive, without cost, a new Bond of like tenor, series, interest or appreciation rate and nature as to payment of interest and maturity, in the amount of the unredeemed portion of the Bond being surrendered.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption with the Transfer Agent no later than the redemption date, or (ii) that the Director retains the right to rescind such notice at any time on or before the immediately preceding business day prior to the redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded and such Bonds shall remain outstanding hereunder.

The Transfer Agent at the same time as it gives notice of redemption to the registered holders of any Bonds shall give notice of such redemption to the Bond Insurer if the Bonds to be redeemed are insured by the Bond Insurer.

Notwithstanding anything to the contrary in this section, but subject to the limitations set forth in Appendix C, the Designated Person, as part of the sale process for any Bonds that are Federally Taxable, may determine the manner of selection of those Bonds to be redeemed in the case that less than all of the Bonds of a maturity are redeemed, including providing for the pro rata redemption of such Bonds.

Section 6. Denominations, Registration and Execution of the Bonds. The Bonds shall be issued in the forms set forth in Appendices A and B, with such changes, including clarifying additions or modifications in the designations of the Bonds, as the Director shall approve. The Current Interest Bonds shall be issued in fully registered form in the denominations of \$5,000 or integral multiples thereof, not exceeding the amount of the Current Interest Bonds of that series maturing on the date that the Bond matures. The Capital Appreciation Bonds shall be issued as fully registered Bonds in original principal amounts which appreciate to Maturity Amounts of Five Thousand Dollars (\$5,000) or any integral multiple of \$5,000 not exceeding the aggregate Maturity Amount of all Capital Appreciation Bonds of that series maturing on the date the Bond matures. Capital Appreciation Bonds shall be issued with the original principal amount per \$5,000 Maturity Amount determined as provided in Section 4.

Principal, premium, if any, and interest on the Bonds shall be payable by the Transfer Agent to the registered holders of the Bonds. Interest on the Current Interest Bonds shall be payable by check or bank draft mailed by the Transfer Agent to the registered holders at the registered addresses, as shown on the registration books for the Bonds maintained by the Transfer Agent; provided, however, the registered holder of Bonds of \$1,000,000 or more in principal amount shall have the option of being paid by wire transfer to a wire transfer address designated in writing to the Transfer Agent not less than 10 business days prior to a payment date which designation shall remain effective until rescinded. Interest shall be payable when due to the person or entity who is, as of the applicable Record Date (determined as provided in Section 4), the registered holder of record. Principal of, and premium, if any, on, the Bonds shall be payable when due by maturity or redemption, upon surrender of the Bond at the designated office of the Transfer Agent. Notwithstanding the foregoing, so long as all Bonds of any series are held by a

nominee of The Depository Trust Company, the State Treasurer, the Transfer Agent, and The Depository Trust Company may agree upon alternate methods of paying such Bonds.

Payments on the Bonds by the Bond Insurer shall be made in accordance with the Insurance Agreement and the Policy. To the extent the Bond Insurer makes payment of principal of or interest on the Bonds, it shall become the owner of such Bonds, shall have the right to receive payment of principal of and/or interest on such Bonds and shall be fully subrogated to all of the rights of the registered holder of such Bonds thereunder and hereunder including the right to receive payment thereof. Evidence of such subrogation shall be made in accordance with the Insurance Agreement.

Section 7. The Transfer Agent. So long as all of the Bonds of any series are registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), the State Treasurer (or a qualified bank or trust company appointed by the State Treasurer) shall be the Transfer Agent under this Resolution for such series. Upon notification to the State Treasurer from DTC or the Director the book-entry system for the Bonds referenced below is being discontinued, the State Treasurer shall appoint a qualified bank or trust company as successor Transfer Agent. The Transfer Agent shall also act as registrar and paying agent for the Bonds.

The Transfer Agent shall keep at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection at reasonable times by the State Treasurer, the Auditor General of the State, the Attorney General and the Department of Transportation (the "Department") or their representatives. Upon presentation of Bonds for such purposes, the Transfer Agent shall, under such reasonable regulations as it may prescribe, exchange or transfer, on those books, Bonds as provided below.

Any Transfer Agent, other than the State Treasurer, may resign by giving not less than ninety (90) days' prior written notice to the State Treasurer, and the State Treasurer may remove the Transfer Agent by giving not less than ninety (90) days' prior written notice to the Transfer Agent, but no such resignation shall be effective until the appointment of a successor Transfer Agent, as described herein. The State Treasurer shall designate a successor Transfer Agent and shall mail notice of the appointment of the successor Transfer Agent to each registered holder of the Bonds not less than sixty (60) days prior to the date for which the appointment is effective. Upon the appointment of a successor Transfer Agent, the predecessor Transfer Agent shall transfer all moneys and funds, the registration books, and all other documents and instruments relating to the Bonds held by it as Transfer Agent to the successor Transfer Agent.

In addition to the other requirements of this Section, the substitution or removal of the Transfer Agent as provided in this Section shall occur only with the consent of the Bond Insurer, if any.

Section 8. Execution and Authentication of Bonds. The Bonds shall be signed in the name of the State of Michigan by the manual or facsimile signatures of the Chairperson of the Commission and the Director. No Bond shall be valid until authenticated by an authorized officer of the Transfer Agent. The Bonds, when executed and authenticated, shall be delivered by the Transfer Agent as directed by the State Treasurer or, under his authorization, a Deputy State Treasurer, a Bureau Director within the Michigan Department of Treasury (the "Treasury") or other appropriate official of the Department or of the Treasury as the State Treasurer may direct in writing, to the registered holders of the Bonds upon payment of the purchase price therefor by the purchasers or Underwriters. Blank bonds for registration of transfer, executed with the manual or facsimile signatures of the Chairperson of the Commission and the Director, may concurrently

with the delivery of the Bonds, and thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

In case any officer whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, either as part of the initial delivery of the Bonds or in connection with a transfer or exchange, such signature shall nevertheless be valid for all purposes, as if such officer had remained in office until such delivery. The Transfer Agent's certificate of authentication of any Bond shall be deemed to have been executed by it if signed by a person or persons authorized as signatory of the Transfer Agent, but it shall not be necessary the same person sign the certificate of authentication on all of the Bonds.

Section 9. Transfer or Exchange of Bonds. Any Bond may be exchanged for Bonds of other authorized denominations or transferred upon the books maintained by the Transfer Agent upon application by the registered holder, in person or by his or her 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 Transfer Agent. Whenever any Bond shall be surrendered for transfer or exchange, the Transfer Agent shall authenticate and deliver a new Bond or Bonds, in like aggregate principal amount or Maturity Amount, and of like tenor, series, interest or principal appreciation rate and maturity. The Transfer Agent shall, prior to transfer or exchange, require the payment by the holder requesting the transfer or exchange of any tax or other governmental charge required to be paid with respect to the transfer or exchange. The Director shall give at least 10 days' (or such lesser number of days or none as shall be acceptable to the Transfer Agent) prior notice to the Transfer Agent of the mailing of any notice of redemption of any Bonds. The Transfer Agent shall not be required to (i) register the transfer of or exchange any Bond during a period beginning at the opening of business five days before the

day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of mailing, or (ii) register the transfer of or exchange any Bond so selected for redemption in whole or in part within thirty days of the redemption date, except the unredeemed portion of Bonds being redeemed in part.

The initial ownership of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. In the event DTC discontinues the book-entry-only system, or the Director determines the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of the Bonds or of the State, the Director shall notify the Transfer Agent, whereupon the Transfer Agent shall notify DTC of the Director's determination and shall direct DTC to make bond certificates available to the beneficial owners through DTC. In such event, the State shall provide and the Transfer Agent shall transfer and exchange Bonds as requested by DTC of like tenor, principal amount, series, maturity, interest or principal appreciation rate and nature as to payment of interest, in authorized denominations or Maturity Amounts to the identifiable beneficial owners in replacement of the beneficial interests of such beneficial owners in the Bonds.

Section 10. Replacement of Lost, Stolen, Destroyed or Mutilated Bonds. If any Bond shall become mutilated, the Chairperson of the Commission and the Director, at the expense of the holder of the Bond, shall execute, in the manner specified in Section 8 hereof, and the Transfer Agent shall authenticate and deliver, a new Bond of like tenor in substitution for the mutilated Bond. In accordance with 1972 PA 354 ("Act 354"), if any Bond shall be lost, destroyed or stolen, evidence of the loss, destruction or theft shall be submitted to the Transfer Agent and, if this evidence is satisfactory to both the Transfer Agent and the Director and indemnity satisfactory to the Transfer Agent and the Director is provided by the holder, the Chairperson of the

Commission and the Director, at the expense of the holder, shall execute in the manner specified in Section 8 hereof and the Transfer Agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable Michigan law hereafter enacted, in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or, shall be about to mature, instead of issuing a substitute Bond the Transfer Agent may pay the Bond without surrender thereof.

Section 11. Establishment and Uses of Funds and Accounts. Upon the order of the Director, with respect to each series of Bonds a separate fund shall be established by the Department of Technology, Management and Budget (“DTMB”) in the State Treasury, to be designated the State Trunk Line Refunding Bond Proceeds Fund (each a "Bond Proceeds Fund") and with respect to each series of Bonds one separate account shall be established by DTMB in the Combined State Trunk Line Bond and Interest Redemption Fund in the State Treasury to be designated as the Bond Payment Account (each a "Bond Payment Account"). Each such fund or account may have appropriate alternative series designations as deemed necessary by the Director.

The Director may direct the establishment of, and DTMB may, on its own action or in response to direction, establish additional accounts or subaccounts in the Combined State Trunk Line Bond and Interest Redemption Fund, the Bond Payment Account or the Bond Proceeds Fund as may be necessary, convenient or appropriate. The net proceeds of each series of the Bonds shall be deposited and used as follows:

- a. All accrued interest received on delivery of each series of the Bonds shall be deposited in the Bond Payment Account and used to pay interest on the Bonds of such series on the first interest payment date.

- b. From the proceeds of any series of Bonds, and from other available funds in the State Trunk Line Fund, as may be specified by the Director, the sum determined by the Director to be necessary to purchase investments sufficient (including investment earnings thereon), with any uninvested cash, to pay all principal of, and premium and interest on the Bonds To Be Refunded from the proceeds of such series, to and including the date fixed for payment or redemption thereof, as shall be specified by the Director, shall be deposited in the Escrow Fund established pursuant to the Escrow Deposit Agreement (as defined in Section 13 below) and used as provided therein.
- c. The balance of the net proceeds of each series of Bonds shall be deposited in the Bond Proceeds Fund, together with investment earnings thereon, and used to pay costs related to the issuance of that series of the Bonds, the costs related to the refunding, and interest, if any, on the bonds or a portion thereof for a period not beyond three years after the date of issuance of such series as determined by the Director.

Except as hereinafter provided, the moneys deposited in the Bond Proceeds Fund shall be expended solely for the purposes set forth above, in accordance with the accounting and disbursement procedures of the State and the Department; provided, however, periodically, as the Director may direct, investment earnings on such funds may be set aside and used to pay rebate obligations related to the Bonds to the United States government.

Subject to Section 19 and the Insurance Agreement, if any, moneys deposited in the Bond Proceeds Fund until disbursed, shall, as nearly as may be practicable, be continuously invested and reinvested by the State Treasurer in investments permitted by law. Investments of moneys in

the Bond Proceeds Fund and any earnings, gains and losses resulting from such investment shall be applied to that Fund.

At such time as all the costs of issuance of the Bonds and costs related to the refunding of the Bonds To Be Refunded have been paid, the Director shall certify that fact in writing to the State Treasurer. After the certification has been made, any moneys or securities remaining in the Bond Proceeds Fund (other than amounts held to pay rebate requirements) shall at the written direction of the Director, be transferred to the Bond Payment Account and shall be used to pay current debt service on the Bonds.

Money from the State Trunk Line Fund shall be deposited into the Bond Payment Account in amounts sufficient (together with funds then on deposit in the account) to pay, when due, whether by maturity, redemption prior to maturity, or otherwise, the principal, redemption premium, if any, and interest on the Bonds, and the fees and expenses of the Transfer Agent. On or before each date specified for the payment of principal, premium, if any, and/or interest on the Bonds, the State Treasurer shall transfer from the Bond Payment Account to the Transfer Agent sufficient immediately available funds to pay when due the principal, premium, if any, and/or interest, respectively, whether due by maturity, redemption prior to maturity, or otherwise. Periodically, the State Treasurer shall pay the fees and expenses of the Transfer Agent from the Bond Payment Account.

Subject to Section 19 and the Insurance Agreement, if any, moneys in the Bond Payment Account until disbursed shall, as nearly as may be practicable, be continuously invested and reinvested by the State Treasurer in investments permitted by law. Investments of moneys in the Bond Payment Account shall be deemed at all times to be a part of the Bond Payment Account,

and any earnings, gains and losses resulting from such investment shall be applied to the Bond Payment Account.

Section 12. Pledge of Funds and Limitations. In accordance with Act 51, there is irrevocably pledged for the payment of the principal of and interest on the Bonds as they become due, sufficient moneys restricted as to use by Mich Const 1963, art 9, § 9, and which is deposited or to be deposited by law in the State Trunk Line Fund. This pledge of moneys for the payment of the Bonds and any pledge of such moneys already or subsequently appropriated or pledged for the payment of bonds or notes already or subsequently issued under Section 18b of Act 51, or for the payment of contract obligations incurred under Section 18d of Act 51 and, in each case, payable from funds in the State Trunk Line Fund, or other obligations payable from funds in the State Trunk Line Fund, within the limitations set forth in Act 51, on a parity with the Bonds, shall be a first charge or lien, without preference of one over the other, against the moneys so deposited or to be deposited.

The Commission certifies to the State Treasurer that the average annual debt service requirements payable from and secured by a lien on the State Trunk Line Fund for all bonds, notes, or other obligations, or portions of bonds, notes, or other obligations issued after July 1, 1983 for purposes other than the preservation of highways, roads, streets, and bridges and other than for the purposes specified in Section 11(2)(b), (c), (d), (g), (h) and (i) of Act 51, including the prorated portion of debt service on the portion of the Bonds to be used for other than such purposes as set forth above, does not exceed 10% of the State revenue appropriated to the State Trunk Line Fund, less the amounts described in Section 11(2) (a) to (i) of Act 51 during the last completed State fiscal year. If the purposes for which the Bonds are issued are changed hereafter, such changes shall be made in a manner to maintain compliance with the certification

contained in the preceding sentence, to the extent then required by law, but, pursuant to Act 51, no change, whether in compliance or not, shall affect the validity of the Bonds or the obligation to pay debt service thereon. The Director is authorized, for and on behalf of the Commission, to execute and deliver a certificate addressed to the State Treasurer as of the date of delivery of the Bonds certifying the matters set forth herein, with such changes as shall have occurred on or before the date of delivery of the Bonds but subject to the limitations provided above. For purpose of this paragraph the term "preservation" shall be defined as specified in Section 10c of Act 51.

Section 13. Sale of the Bonds, Approval of and Execution of Documents, Escrow Deposit Agreement, Hedge Agreement and Continuing Disclosure Agreement. The Bonds of each series shall be sold at public sale following publication or posting of a notice of sale or on a negotiated sale basis, as shall be determined by the Director. With respect to Bonds sold at public sale, the Director is authorized to cause to be prepared and published the notice of sale at least seven days before the bids are to be received, and the Designated Person is authorized to award the Bonds so sold to the bidder with the lowest qualifying bid, or to reject all bids. The notice of sale may provide for a purchase price not less than the amount described in Appendix C, for the designation by the bidder of principal amounts to be paid as serial maturities or mandatory redemption requirements of term Bonds and for the adjustment of maturity amounts (within ranges) in order to properly size the issue or to maintain the required debt service structure. With respect to each series of Bonds sold on a negotiated basis, the Designated Person is authorized to select the investment banking firm or firms to act as underwriters (the "Underwriters") and to accept an offer by the Underwriters to purchase the Bonds at a purchase price and with an original issue discount, if any, approved by the Designated Person subject to the limitations contained on

Appendix C attached hereto. The Director or his authorized Chief Administrative Officer or Bureau Director is authorized to execute and deliver a bond purchase agreement with the Underwriters in a form approved by the Michigan Department of Attorney General.

The Director or his authorized Chief Administrative Officer or Bureau Director and the State Treasurer or his authorized Deputy or the Bureau Director within Treasury are authorized to execute and deliver an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with an Escrow Agent (the "Escrow Agent") selected by the Director and approved by the State Treasurer or his authorized Deputy or a Bureau Director within Treasury in a form approved by the Michigan Department of Attorney General. Each of the Escrow Agent, the State's financial advisor and the State's underwriter, if any, for the Bonds is authorized to subscribe for the issuance of United States Treasury obligations as attorney-in-fact for the State, as may be required by the Escrow Deposit Agreement. Upon the direction, and subject to the approval, of the Director, the Escrow Agent is authorized to enter into a forward float agreement or similar agreement relating to the investment of certain monies held under the Escrow Deposit Agreement. The Director may also authorize and direct the Escrow Agent to sell, redeem, purchase, subscribe for, cancel subscriptions for and re-subscribe for securities deposited or to be deposited in the Escrow Fund established under the Escrow Deposit Agreement, and in connection therewith, the Director may cause to be deposited in the Escrow Fund moneys from the State Trunk Line Fund as temporary collateral for the payment of the principal of and interest and premium on the Bonds To Be Refunded.

The Director, or his authorized Chief Administrative Officer or Bureau Director, is authorized to execute and deliver one or more interest rate swap agreement(s) or similar agreement(s), including hedging agreements which provide for payments on a notional amount

corresponding to all or a portion of the Bonds or the Prior Bonds, based on changes in a bond or other security pricing index or indices (individually and collectively herein, the "Hedge Agreement") in connection with the proposed issuance of any series of the Bonds, in the form and with terms approved by the Director and with one or more provider(s) or counterparties selected by the Director on a negotiated or competitive bid basis as determined by the Director. It is intended the Hedge Agreement, if entered into, will be terminated in connection with the delivery of the Bonds in a manner that will provide for a lock in of the effective interest rates on the Bonds prior to the date the Bonds can be sold. Any termination or other payments to the State under the Hedge Agreement shall be deposited into the Bond Payment Account, the Escrow Fund or the Bond Proceeds Fund as determined by the Director. Any termination payments or other payments required to be made by the State during the term of or upon termination of the Hedge Agreement may be paid initially from the proceeds of the related Bonds, and in the case of insufficiency of such proceeds for such purpose, from moneys on deposit in the State Trunk Line Fund.

The Commission approves the distribution in accordance with law of a preliminary official statement (the "Preliminary Official Statement") with respect to each series of the Bonds in a form approved by the Director. The Director is further authorized to deem the Preliminary Official Statement final, in consultation with the Michigan Department of Attorney General and Bond Counsel (as defined in Section 17), for purposes of Securities and Exchange Commission Rule 15c2-12. The Director is authorized to have prepared a final official statement (the "Official Statement") substantially in the form of the Preliminary Official Statement, with such changes as are necessary and appropriate to reflect the final terms of each series of the Bonds or are otherwise deemed appropriate by the Director. The distribution and use of the Official

Statement in accordance with applicable law by the Underwriters or purchasers at public sale of the Bonds in connection with the marketing of the Bonds is authorized. The Director or his authorized Chief Administrative Officer or Bureau Director is authorized to execute the Official Statement on behalf of the State of Michigan.

The Chairperson of the Commission, the Director, and, under his authorization, any Chief Administrative Officer or Bureau Director, the State Treasurer, and, under his authorization, any Deputy Treasurer or Bureau Director within Treasury and all other appropriate officers of the State, the Department and the Commission are authorized on behalf of the Commission, to take any actions, and execute any documents, including, if appropriate, but not limited to, obtaining ratings on the Bonds from nationally recognized bond rating agencies and the execution of a direction letter and issuer's acknowledgment agreement relating to any forward float agreement determined by the Director to be necessary or desirable to implement this Resolution and the delivery of the Bonds. The selection of Bond Counsel and financial advisor with respect to the Bonds is ratified and confirmed. The Director, or his authorized Chief Administrative Officer or Bureau Director, the State Treasurer, or his authorized Deputy or a Bureau Director within Treasury, and the Transfer Agent, or any of them are authorized to execute and deliver a Letter of Representation, if necessary, to The Depository Trust Company in connection with the issuance of the Bonds.

The Director, or his authorized Chief Administrative Officer or Bureau Director, and the State Treasurer, or his authorized Deputy or Bureau Director within Treasury so authorized, are authorized to execute and deliver an agreement of the State (the agreement and any amendments thereto are collectively, the "Continuing Disclosure Agreement") in a form approved by the Michigan Department of Attorney General, to assist in compliance with the continuing disclosure

undertaking requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. The State, acting through the Commission and the Director, covenants to comply with and carry out all of the provisions of the Continuing Disclosure Agreement which are applicable to the State. Any failure of the State to comply with and carry out the provisions of this Section or of the Continuing Disclosure Agreement shall not be an event of default with respect to the Bonds.

Section 14. Cancellation. All Bonds surrendered to the Transfer Agent for payment upon redemption or maturity, or for transfer or exchange, shall be canceled by the Transfer Agent by perforation and notice of such cancellation shall be given by the Transfer Agent to the Director and the State Treasurer. Upon the direction of the State Treasurer, all such canceled Bonds shall be destroyed, and a certificate of destruction with respect thereto shall be delivered by the Transfer Agent to the State Treasurer and the Director.

Section 15. Amendments. This Resolution may be amended by the Commission and the Director without the consent of the holders of any Bonds (i) to increase or decrease the amount of Bonds which may be issued hereunder, (ii) to provide for the issuance of Bonds hereunder to refund any Bonds then outstanding, (iii) to cure any ambiguity or defect in the form of this Resolution, (iv) to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes or (v) to make any other changes determined in good faith by the Commission to be not to the detriment of the holders of outstanding Bonds. In determining whether such changes are to the detriment of the holders of outstanding Bonds, the Commission shall consider the effect of such changes as if no Policy from the Bond Insurer were then in effect. No amendments shall be made pursuant to this paragraph which would materially and adversely affect the rights of the Bond Insurer without the consent of the Bond Insurer.

Exclusive of amendments undertaken pursuant to the preceding paragraph, the holders of not less than 51% in the aggregate principal amount of the Bonds outstanding shall have the right to consent to the adoption by the Commission and the Director of such amendments to this Resolution as shall be deemed necessary and desirable by the Commission and the Director and as are approved in writing by the Bond Insurer, if any; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest or principal appreciation thereon, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to an amendment to this Resolution. With respect to any Bond which is insured by a Policy, the consent of the Bond Insurer shall constitute the consent of the holder

of such Bond for the purposes of this paragraph, except with respect to amendments described in (i), (ii), (iii), or (iv) of the proviso of the preceding paragraph.

If the Commission and the Director shall propose to adopt an amendment to this Resolution requiring consent of the Bondholders, the Director shall have notice of the proposed amendment mailed to the Bond Insurer, if any, and to each registered holder at the registered address shown on the registration books kept by the Transfer Agent. The notice shall briefly set forth the nature of the proposed amendment and shall state copies thereof are on file at the principal office of the Transfer Agent for inspection by all registered holders of Bonds. If within six months following the mailing of such notice, the Bond Insurer, if any, and the holders of not less than 51% in aggregate principal amount of the Bonds outstanding (determined as provided in this Section 15) at the time of the mailing of the notice consents in writing to the adoption thereof, this Resolution shall be so amended.

Solely for determining the principal amount of Bonds outstanding at any time for the purposes of this Section 15, the outstanding principal amount of a Capital Appreciation Bond shall be deemed to be the Appreciated Amount of such Bond as of the immediately preceding Semiannual Date.

Nothing contained in this Resolution shall in any way be construed to prevent the issuance of Bonds for any purpose authorized by law, subject to Act 51.

Section 16. Covenants of Commission. All covenants, agreements and obligations of the Commission contained in this Resolution are those of the Commission solely and not of any member, officer or employee of the Commission or the Department in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds, for any payments owing under any agreement related to the Bonds, or for

any claim based on the Bonds or under this Resolution against any member, officer or employee of the Commission or the Department or any person executing or attesting to the Bonds and any agreement related thereto.

Section 17. Legal Opinions. The Bonds shall be issued subject to the approving legal opinion of the Attorney General of the State of Michigan and the approving legal opinions of Bond Counsel, Miller, Canfield, Paddock, & Stone P.L.C. (“Bond Counsel”). The expense of Bond Counsel's opinions shall be paid out of the proceeds of the sale of the Bonds.

Section 18. Defeasance; Provision for Payment. If all the Bonds (i) shall have become due and payable in accordance with their terms, (ii) are to be paid at their maturity or maturities or (iii) if to be redeemed prior to maturity shall have been duly called for redemption or irrevocable instructions to call the Bonds for redemption shall have been given to the Transfer Agent by the Director, and the whole amount of the principal of and the interest and the premium, if any, so due and payable upon all of the Bonds then outstanding shall be paid or sufficient cash, or cash and non-callable Government Obligations (as defined in this Section 18), or specifically maturing interests in a fund composed entirely of Government Obligations, the principal of and the interest on which without reinvestment, when due and payable, will provide sufficient moneys for such payment, shall be segregated and held by the State Treasurer in the Bond Payment Account or by the Transfer Agent or other escrow agent in trust for the benefit of the holders of the Bonds, then this Resolution shall be defeased and terminated and all obligations of the State of Michigan, the Director and the Commission hereunder, and under Act 51 with respect to the Bonds, shall thereupon cease, provided, the applicable provisions of this Resolution pertaining to the payment of the principal of and interest and redemption premium, if any, on the Bonds, to redemption of

Bonds, and to the replacement, registration, transfer and exchange of the Bonds and the tax covenant contained in Section 19 hereof, shall be continued in force until the Bonds have been fully paid. On demand of the Director, any surplus in the Bond Payment Account other than money held for the redemption or payment of the Bonds shall be transferred to the State Trunk Line Fund.

Bonds or portions of Bonds for which cash or cash and Government Obligations, or specifically maturing interests in a fund composed entirely of Government Obligations (including principal of and interest thereon) shall be segregated and held by the State Treasurer, Transfer Agent or other escrow agent in trust for the holders of those Bonds or portions of Bonds sufficient to pay all principal, premium, if any, and interest through maturity or earlier specified redemption date for which notice shall have been duly given, or irrevocable instructions to give such notice shall have been given by the Director to the Transfer Agent, shall no longer be outstanding hereunder, and shall be deemed to be refunded, and the holders thereof shall have no further rights hereunder or under the Bonds except the right to receive payment from the cash or cash and Government Obligations held in trust as specified in this Section 18 and to effect the replacement, transfer and exchange of the Bonds as herein provided. Bonds and interest payments on Bonds which have become due, and for the payment of which funds shall be held in trust by the Transfer Agent, or segregated and held in the Bond Payment Account by the State Treasurer, in trust for the holders of those Bonds or the persons entitled to receive said interest payments shall, on the date of maturity thereof, be deemed to be paid, and the holders of such Bonds and the persons entitled to receive such interest shall have no further rights hereunder or under said Bonds except the rights to receive payment from the funds held in trust as specified above.

All moneys and Government Obligations held by the State Treasurer, Transfer Agent or other escrow agent pursuant to this Section 18 shall be segregated and held in trust and applied to the payment, when due, of the Bonds payable therewith. If funds are held for the payment of Bonds, as described in the preceding two paragraphs, by the State Treasurer, this Resolution shall only be defeased, or the lien of this Resolution only be released with respect to such Bonds, if (i) such money and Government Obligations are held in trust for the sole and exclusive benefit of the registered owner of the Bonds (subject to the right of the State to require release of moneys therefrom to the extent such moneys are not required for the payment of the applicable Bonds) and (ii) the registered owners of such Bonds have a valid and binding first lien and security interest in such money and Government Obligations held by the State Treasurer.

In the event the principal of and/or interest on any Bonds shall be paid by the Bond Insurer pursuant to the terms of the Policy, the pledge of this Resolution and all covenants, agreements and other obligations to the registered holders of such Bonds shall continue to exist with respect to such Bonds and the Bond Insurer shall be fully subrogated to the rights of such registered holders.

For purposes of this Section 18, Government Obligations shall mean (i) noncallable direct obligations of the United States of America (including obligations issued or held in book-entry form), (ii) noncallable obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, (iii) noncallable, nonprepayable obligations of agencies of the United States of America, or any other agency or corporation which is hereafter created pursuant to an act of Congress of the United States as an agency or instrumentality of the United States of America (provided that the agencies referenced in this clause (iii) retain ratings equivalent to or higher than the ratings held by direct obligations

of the United States of America by Moody's, S&P or Fitch or any successor entities performing a similar function from which the State has requested a rating for the Bonds, as of the date the obligations are acquired); and (iv) certificates which evidence ownership of the right to payment of the principal of and interest on obligations described in clauses (i), (ii) and (iii) hereof; provided such obligations are held in the custody of a bank or trust company satisfactory to the State in a special account separate from the general assets of the custodian; provided, however, Government Obligations shall not include any investment which is prohibited or not permitted by the Act 51 or other applicable law.

Section 19. Tax Covenant. In the event future legislation allows the economic and efficient use of financing structures for the obligations authorized hereby which are different from or alternative to traditional tax-exempt bond structures, through related tax credits available to the State or the holders of such bonds, or assignees thereof, all or any portion of the obligations may, subject to the parameters set forth herein, be issued as obligations for which federal tax credits are payable to the State or obligations for which the federal income tax credits are allowed to the holder of such obligations, if the Designated Person determines such issuance is economic and in the best interests of the State, and in connection therewith, the Director is authorized to make, for and on behalf of and as the act of the State, any and all designations or elections (revocable or irrevocable), to make any tax covenants in connection with the issuance of such obligations, to execute and deliver any agreements, certificates or other instruments to or with the federal government or any agency thereof, and to take any other actions necessary for such obligations and the State to receive any benefits, funds or federal subsidies available to the State.

For Bonds that are Federally Tax-Exempt, the State, acting through the Commission and the Director, covenants that it will, to the extent permitted by law, comply with all requirements

of the Internal Revenue Code of 1986, as amended, and all applicable regulations thereunder that must be satisfied in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, including but not limited to, requirements relating to the rebate of arbitrage earnings, if required, and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

Section 20. The Director. For all purposes of this Resolution, except as specifically otherwise provided, the term "Director" shall mean the Director of the Michigan Department of Transportation, or, in the case the Director is not reasonably available to take any action required or permitted hereunder, the Chief Administrative Officer of the Michigan Department of Transportation or Bureau Director so authorized by the Director.

Section 21. Immediate Effect. This Resolution shall be immediately effective. No delivery of Bonds authorized hereunder shall occur on or prior to the thirtieth day after the filing of the notification pursuant to Section 3 of this Resolution. Any Bonds authorized by this Resolution shall be sold and delivered on or before December 31, 2015.

I hereby certify the foregoing is a true and complete copy of a Resolution duly adopted by the State Transportation Commission, State of Michigan, at a Commission meeting held on _____, 2015, the original of which is on file with the official records of the Commission and the meeting was conducted and public notice of the meeting was given in full compliance with all relevant rules and regulations of the Commission and the Open Meetings Act, 1976 PA 267, and the minutes of the meeting were kept and will be made available as required by 1976 PA 267.

I further certify the following Commissioners were present at the meeting _____ and the following Commissioners were absent _____.

I further certify Commissioner _____ moved for adoption of the Resolution, and Commissioner _____ supported the motion. I further certify the following Commissioners voted for adoption of the Resolution:

_____, the following Commissioners voted against adoption of the Resolution: _____

_____, and the following Commissioners abstained: _____.

RESOLUTION DECLARED ADOPTED.

_____,
Commission Advisor
State Transportation Commission
State of Michigan

ORDER

DEPARTMENT OF TRANSPORTATION

I, Kirk T. Steudle, P.E., Director of the Department of Transportation of the State of Michigan, adopt the attached RESOLUTION OF STATE TRANSPORTATION COMMISSION AUTHORIZING THE ISSUANCE OF STATE OF MICHIGAN STATE TRUNK LINE FUND REFUNDING BONDS as my act and deed for the Michigan Department of Transportation.

Signed and Dated: _____, 2015

Kirk T. Steudle, P.E., Director
Department of Transportation

APPENDIX A

[Form of Current Interest Bond]

UNITED STATES OF AMERICA
STATE OF MICHIGAN

STATE TRUNK LINE FUND REFUNDING BOND,
SERIES _____ [____]
[CURRENT INTEREST BOND]

CUSIP No. _____

No. _____

Principal Amount: \$ _____

Maturity Date: _____

Interest Rate: _____

Date of Original Issue: _____, _____

Registered Owner: _____

Principal Amount: _____ Dollars

THE STATE OF MICHIGAN (the "State"), for value received, promises to pay the Principal Amount shown above to the Registered Owner specified above, or registered assigns, in lawful money of the United States of America on the Maturity Date shown above, unless redeemed prior thereto as hereinafter provided, with interest thereon until maturity or prior redemption date, from the date hereof or such later date through which interest on the Bond in exchange for which this Bond is issued shall have been paid, at the Interest Rate shown above, computed on the basis of a 360 day year with twelve 30 day months, payable on _____, 20__, and semiannually thereafter on each _____ and _____. Principal of this Bond is payable when due upon surrender of this Bond at the principal office of the State Treasurer of the State of Michigan, Lansing, Michigan, or such other transfer agent as the State may hereafter designate (the "Transfer Agent"). Interest on this Bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is, as of the _____ of the month [prior to the month] in which each interest payment date occurs, the Registered Owner, at the registered address or by wire transfer subject to the requirements of the Resolution.

This Bond is not a general obligation of the State, but is payable solely from the funds irrevocably pledged by law which are restricted as to use by Mich Const 1963, art 9, § 9, and deposited or to be deposited in the State Trunk Line Fund. The issuance of the bonds of this issue has been authorized under 1951 PA 51, as amended ("Act 51"), by resolutions and orders

(collectively, the "Resolution") duly adopted by the State Transportation Commission (the "Commission") of the State and by the Director (the "Director") of the Michigan Department of Transportation (the "Department") for the purpose of providing funds to pay all or part of the costs of refunding certain bonds of the State previously issued for transportation purposes as are authorized in the Resolution and paying costs incidental to the issuance of the Bonds and the refunding.

This Bond is one of a series of bonds (the "Bonds"), [which include Current Interest Bonds, such as this Bond and Capital Appreciation Bonds which bear no interest but appreciate in principal amount over time,] of [even date and] like tenor, except as to denomination, [date of issue,] rate of interest, [if any, principal appreciation rate, if any,] redemption provisions, and date of maturity, aggregating the original principal sum of _____ Dollars (\$_____). The Bonds are of equal standing and priority of lien as to the moneys in the State Trunk Line Fund, with certain outstanding bonds previously issued by the State (the "Outstanding Bonds").

The State has the right to issue additional bonds and incur other obligations secured on a parity with and payable from the same sources as the Bonds and the Outstanding Bonds within the limitations of Act 51.

For a complete statement of the funds from which this Bond is payable and the conditions on which additional bonds or notes of equal standing and priority of lien with the Bonds and the Outstanding Bonds with respect to the constitutionally restricted moneys deposited or to be deposited in the State Trunk Line Fund may be issued, reference is hereby made to the Resolution and Act 51.

[Capital Appreciation Bonds shall [not] be subject to redemption {as provided therein.}] [Current Interest] Bonds maturing on or after _____, will be redeemable prior to maturity at the option of the Director on or after _____, as a whole or in part at any time in such order of maturity as the Director may determine and by lot within a maturity at the following respective redemption prices, applicable to optional redemption only and not to mandatory redemption or payments on maturity, (expressed as a percentage of principal amount) plus interest accrued to the redemption date:

Period

Redemption Price

In addition, the [Current Interest] Bonds maturing on _____ and _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity in part by lot at a price equal to 100% of the principal amount to be redeemed, plus accrued and unpaid interest to the redemption date, but without premium, on the dates commencing _____, and _____, respectively and in the respective mandatory redemption amounts provided pursuant to the Resolution, but subject to reduction for previously redeemed or purchased Term Bonds of the same maturity, as provided in the Resolution.

Notice of redemption of any Bond shall be given at least thirty (30) days prior to the date fixed for redemption by mail to the registered holder or holders of the Bonds to be redeemed at the registered addresses shown on the registration books as of the date of mailing kept by the Transfer Agent. Failure of the holder to receive any such notice shall not affect the validity of the proceedings for redemption. Bonds shall be called for redemption in integral multiples of \$5,000, and Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denominations of the Bond by \$5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds of the same series in aggregate principal amount, equal to the unredeemed portion of the Bond surrendered and of like series, interest rate, nature as to payment of interest and maturity shall be issued to the registered holder thereof, without cost to the holder. No further interest on the Bonds or portions of the Bonds called for redemption shall accrue from and after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem those Bonds or portions of Bonds.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption with the Transfer Agent no later than the redemption date, or (ii) that the Director retains the right to rescind such notice at any time on or before the immediately preceding business day prior to the redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded and such Bonds shall remain outstanding hereunder.

Any Bond may be exchanged for Bonds of other authorized denominations or transferred upon the books maintained by the Transfer Agent, upon application by the person in whose name it is registered, in person or by duly authorized attorney or legal representative, upon surrender of the Bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond is surrendered for transfer or exchange, the Transfer Agent shall authenticate and deliver a new Bond or Bonds of the same series, in like aggregate principal amount, and of like tenor, [with like nature as to payment of interest], interest [or principal appreciation] rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer or exchange to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required to (i) issue, register the transfer of or exchange any Bond during a period beginning at the opening of business five days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of that mailing, or (ii) register the transfer of or exchange any Bond selected for redemption in whole or in part within thirty days of the redemption date, except the unredeemed portion of Bonds being redeemed in part.

It is hereby certified 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 Transfer Agent's Certificate of Authentication on this Bond has been duly executed by the authorized signatory of the Transfer Agent.

IN WITNESS WHEREOF, this Bond has been executed with the manual or facsimile signatures of the Chairperson of the State Transportation Commission and the Director of the Michigan Department of Transportation, all as of the Date of Original Issue.

Director
Michigan Department of Transportation

Chairperson
State Transportation Commission
State of Michigan

Certificate of Authentication

This Bond is one of the Bonds described in the within-mentioned Resolution.

State Treasurer of the
State of Michigan

By: _____

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

[_____]

Please insert Social Security No. or other
Identifying Number of Assignee

[please print or type name and address of transferee]

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint
_____ attorney to transfer the within bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it
appears upon the face of the within bond in every particular, without alteration or
enlargement or any change whatever. When assignment is made by a guardian,
trustee, executor or administrator, an officer of a corporation, or anyone in a
representative capacity, proof of his authority to act must accompany the bond.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a
Securities Transfer Association recognized signature guarantee program. The Transfer Agent
will not effect transfer of this Bond unless the information concerning the transferee requested
below is provided.

PLEASE INSERT SOCIAL SECURITY
NUMBER OR OTHER IDENTIFYING
NUMBER OF TRANSFEREE

Name and Address: _____

(Include information for all joint owners if the
bond is held by joint account.)

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

APPENDIX B

[(Form of Capital Appreciation Bond)]

UNITED STATES OF AMERICA
STATE OF MICHIGAN

STATE TRUNK LINE FUND REFUNDING BOND,
SERIES _____ [__]
[CAPITAL APPRECIATION BOND]

No. _____

CUSIP No. _____

Maturity Date: _____

Date of Original Issue: _____, ____

Original Principal Amount Per \$5,000 Maturity Amount: _____

Registered Owner: _____

Maturity Amount _____ Dollars

The STATE OF MICHIGAN (the "State"), for value received promises to pay to the Registered Owner, or registered assigns, in lawful money of the United States of America, on the Maturity Date the Maturity Amount shown above upon presentation and surrender of this Bond at the principal office of the State Treasurer of the State of Michigan, Lansing, Michigan or such other transfer agent as the State may hereafter designate (the "Transfer Agent"). Interest shall not be paid on this Bond.

This Bond is not a general obligation of the State, but is payable solely from the funds irrevocably pledged by law which are restricted as to use by Mich Const 1963, art 9, § 9 and deposited or to be deposited in the State Trunk Line Fund. The issuance of the bonds of this issue has been authorized under 1951 PA 51 ("Act 51"), by resolutions and orders (collectively, the "Resolution") duly adopted by the State Transportation Commission (the "Commission") of the State and by the Director (the "Director") of the Michigan Department of Transportation (the "Department") for the purpose of providing funds to pay all or part of the costs of refunding certain bonds of the State previously issued for transportation purposes as authorized by the Resolution and paying costs incidental to the issuance of the Bonds and the refunding.

This Bond is one of a series of bonds (the "Bonds") [which include Capital Appreciation Bonds such as this Bond, and bonds which bear interest ("Current Interest Bonds")] of like tenor, except as to denomination, date of issue, rate of interest, if any, principal appreciation rate, if

any, redemption provisions, and date of maturity, aggregating the original principal sum of _____ Dollars (\$_____). The Bonds are of equal standing and priority of lien, as to the moneys in the State Trunk Line Fund, with certain outstanding bonds previously issued by the State (the "Outstanding Bonds").

The State has the right to issue additional bonds and incur other obligations secured on a parity with and payable from the same sources as the Bonds and Outstanding Bonds within the limitations of Act 51.

Appreciated Amount means on each _____ and _____ (each a "Semiannual Date") the corresponding principal amount shown on the Capital Appreciation Schedule on file with the Commission and the State Treasurer of the State for each \$5,000 principal amount if held to the Maturity Date shown above. The Appreciated Amount with respect to any date other than a Semiannual Date is the Appreciated Amount on the immediately preceding Semiannual Date plus an amount equal to the fraction of the difference between the Appreciated Amount on the immediately preceding Semiannual Date and the next succeeding Semiannual Date that equals the ratio of (a) the number of days from such immediately preceding Semiannual Date to the date of calculation to (b) 180, computed on the basis of a 360 day year with twelve 30 day months.

For a complete statement of the funds from which this Bond is payable and the conditions on which additional bonds or notes of equal standing and priority of lien with the Bonds and the Outstanding Bonds with respect to the constitutionally restricted moneys deposited or to be deposited in the State Trunk Line Fund may be issued, reference is hereby made to the Resolutions and Act 51.

Bonds which are Capital Appreciation Bonds will [not] be subject to redemption prior to maturity [as follows:].

[Redemption provisions, if any to be added]

Any Bond may be exchanged for Bonds of other authorized denominations or transferred upon the books maintained by the Transfer Agent, upon application by the person in whose name it is registered, in person or by duly authorized attorney or legal representative, upon surrender of the Bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond is surrendered for transfer or exchange, the Transfer Agent shall authenticate and deliver a new Bond or Bonds of the same series, in like aggregate Maturity Amount, and of like tenor, with like nature as to payment of interest, interest or principal appreciation rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer or exchange to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required to (i) issue, register the transfer of or exchange any Bond during a period beginning at the opening of business five days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of that mailing, or (ii) register the transfer of or exchange any Bond selected for redemption in whole or in part within thirty days of the redemption date, except the unredeemed portion of Bonds being redeemed in part.

It is hereby certified 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 Transfer Agent's Certificate of Authentication on this Bond has been duly executed by the authorized signatory of the Transfer Agent.

IN WITNESS WHEREOF, this Bond has been executed with the manual or facsimile signatures of the Chairperson of the State Transportation Commission and the Director of the Michigan Department of Transportation, all as of the Date of Original Issue.

Director
Michigan Department of Transportation

Chairperson
State Transportation Commission
State of Michigan

Certificate of Authentication

This Bond is one of the Bonds described in the within-mentioned Resolution.

State Treasurer of the
State of Michigan

By: _____

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

[_____]

Please insert Social Security No. or other
Identifying Number of Assignee

[please print or type name and address of transferee]

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of his authority to act must accompany the bond.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program. The Transfer Agent will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

PLEASE INSERT SOCIAL SECURITY
NUMBER OR OTHER IDENTIFYING
NUMBER OF TRANSFEREE

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

Name and Address: _____

(Include information for all joint owners if the bond is held by joint account.)

APPENDIX C

BOND TERMS

1. The aggregate principal amount of Bonds, including initial principal amounts of capital appreciation bonds, shall not exceed \$66,000,000.
2. The purchase price of any series of the Bonds shall be not less than (a) 98% of the original principal amount of that series of the Bonds, plus (b) accrued interest on that series of the Bonds, less (c) net original issue discount on that series of Bonds, if any, sold at negotiated sale.
3. The interest rate per annum on any series of Current Interest Bonds shall not exceed 10%.
4. The appreciation rate per annum on Capital Appreciation Bonds shall not exceed 10%.
5. The first principal or mandatory redemption payment on any series of the Bonds shall be due not later than ten years after the original issue date of that series.
6. The last principal or mandatory redemption payment on any series of the Bonds shall be due not later than thirty years from the original issue date of that series of the Bonds.
7. The Bonds may be subject to optional redemption not earlier than five years from the Date of Original Issue at redemption premiums not to exceed 5%, unless the redemption price is based on a "make whole" formula, in which case the redemption premium shall not exceed 12 %.
8. Original issue discount on any Current Interest Bonds sold at negotiated sale shall not exceed 10% of the original principal amount of such Bonds.

DATE: May 12, 2015

TO: State Transportation Commission

FROM: Jack Cotter, CPA, CGMA
Commission Auditor
Office of Commission Audits

SUBJECT: State Transportation Commission Agenda – Exhibit A
May 21, 2015

As information requested by the Commission, the Office of Commission Audits (OCA) notes in Attachment 1, the Schedule of Receivables Outstanding, that Exhibit A includes entities that have owed the department funds in excess of \$20,000 for more than 120 days. Attachment 1 shows relevant information regarding the receivables as of May 12, 2015.

Also, Guidance Document 10044, Processing Audit Requests and Auditor's Reports on Contractual Agreements, requires the department to process OCA auditor's reports within 120 days of issuance. As of May 12, 2015, Exhibit A does not include any entities for which an auditor's report was not processed within the required timeline.

Signed Original on File

Jack Cotter, CPA, CGMA
Commission Auditor

Attachment

cc: F. Raha
P. Browne

Office of Commission Audits
 Schedule of Receivables Outstanding
 Receivables Issued Prior to January 12, 2015
 As of May 12, 2015

<u>Entity</u>	<u>Exhibit No.</u>	<u>Type of Receivable</u>	<u>Outstanding</u>	<u>Date</u>
County of Macomb	A, #29	State Infrastructure Bank	\$199,882	November 14, 2008 ^a
		State Infrastructure Bank	\$207,607	October 29, 2010 ^b
		State Infrastructure Bank	\$307,848	December 22, 2010 ^c
		State Infrastructure Bank	\$472,500	July 1, 2014 ^d

Comments:

The amounts above represent loans that the department made to the Macomb County Road Commission and the Department of Roads in the amounts of a) \$477,720, b) \$334,405, c) \$495,000, and d) \$472,500. On January 1, 2011, the road commission was incorporated into the County of Macomb. The road commission and county have made all scheduled loan payments on time. The next installments are due to the department as follows: a) \$50,439 due November 14, 2015; b) \$35,317 due October 29, 2015; c) \$55,047 due December 22, 2015; and d) \$47,468 due July 1, 2015.

Southeast Michigan Council of Governments	A, #37	Final Project Settlement	\$53,468	April 8, 2011
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Comments:

The Southeast Michigan Council of Governments (SEMCOG) is withholding its final settlement repayment to the department, pending the resolution of differences in accounting between the department and SEMCOG; SEMCOG believes that the department erroneously accounted for a request for reimbursement from SEMCOG. The department informed the Office of Commission Audits that the final settlement invoice of \$53,468 is accurate and that it plans to resolve SEMCOG's concerns and coordinate the collection of the final settlement invoice. The department is currently exploring its options for resolution.

REQUEST FOR MICHIGAN STATE TRANSPORTATION
COMMISSION APPROVAL

CONTRACTS

May 21, 2015

The following contracts are being submitted for approval. The appropriate documents will be approved by the Attorney General and comply with all legal and fiscal requirements prior to award.

CONTRACTS

1. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5050) between MDOT and the Alger County Road Commission will provide for participation in the following improvements:

Vertical curve correction and fixed object removal work along Old Indiantown Road near Connors Road, including grading, aggregate surface course, slope restoration, and traffic control work.

Estimated Funds:

Federal Highway Administration Funds	\$74,958
Alger County Road Commission Funds	<u>\$18,740</u>
Total Funds	<u>\$93,698</u>

HSIP 02609 - 119588
Local Force Account

2. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5054) between MDOT and the Berrien County Road Commission will provide for participation in the following improvements:

Hot mix asphalt and single chip seal coat work along Rangeline Road from Walton Road northerly to the Berrien township line, along Lake Street from the eastern limits of the City of Niles easterly to the Cass county line, East Main Street from the southeastern limits of the City of Niles southeasterly to the Cass county line.

Estimated Funds:

Federal Highway Administration Funds	\$76,900
Berrien County Road Commission Funds	<u>\$17,000</u>
Total Funds	<u>\$93,900</u>

STU 11000 - 120689
Local Force Account

3. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5058) between MDOT and the Monroe County Road Commission will provide for participation in the following improvements:

Permanent signing work for seasonal roads countywide.

Estimated Funds:

Federal Highway Administration Funds	\$31,850
Monroe County Road Commission Funds	<u>\$ 7,063</u>
Total Funds	<u>\$38,913</u>

STL 58117 - 116135
Local Force Account

4. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5075) between MDOT and the Hillsdale County Road Commission will provide for participation in the following improvements:

Wedging, single chip seal, and aggregate shoulder construction along Jonesville Road from Highway M-49 to Rainey Road.

Estimated Funds:

Federal Highway Administration Funds	\$74,870
Hillsdale County Road Commission Funds	<u>\$18,717</u>
Total Funds	<u>\$93,587</u>

STL 30001 - 126774
Local Force Account

5. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5076) between MDOT and the Hillsdale County Road Commission will provide for participation in the following improvements:

Wedging, single chip seal, and aggregate shoulder construction along South Waldron Road from Prattville Road to Highway M-34.

Estimated Funds:

Federal Highway Administration Funds	\$74,746
Hillsdale County Road Commission Funds	<u>\$18,687</u>
Total Funds	<u>\$93,433</u>

STL 30059 - 119315
Local Force Account

6. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5099) between MDOT and the Hillsdale County Road Commission will provide for participation in the following improvements:

Wedging, single chip seal, and aggregate shoulder work along East Litchfield Road from Concord Road to Strait Road.

Estimated Funds:

Federal Highway Administration Funds	\$74,715
Hillsdale County Road Commission Funds	<u>\$18,679</u>
Total Funds	<u>\$93,394</u>

STL 30059 - 119314
Local Force Account

7. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5109) between MDOT and the Schoolcraft County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Roadway reconstruction work along County Road 450 from approximately 6.6 miles north of Highway M-28 to approximately 7.0 miles north of Highway M-28, including clearing, ditching, subbase, aggregate surface course, and restoration work.

Estimated Funds:

FHWA STP-Rural Funds	\$75,154
State Restricted TED Funds	\$18,789
Schoolcraft County Road Commission Funds	<u>\$ 0</u>
Total Funds	<u>\$93,943</u>

STL 75555 - 116534
Local Force Account

8. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5128) between MDOT and the Lenawee County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Chip seal, fog seal, guardrail, pavement marking, and traffic control work along Morenci Road from Highway US-127 to the Ohio state line, along Slee Road from Highway US-223 to Onsted Highway, and along Onsted Highway from the south village limits of Onsted to Highway M-50.

Estimated Funds:

State Restricted TED Funds	\$283,700
FHWA STP – Rural Funds	\$ 9,000
Lenawee County Road Commission Funds	<u>\$157,600</u>
Total Funds	<u>\$450,300</u>

STL 46555 – 127083
Letting of 5/1/2015

9. HIGHWAYS - Participation for Local Agency Construction Contract

Contract (2015-5137) between MDOT and the Village of Grosse Pointe Shores will provide for participation in the construction of the following improvements utilizing Federal Highway Administration Equity Bonus Funds designated as Transportation Economic Development Category C Funds for Local Agency projects (FHWA Category C Funds):

PART A

Traffic signal upgrading, including concrete sidewalks and sidewalk ramps, signing, and pavement marking work at Lake Shore Road and the Vernier Road intersection.

PART B

Decorative mast arm and pole, pedestal and cabinet painting, and pole coating at Lake Shore Road and the Vernier Road intersection.

Estimated Funds:

	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
FHWA Category C Funds	\$245,100	\$ 0	\$245,100
Village of Grosse Pointe Shores Funds	<u>\$ 54,400</u>	<u>\$20,700</u>	<u>\$ 75,100</u>
Total Funds	<u>\$299,500</u>	<u>\$20,700</u>	<u>\$320,200</u>

EDCF 82544 – 126612; Oakland County
Letting of 5/1/2015

10. HIGHWAYS - Participation for Local Agency Construction Contract

Contract (2015-5142) between MDOT and the Kalkaska County Road Commission will provide for participation in the construction of the following improvements utilizing Federal Highway Administration Equity Bonus Funds designated by Act 51 of the Public Acts of 1951 as Transportation Economic Development Category D Funds for Local Agency projects (FHWA Category D Funds) and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Chip seal and fog seal work along Rapid City Road from Highway M-72 northerly to the North county line.

Estimated Funds:

FHWA Category D Funds	\$ 40,800
FHWA STP – Rural Funds	\$125,100
Kalkaska County Road Commission Funds	<u>\$106,000</u>
Total Funds	<u>\$271,900</u>

STL 40555 – 123398
Letting of 5/1/2015

11. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5145) between MDOT and the Hillsdale County Road Commission will provide for participation in the following improvements:

Wedging, single chip seal, and aggregate shoulder work along Beecher Road from Chase Road to Pittsford Road.

Estimated Funds:

Federal Highway Administration Funds	\$75,122
Hillsdale County Road Commission Funds	<u>\$18,781</u>
Total Funds	<u>\$93,903</u>

STL 30059 - 119316
Local Force Account

12. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5156) between MDOT and the Hillsdale County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

PART A

Cold milling and hot mix asphalt ultrathin overlay, including aggregate shoulder, pavement marking, and tree removal work along Hillsdale Road from Reading Road to King Lake Creek.

PART B

Cold milling and hot mix asphalt ultrathin overlay, including aggregate shoulder, pavement marking, and tree removal work along Hillsdale Road from King Lake Creek to Markris Drive.

Estimated Funds:

	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
FHWA STP – Rural Funds	\$249,400	\$ 0	\$249,400
State Restricted TED Funds	\$128,500	\$ 0	\$128,500
Hillsdale County Road Commission Funds	\$ 0	<u>\$77,000</u>	<u>\$ 77,000</u>
Total Funds	<u>\$377,900</u>	<u>\$77,000</u>	<u>\$454,900</u>

STL 30555 – 119313
Letting of 5/1/2015

13. HIGHWAYS - Participation for Local Agency Construction Contract

Contract (2015-5162) between MDOT and the Village of North Adams will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Hot mix asphalt paving, cold milling, drainage structure adjustment, pavement marking, and traffic control work along Hillsdale Road from the south limits to the north limits of the Village of North Adams.

Estimated Funds:

State Restricted TED Funds	\$ 24,300
FHWA STP – Rural Funds	\$ 97,100
Village of North Adams Funds	<u>\$ 0</u>
Total Funds	<u>\$121,400</u>

STL 30555 - 124357; Hillsdale County
Letting of 5/1/2015

14. HIGHWAYS - Participation for Local Agency Construction Contract

Contract (2015-5170) between MDOT and the Tuscola County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Hot mix asphalt resurfacing, aggregate shoulder, guardrail ending upgrades, culvert replacement, permanent signing, and pavement marking work along Vassar Road from Elmwood Road northerly to Highway M-25.

Estimated Funds:

State Restricted TED Funds	\$ 86,500
FHWA STP – Rural Funds	\$346,100
Tuscola County Road Commission Funds	<u>\$ 0</u>
Total Funds	<u>\$432,600</u>

STL 79555 – 123604
Letting of 5/1/2015

15. HIGHWAYS - Participation for Local Agency Construction Contract

Contract (2015-5171) between MDOT and the Benzie County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Hot mix asphalt base crushing, shaping, and resurfacing, hot mix asphalt shoulder, sign upgrade, and pavement marking work along Goose Road from Highway US-31 (Honor Highway) southeasterly to Pioneer Road.

Estimated Funds:

State Restricted TED Funds	\$ 46,400
FHWA STP – Rural Funds	\$185,900
Benzie County Road Commission Funds	<u>\$ 0</u>
Total Funds	<u>\$232,300</u>

STL 10555 – 119201
Letting of 5/1/2015

16. HIGHWAYS - Participation for Local Agency Construction Contract

Contract (2015-5177) between MDOT and the Cass County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Hot mix asphalt overlay and construction of Class II shoulders along Dailey Road from Curtis Drive to Yankee Street.

Estimated Funds:

FHWA STP - Rural Funds	\$70,714
State Restricted TED Funds	\$17,678
Cass County Road Commission Funds	<u>\$ 0</u>
Total Funds	<u>\$88,392</u>

STL 14555 - 120105
Local Force Account

17. HIGHWAYS - Participation for State Local Bridge Construction Contract

Contract (2015-5184) between MDOT and the Livingston County Road Commission will provide for funding participation in the construction of the following improvements under Section 144 of Title 23 USC and the State Local Bridge Program:

Rehabilitation work for structure B01 of 47-07-20 (#5839), which carries Hamburg Road over South Ore Creek, Section 12, T1N, R5E, Livingston County, Michigan, including box beam repairs, epoxy overlay, resealing joints, and maintenance of traffic work.

Estimated Funds:

Federal Highway Administration Funds	\$ 61,440
State Restricted Trunkline Funds	\$ 11,520
Livingston County Road Commission Funds	<u>\$ 10,540</u>
Total Funds	<u>\$ 83,500</u>

BHT 47007 - 118684

Letting of 5/1/2015

18. HIGHWAYS - Participation for Local Agency Construction Contract

Contract (2015-5185) between MDOT and the Cass County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Hot mix asphalt resurfacing and construction of Class II shoulders along Dailey Road from Beeson Street to Peavine Street.

Estimated Funds:

FHWA STP - Rural Funds	\$74,920
State Restricted TED Funds	\$18,730
Cass County Road Commission Funds	<u>\$ 0</u>
Total Funds	<u>\$93,650</u>

STL 14555 - 120061

Local Force Account

19. HIGHWAYS - Participation for Local Agency Construction Contract

Contract (2015-5186) between MDOT and the Cass County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Hot mix asphalt resurfacing and construction of Class II shoulders along Marcellus Highway from Gerhardt Road westerly approximately one mile.

Estimated Funds:

FHWA STP – Rural Funds	\$70,322
State Restricted TED Funds	\$17,580
Cass County Road Commission Funds	<u>\$ 0</u>
Total Funds	<u>\$87,902</u>

STL 14555 - 120061

Local Force Account

20. HIGHWAYS - Participation for Local Agency Construction Contract
 Contract (2015-5187) between MDOT and the Cass County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Estimated Funds:

Hot mix asphalt resurfacing and construction of Class II shoulders along Calvin Center Road from Mason Street northerly approximately one mile.

FHWA STP - Rural Funds	\$73,751
State Restricted TED Funds	\$18,438
Cass County Road Commission Funds	\$ 0
Total Funds	<u>\$92,189</u>

STL 14555 - 120061
 Local Force Account

21. HIGHWAYS - Participation for Local Agency Construction Contract
 Contract (2015-5194) between MDOT and the Mecosta County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

Permanent sign upgrades countywide along 63.5 miles of roadways in Hinton, Millbrook, Morton, Wheatland, Sheridan, Martiny, Austin, and Mecosta Townships.

Estimated Funds:

Federal Highway Administration Funds	\$75,000
State Restricted TED Funds	\$13,039
Mecosta County Road Commission Funds	\$ 5,883
Total Funds	<u>\$93,922</u>

STL 54555 - 123322
 Local Force Account

22. HIGHWAYS - Participation for Local Agency Construction Contract
 Contract (2015-5200) between MDOT and the St. Joseph County Road Commission will provide for participation in the following improvements:

Single chipsealing work along Crooked Creek Road from Edgewater Beach Road to Fawn River Road.

Estimated Funds:

Federal Highway Administration Funds	\$48,592
St. Joseph County Road Commission Funds	<u>\$12,148</u>
Total Funds	<u>\$60,740</u>

STL 12000 - 127367
 Local Force Account

23. HIGHWAYS - Participation for Local Agency Construction Contract
 Contract (2015-5201) between MDOT between MDOT and the Osceola County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development Category D Funds, which are allocated for Local Agency projects (State Restricted TED Funds), and Federal Highway Administration Surface Transportation Program – Rural Funds designated for Local Agency projects (FHWA STP – Rural Funds):

PART A

Single course chip seal, fog seal, and pavement marking work along 20 Mile Road from Lakola Road easterly to the southbound Highway US-131 terminal ramps intersection.

PART B

Single course chip seal, fog seal, and pavement marking work along 70th Avenue from 20 Mile Road northerly to County Line Road.

Estimated Funds:

	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
State Restricted TED Funds	\$ 34,800	\$ 0	\$ 34,800
FHWA STP – Rural Funds	\$139,000	\$ 122,400	\$261,400
Osceola County Road Commission Funds	\$ 0	\$ 65,900	\$ 65,900
Total Funds	<u>\$173,800</u>	<u>\$ 188,300</u>	<u>\$362,100</u>

STL 67555 - 119136; STL 67000 - 119132
 Letting of 5/1/2015

24. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5204) between MDOT and the St. Joseph County Road Commission will provide for participation in the following improvements:

Chip seal work along Michigan Avenue from North Fisher Lake Road easterly to Silver Street and along Halfway Road from Chicago Road (Highway US-12) northerly to the south Burr Oak Village Limit.

Estimated Funds:

Federal Highway Administration Funds	\$54,579
St. Joseph County Road Commission Funds	<u>\$12,103</u>
Total Funds	<u>\$66,682</u>

STL 78149 - 120294
Local Force Account

25. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5228) between MDOT and the Branch County Road Commission will provide for participation in the following improvements:

Single chipseal work along State Road from North Willowbrook Road easterly to Briarberry Lane.

Estimated Funds:

Federal Highway Administration Funds	\$69,190
Branch County Road Commission Funds	<u>\$17,298</u>
Total Funds	<u>\$86,488</u>

STL 12000 - 127368
Local Force Account

26. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5229) between MDOT and the Branch County Road Commission will provide for participation in the following improvements:

Single chipseal work along Snow Prairie Road from Ember Road northerly to Francisco Road, along Francisco Road from Snow Prairie Road westerly to Adolph Road, and along Adolph Road from Francisco Road northerly to Stancer Road.

Estimated Funds:

Federal Highway Administration Funds	\$66,810
Branch County Road Commission Funds	<u>\$16,703</u>
Total Funds	<u>\$83,513</u>

STL 12000 - 127367
Local Force Account

27. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5230) between MDOT and the Branch County Road Commission will provide for participation in the following improvements:

Single chipseal work along Marshall Road from Dayburg Road northerly to Countyline Drive.

Estimated Funds:

Federal Highway Administration Funds	\$70,700
Branch County Road Commission Funds	<u>\$17,675</u>
Total Funds	<u>\$88,375</u>

STL 12000 - 127366
Local Force Account

28. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5231) between MDOT and the Branch County Road Commission will provide for participation in the following improvements:

Single chip seal work along Central Road from South Snow Prairie Road easterly to South Behnke Road.

Estimated Funds:

Federal Highway Administration Funds	\$64,230
Branch County Road Commission Funds	<u>\$16,058</u>
Total Funds	<u>\$80,288</u>

STL 12000 - 127365
Local Force Account

29. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5239) between MDOT and the County of Macomb will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development (TED) Category A Funds:

Reconstruction work along Executive Drive from Henry B Joy Boulevard to Production Drive, including widening intersection work on Executive Drive at both Henry B Joy Boulevard and Production Drive intersection.

Estimated Funds:

State Restricted TED Funds	\$1,634,640
County of Macomb Funds	<u>\$ 242,660</u>
Total Funds	<u>\$1,877,300</u>

EDA 50222 - 127271
Local Letting

30. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5244) between MDOT and the County of Huron will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development (TED) Category A Funds:

Resurfacing work along Leppek Road from M-19 east to the culvert at the north branch of the Cass River, including widening the road from 22 feet to 24 feet at Valley Enterprises.

Estimated Funds:

State Restricted TED Funds	\$100,885
County of Huron Funds	<u>\$ 25,215</u>
Total Funds	<u>\$126,100</u>

EDA 32522 - 127325
Local Letting

31. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5245) between MDOT and the St. Clair County Road Commission will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development (TED) Category A Funds:

Resurfacing work along Marine City Highway from County Line Road easterly to Meldrum Road.

Estimated Funds:

State Restricted TED Funds	\$467,180
St. Clair County Road Commission Funds	<u>\$ 82,820</u>
Total Funds	<u>\$550,000</u>

EDA 77522 - 127258
Local Letting

32. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5246) between MDOT and the City of Southfield will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development (TED) Category A Funds:

Reconstruction of 11 Mile Road from Franklin Road to the end of 11 Mile Road at the cul-de-sac near Telegraph Road, including curb and gutter work.

Estimated Funds:

State Restricted TED Funds	\$572,253
City of Southfield Funds	<u>\$ 63,647</u>
Total Funds	<u>\$635,900</u>

EDA 63522 - 126773
Local Letting; City of Southfield

33. HIGHWAYS - Participation for Local Agency Construction Contract
 Contract (2015-5280) between MDOT and the Montcalm County Road Commission will provide for participation in the following improvements:

Single chip and fog seal along Sidney Road from Highway M-91 easterly to Ferris Road.

Estimated Funds:

Federal Highway Administration Funds	\$71,143
Montcalm County Road Commission Funds	<u>\$17,786</u>
Total Funds	<u>\$88,929</u>

STL 59117 - 116135
 Local Force Account

34. HIGHWAYS - Participation for Local Agency Construction Contract
 Contract (2015-5282) between MDOT and the Montcalm County Road Commission will provide for participation in the following improvements:

Single chip and fog seal work along West County Road 522 from Trufante Road to Satterlee Road.

Estimated Funds:

Federal Highway Administration Funds	\$74,636
State Restricted TED Funds	\$10,262
Montcalm County Road Commission Funds	<u>\$ 8,397</u>
Total Funds	<u>\$93,295</u>

STL 59555 - 124486
 Local Force Account

35. HIGHWAYS - Participation for Local Agency Construction Contract
 Contract (2015-5285) between MDOT and the City of Lapeer will provide for funding participation in the construction of the following improvements utilizing State Transportation Economic Development (TED) Category A Funds:

Reconstruction work along DeMille Road from McCormick Drive south-easterly to Saginaw Street and along Whitney Drive from DeMille Road northerly to the cul-de-sac, including pulverizing and removing existing surface, hot mix asphalt along Whitney Drive, and milling and overlay work along DeMille Road.

Estimated Funds:

State Restricted TED Funds	\$ 873,199
City of Lapeer Funds	<u>\$ 140,601</u>
Total Funds	<u>\$1,013,800</u>

EDA 44522 - 127326
 Local Letting

36. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2015-5286) between MDOT and the Gratiot County Road Commission will provide for participation in the following improvements:

Upgrade of horizontal alignment permanent signs countywide with reflective sheeting on the sign posts.

Estimated Funds:

Federal Highway Administration Funds	\$74,872
Gratiot County Road Commission Funds	<u>\$18,718</u>
Total Funds	<u>\$93,590</u>

HSIP 29609 - 120348
Local Force Account

37. PASSENGER TRANSPORTATION - Section 5339 Program
Project Authorization (7) Revision (3) under Master Agreement (2012-0009) between MDOT and the Southeast Michigan Council of Governments (SEMCOG), in Wayne County, will extend the authorization term by one year. The additional time is needed because SEMCOG is updating the traffic analysis based on recent developments in the area and is waiting for the Federal Transit Administration to determine the next steps for the environmental review. The original authorization provides toll credits as state match for the FY 2012 Federal Section 5339 Alternatives Analysis Program grant for an alternatives analysis of bus rapid transit along the Woodward Avenue corridor. The revised authorization term will be April 26, 2013, through March 29, 2016. The authorization amount remains unchanged at \$2,000,000. The toll credit amount remains unchanged at \$400,000. The term of the master agreement is from October 1, 2011, until the last obligation between the parties has been fulfilled. The master agreement includes authorizations for program years FY 2012 through FY 2016. Source of Funds: Federal Transit Administration Funds - \$2,000,000.

38. PASSENGER TRANSPORTATION - Section 5310 Program
Project Authorization (1) Revision (2) under Master Agreement (2012-0178) between MDOT and Vocational Independence Program Transportation, in Genesee County, will increase funding by \$2,830 for the purchase of replacement buses. The additional funding is requested because the authorization funding does not cover administrative fees incurred to procure the buses. The original authorization provides state matching funds for the FY 2012 Federal Section 5310 Elderly and Persons with Disabilities Program grant for the purchase of replacement buses. The authorization term remains unchanged, from September 7, 2012, through September 6, 2015. The revised authorization amount will be \$289,411. The term of the master agreement is from October 1, 2011, until the last obligation between the parties has been fulfilled. The master agreement includes authorizations for program years FY 2012 through FY 2016. Source of Funds: Federal Transit Administration Funds - \$231,528; FY 2002, FY 2014, and FY 2015 State Restricted Comprehensive Transportation Funds - \$57,883.

Upon receipt of your approval, the contracts and agreements will be processed for award. Subject to the exercise of the discretion in the processing, I approve the contracts described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of June 17, 2014.

Respectfully submitted,

Original Signed

Kirk T. Steudle
Director

LETTING STATISTICS

MAY 1, and 6, 2015

STATE PROJECTS OVERVIEW

The May 1, and 6, 2015, Bid Lettings comprised a total of 19 State trunkline projects with \$17.3 million in engineer estimates. The low bids received totaled \$16.8 million. The average low bid was \$883.4 thousand and the median of \$442.7 thousand. In comparing State projects of the three lettings held in May 2014, 23 State projects were let with \$55.7 million in engineer estimates and a low bid total of \$61.0 million.

Of the 19 State projects let May 1 and 6, 2015, eight included warranties with \$7.2 million as the low bid total. The 19 State projects received a total of 46 bids.

For fiscal year to date, 201 State projects have been let with the low bid total of \$786.6 million. Compared to the same period last year, 210 State projects were let with a low bid total of \$626.3 million.

PROJECTS BID SUMMARY

The total number of bids received for the 91 projects let May 1 and 6 was 299 for an average of 3.29 bids per project.

There were no projects withdrawn or postponed from the May 1 and 6, bid lettings and currently, all bids were rejected for one Local area project of the May 1, bid letting.

Of the 113 contracting companies eligible to bid for the May 1 and 6, lettings, 97 submitted at least one bid.

JOB PROJECTIONS

The list of jobs projected to be let during FY 2015 was updated on 4/3/2015 to include a total of 280 State jobs with a total construction cost estimate of \$708.1 million.

For fiscal year to date through May 6, 106.4% of State jobs anticipated for this period have been let using 119.0% of the projected cost estimates. For this same period last year, 102.6% of State jobs were let using 90.8% of the projected construction costs.

UPCOMING LETTING STATS

The second special letting scheduled for **May 20, 2015** is advertising one Design/Build project with an engineer estimate of \$1.4 million.

The **June 5, 2015**, Bid Letting is currently advertising nine State projects with total cost estimates of \$13.6 million. In addition, 82 Local area projects with a total estimated cost of \$67.8 million, 13 Aeronautics projects with total engineer estimates of \$20.1 million and one Freight Services projects with an engineer estimate of \$1.1 million, are scheduled to be let.

The **June 10, 2015, Special Letting** is currently advertising three State trunkline, fixed price variable scope projects with total engineer estimates of \$1.6 million.

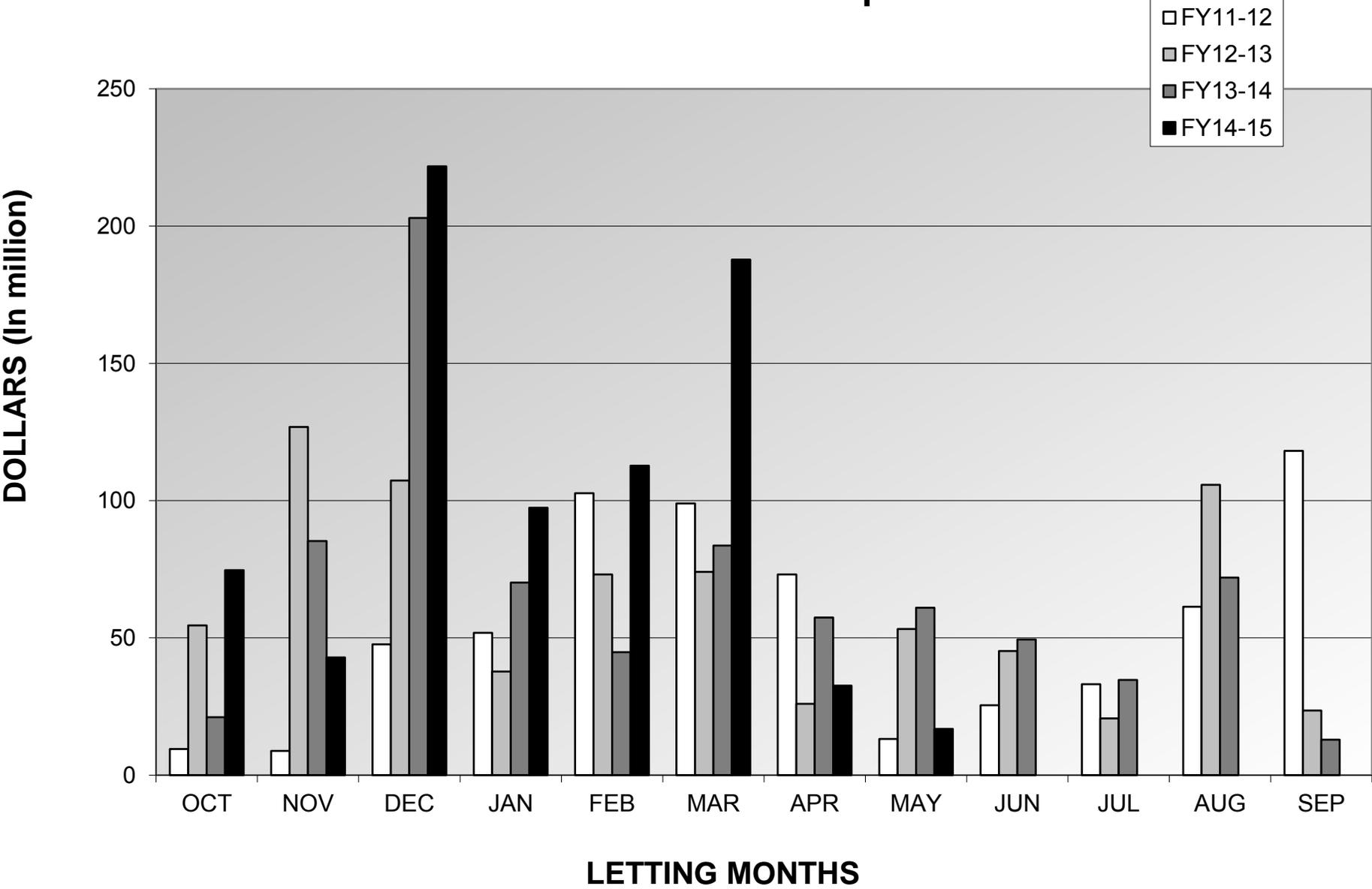
SUMMARY OF MAY 1 and 6, 2015 - LETTING STATISTICS

STATISTICS	PROJECT AREA				
	STATE	LOCAL	AERO	FREIGHT SERVICES	TOTALS
Project Report					
Number of Projects Let	19	69	3	0	91
Engineer Estimates of Projects Let	\$17,334,812.80	\$66,415,197.94	\$1,130,147.00	\$0.00	\$84,880,157.74
Low Bid Report					
Low Bid Totals	\$16,784,984.68	\$67,457,996.66	\$1,021,448.70	\$0.00	\$85,264,430.04
% over/under eng. est. of projects let	-3.17%	1.57%	-9.62%	0.00%	0.45%
All Bid Rejection Report					
All Bid Rejection(s)	0	1	0	0	1
All Bid Rejection(s) Engineer's Estimate	\$0.00	\$213,113.65	\$0.00	\$0.00	\$213,113.65
All Bid Rejection(s) Low Bid Amount	\$0.00	\$276,379.15	\$0.00	\$0.00	\$276,379.15
% over/under eng. est. of projects all bids rejected	0.00%	29.69%	0.00%	0.00%	29.69%
TBA Report - Low Bids Pending					
Number of TBAs	3	5	1	0	9
Engineer Estimates	\$1,805,727.62	\$13,851,674.35	\$525,215.00	\$0.00	\$16,182,616.97
Low Bid Amounts	\$2,472,345.97	\$15,858,558.07	\$554,241.00	\$0.00	\$18,885,145.04
% over/under engineer's estimate of TBA items	36.92%	14.49%	5.53%	0.00%	16.70%
Bidder (Bids) Report					
Number of Bids Received	46	247	6	0	299
Average # of Bidders per Project	2.42	3.58	2.00	0.00	3.29

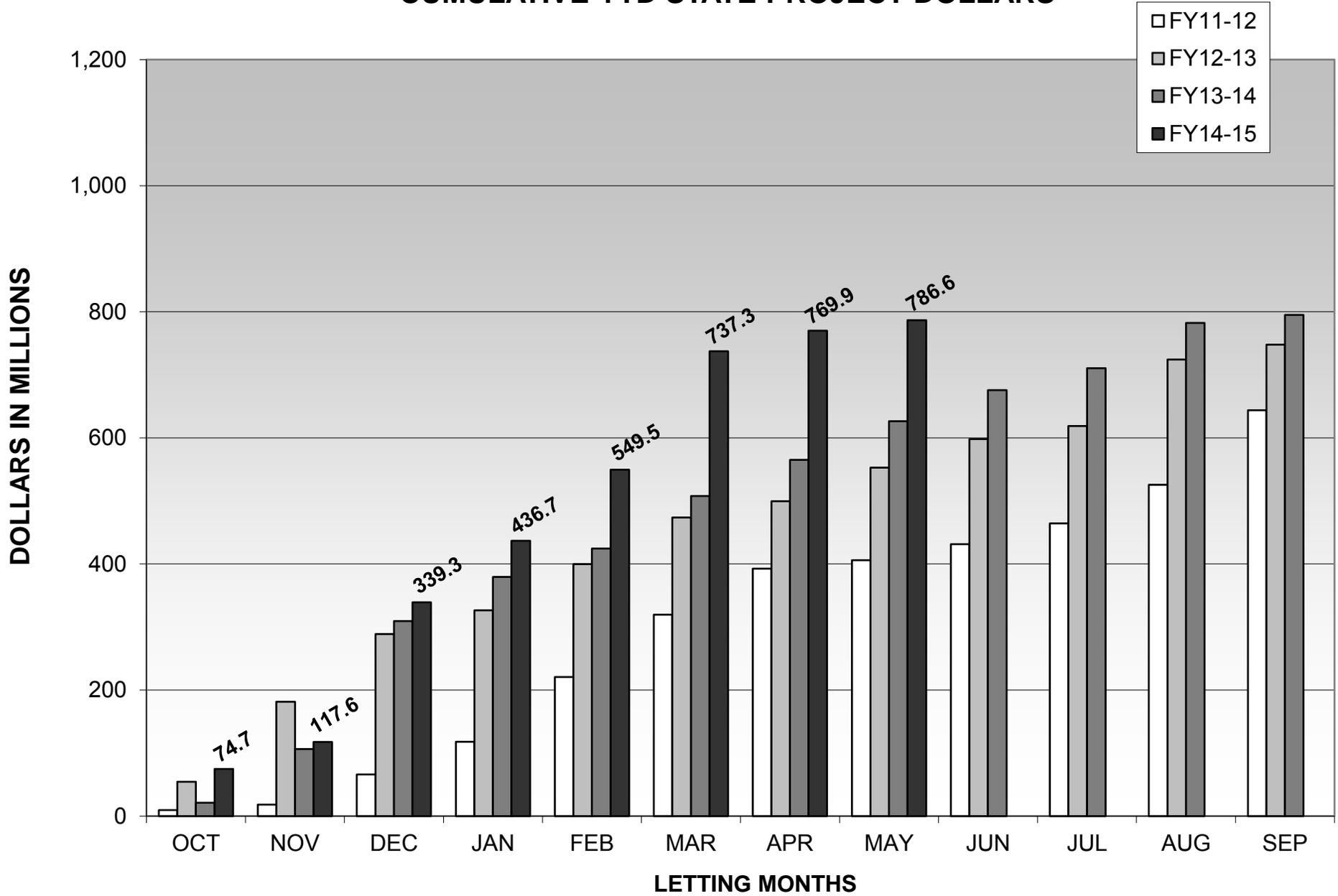
UPCOMING LETTING PROJECTIONS:

	<u>State</u>	<u>Local</u>	<u>Aero</u>	<u>Freight Services</u>	<u>Totals</u>
May 20, 2015, Special Bid Letting					
# of proj. advertised	1	0	0	0	1
# of projects with warranties	1	0	0	0	1
\$ Eng. Est. of projects advertised (In million)	\$1.4	\$0.0	\$0.0	\$0.0	\$1.4
\$ Eng. Est. of warranty projects (In million)	\$1.4	\$0.0	\$0.0	\$0.0	\$1.4
June 5, 2015, Bid Letting					
# of proj. advertised	9	82	13	1	105
# of projects with warranties	2	0	0	0	2
\$ Eng. Est. of projects advertised (In million)	\$13.6	\$67.8	\$20.1	\$1.1	\$102.6
\$ Eng. Est. of warranty projects (In million)	\$4.4	\$0.0	\$0.0	\$0.0	\$4.4
June 10, 2015, Special Bid Letting					
# of proj. advertised	3	0	0	0	3
# of projects with warranties	3	0	0	0	3
\$ Eng. Est. of projects advertised (In million)	\$1.600	\$0.0	\$0.0	\$0.0	\$1.600
\$ Eng. Est. of warranty projects (In million)	\$1.600	\$0.0	\$0.0	\$0.0	\$1.600

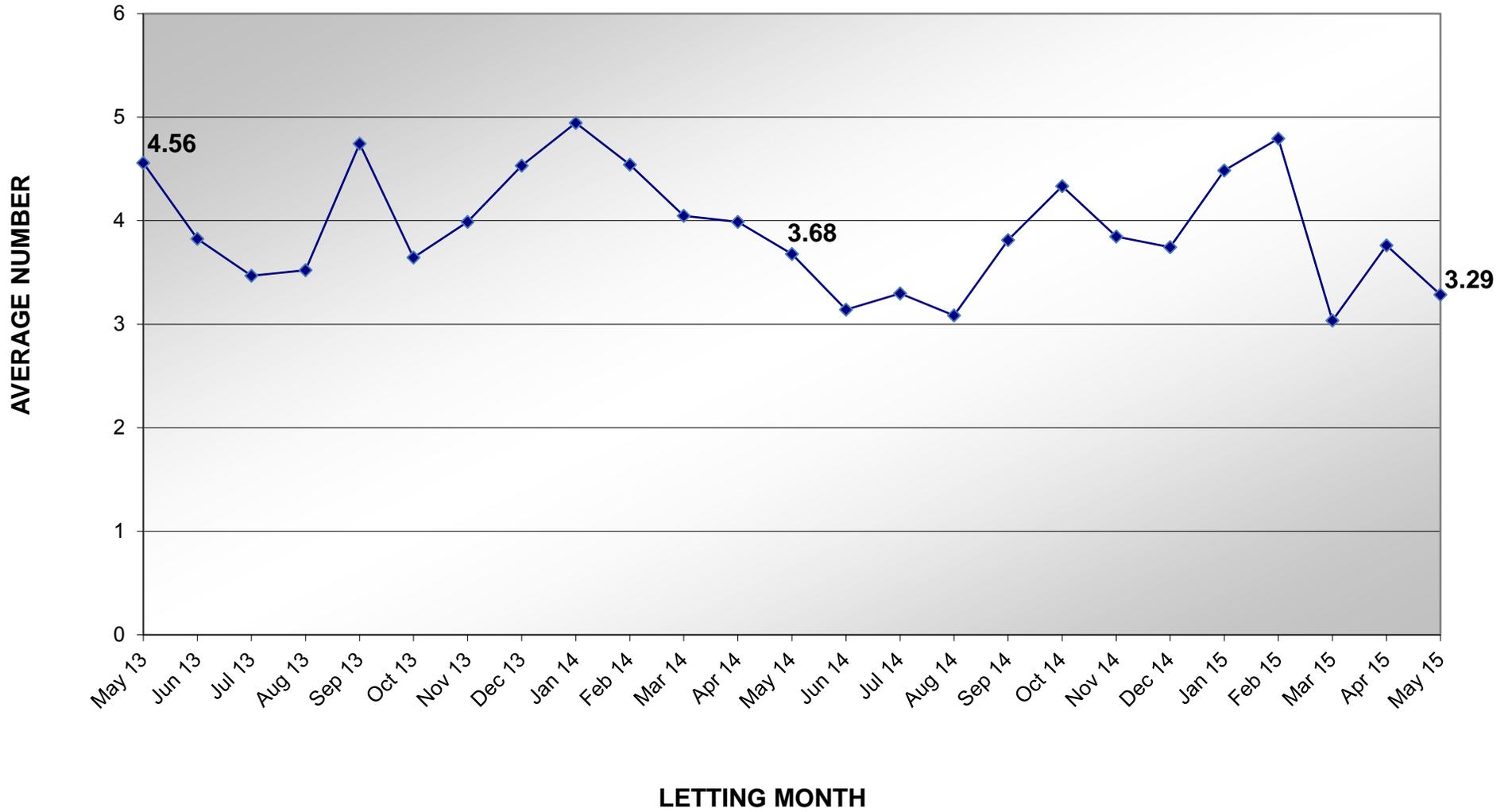
MDOT LETTINGS STATE PROJECTS - Dollars per month



MDOT LETTINGS CUMULATIVE YTD STATE PROJECT DOLLARS



AVERAGE NUMBER OF BIDDERS MAY 2013 through MAY 2015



NUMBER OF PROJECTS WITH SPECIFIED BIDS - BY REGION

MAY 1 and 6, 2015

REGION	NO BIDS RECEIVED	PROJECTS 1 BID	PROJECTS 2 BIDS	PROJECTS 3 BIDS	PROJECTS 4 BIDS	PROJECTS 5 BIDS	PROJECTS 6 BIDS	PROJECTS 7 BIDS	PROJECTS 8 BIDS	PROJECTS 9 BIDS	PROJECTS =>10 BIDS	TOTALS BY REGION
BAY		1		2	3		2		1			9
GRAND			6	2	1	1						10
METRO		1	5	8	2	3	1			1		21
NORTH			4	4	2				1			11
SOUTHWEST		1	6	2	1	3						13
SUPERIOR		2	2	2	1	1		1				9
UNIVERSITY			5	4	3	1	1	1				15
AERO		1	1	1								3
NUMBER OF BIDS ON PROJECTS	0	6	29	25	13	9	4	2	2	1	0	Total 91

REQUEST FOR MICHIGAN STATE TRANSPORTATION
COMMISSION APPROVAL

BID LETTING PRE-APPROVAL

May 21, 2015

The following contracts are being submitted for approval.

STATE PROJECTS

1. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 025 **\$1,235,000.00**
Project: ST 58032-111438
Local Agreement:
Start Date: 10 days after award
Completion Date: July 1, 2016

Abandonment of existing structure and construction of a new pump station along M-50 at Grand Trunk Western Railroad, Monroe County.

4.00 % DBE participation required

2. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 074 **\$2,680,000.00**
Project: TAL 84900-122352
Local Agreement: 14-5431
Start Date: 10 days after award
Completion Date: May 27, 2016

38.44 mi of shared-use path surfacing, drainage and safety improvements, permanent signing, and decorative benches on Fred Meijer White Pine Trail State Park from Sand Lake to Howard City, from Howard City to the city of Big Rapids, and from Reed City to south of Leroy, Montcalm, Mecosta, and Osceola Counties.

3.00 % DBE participation required

3. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 075 **\$2,447,000.00**
Project: MG 13043-86969
Local Agreement:
Start Date: July 6, 2015
Completion Date: October 30, 2017

1.95 mi of hot mix asphalt cold milling and resurfacing, trenching, shoulder widening, minor geometric and drainage improvements, signing, pavement markings, and guardrail replacement in the city of Albion, Calhoun and Jackson Counties. This project includes a 5 year materials and workmanship pavement warranty.

5.00 % DBE participation required

4. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 076 **\$2,047,000.00**
Project: M 50061-M71520
Local Agreement:
Start Date: September 8, 2015
Completion Date: November 13, 2015

9.87 mi of mulching along eastbound and westbound I-696 from I-75 to east of Gratiot Avenue in the cities of Madison Heights, Warren, Centerline, and Roseville, Macomb and Oakland Counties.

0.00 % DBE participation required

5. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 077 **\$1,903,000.00**
Project: NH 17032-104842, ETC
Local Agreement: 15-5307
Start Date: July 6, 2015
Completion Date: October 15, 2015

0.27 mi of hot mix asphalt reconstruction, concrete curb and gutter, streetscape elements, lighting, sanitary sewer, and watermain on I-75BS from Easterday Avenue northerly to Sheridan Avenue in the city of Sault Ste. Marie, Chippewa County. This project includes a 3 year materials and workmanship pavement warranty and a 5 year materials and workmanship pavement warranty.

3.00 % DBE participation required

6. Letting of June 10, 2015 Prequalification Level:
Letting Call: 1506 602 **\$600,000.00**
Project: NH 82900-125548
Local Agreement:
Start Date: 10 days after award
Completion Date: November 08, 2015

Up to 177.95 lnmi of hot mix asphalt crack treatment at various trunkline routes, Wayne County. This project will be constructed with a fixed price variable scope innovative contracting method. This project includes a 2 year pavement performance warranty.

0.00 % DBE participation required

LOCAL PROJECTS

7. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 001 **\$3,849,000.00**
Project: STU 63459-127315
Local Agreement: 15-5265
Start Date: 10 days after award
Completion Date: June 3, 2016

2.37 mi of hot mix asphalt pavement removal and resurfacing, station grading, aggregate base, storm sewer, concrete pavement repairs, curb, gutter, sidewalk and ramps, and guardrail on Northwestern Highway Service Drive southbound from Berg Road east to Evergreen Road in the city of Southfield, Oakland County.

9.00 % DBE participation required

8. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 002 **\$2,133,000.00**
Project: STU 63459-127223
Local Agreement: 15-5267
Start Date: 10 days after award
Completion Date: June 1, 2016

0.97 mi of pavement removal, station grading, aggregate base, storm sewer, drainage, hot mix asphalt surfacing, concrete pavement repairs, concrete curb and gutter, ramps, pedestrian signal upgrades, and watermain on West 9 Mile Road from Beech Road east to Telegraph Road (US-24) in the city of Southfield, Oakland County.

6.00 % DBE participation required

9. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 003 **\$1,564,000.00**
Project: STL 63459-127334, ETC
Local Agreement: 15-5268
Start Date: July 6, 2015
Completion Date: October 10, 2015

6.22 mi of hot mix asphalt cold milling and resurfacing, aggregate shoulders, and guardrail on Hickory Ridge Road from West Demode Road to Fenton Road, Oakland County.

5.00 % DBE participation required

10. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 004 **\$1,327,000.00**
 Project: STUL 38409-121584
 Local Agreement: 15-5218
 Start Date: 10 days after award
 Completion Date: October 15, 2015
- 0.22 mi of hot mix asphalt reconstruction, concrete pavement, curb, gutter, sidewalk and ramps, aggregate base, watermain, sewer, traffic signals, and pavement markings on South West Avenue from Bloomfield Boulevard north to High Street in the city of Jackson, Jackson County.
- 5.00 % DBE participation required
11. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 005 **\$3,508,000.00**
 Project: STU 25049-121368
 Local Agreement: 15-5223
 Start Date: July 13, 2015
 Completion Date: June 1, 2016
- 0.80 mi of concrete pavement reconstruction, pavement removal, concrete curb, gutter, sidewalk and ramps, drainage, watermain, signals, and pavement markings on Belsay Road from Court Street north to Davison Road in the city of Burton, Genesee County.
- 5.00 % DBE participation required
12. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 006 **\$2,831,000.00**
 Project: BRT 81009-123011
 Local Agreement: 15-5233
 Start Date: 10 days after award
 Completion Date: December 15, 2015
- Bridge removal and replacement with 48-inch prestressed, concrete box beams and approach work on Main Street over River Raisin in the village of Manchester, Washtenaw County.
- 3.00 % DBE participation required
13. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 007 **\$1,574,000.00**
 Project: EDD 23555-120511
 Local Agreement: 15-5235
 Start Date: 10 days after award
 Completion Date: September 15, 2015
- 2.90 mi of hot mix asphalt cold milling and surfacing, asphalt stabilized crack relief layer, aggregate base, shoulders, underdrains, curb and gutter, guardrail, and pavement markings on North Main Street from Nye Highway to the north village limits of Olivet, Eaton County.
- 5.00 % DBE participation required

14. Letting of June 5, 2015
Letting Call: 1506 008
Project: STU 50458-127203
Local Agreement: 15-5207
Start Date: 10 days after award
Completion Date: May 31, 2016
- Prequalification Level:
\$1,463,000.00
- 0.50 mi of road rehabilitation including storm sewer replacement, sidewalk ramps, pavement markings, and signs on Kelly Road from Stephens Road to 10 Mile Road, Macomb County.
- 7.00 % DBE participation required
15. Letting of June 5, 2015
Letting Call: 1506 009
Project: STU 50458-126955
Local Agreement: 15-5206
Start Date: 10 days after award
Completion Date: October 15, 2015
- Prequalification Level:
\$1,128,000.00
- 1.00 mi of partial concrete pavement removal and replacement, pavement markings, and ADA ramps on 13 Mile Road from Dequindre Road to Ryan Road in the city of Warren, Macomb County.
- 4.00 % DBE participation required
16. Letting of June 5, 2015
Letting Call: 1506 010
Project: BRO 58001-118686
Local Agreement: 15-5211
Start Date: 10 days after award
Completion Date: October 30, 2015
- Prequalification Level:
\$925,000.00
- Bridge removal and replacement with 21-inch prestressed, concrete box beams and approach work on Ready Road over Swan Creek, Monroe County.
- 5.00 % DBE participation required
17. Letting of June 5, 2015
Letting Call: 1506 011
Project: BRT 32007-118517
Local Agreement: 15-5190
Start Date: July 6, 2015
Completion Date: October 30, 2015
- Prequalification Level:
\$707,000.00
- Bridge removal and replacement with a three-sided culvert and hot mix asphalt surfacing on Stoddard Road over Bird Creek Drain, Huron County.
- 5.00 % DBE participation required

18. Letting of June 5, 201512. Prequalification Level:
\$587,000.00
 Letting Call: 1506 012
 Project: STU 58471-126611
 Local Agreement: 15-5208
 Start Date: 10 days after award
 Completion Date: October 17, 2015
- 0.57 mi of hot mix asphalt resurfacing, concrete curb and gutter replacement, signs, and pavement markings on East 3rd Street from Scott Street to Winchester Street, Monroe County.
- 3.00 % DBE participation required
19. Letting of June 5, 2015 Prequalification Level:
\$581,000.00
 Letting Call: 1506 013
 Project: BRO 80000-118638
 Local Agreement: 15-5212
 Start Date: 10 days after award
 Completion Date: December 11, 2015
- Removal of three corrugated, metal pipe culverts and replacement with 36-inch prestressed, concrete beams, and approach work on County Road 380 over Cedar Creek, Van Buren County.
- 4.00 % DBE participation required
20. Letting of June 5, 2015 Prequalification Level:
\$674,000.00
 Letting Call: 1506 018
 Project: STUL 81406-126268
 Local Agreement: 15-5164
 Start Date: July 6, 2015
 Completion Date: September 25, 2015
- 0.25 mi of hot mix asphalt surfacing, storm sewer, watermain, concrete curb, gutter and sidewalk ramps, and pavement markings on North Street from First Street north to Michigan Avenue in the city of Milan, Washtenaw County.
- 3.00 % DBE participation required
21. Letting of June 5, 2015 Prequalification Level:
\$1,188,000.00
 Letting Call: 1506 022
 Project: BHT 27004-112383-3, ETC
 Local Agreement: 14-5345, 14-5428, 15-5257
 Start Date: 10 days after award
 Completion Date: November 1, 2015
- Hot mix asphalt overlay, approach paving, partial painting, expansion joint replacement, riprap, and concrete patching on Lake Road over the Montreal River, on Presque Isle Road over Jackson Creek, on Cisco Lake Road over Lindsley Lake Channel, and on Copps Mine Road over Presque Isle River, Gogebic County.
- 0.00 % DBE participation required

22. Letting of June 5, 2015 Prequalification Level:
\$1,024,000.00
 Letting Call: 1506 023
 Project: STU 82457-126952
 Local Agreement: 15-5259
 Start Date: 10 days after award
 Completion Date: September 30, 2015
- 109.00 mi of overband crack filling and pavement marking on various roads countywide, Wayne County.
- 0.00 % DBE participation required
23. Letting of June 5, 2015 Prequalification Level:
\$1,019,000.00
 Letting Call: 1506 024
 Project: STU 41481-124392
 Local Agreement: 15-5217
 Start Date: 10 days after award
 Completion Date: August 29, 2015
- 1.62 mi of hot mix asphalt cold milling, base crushing, shaping and resurfacing, drainage, and pavement markings on 4 Mile Road from Fruit Ridge Avenue east to Walker Avenue in the city of Walker, Kent County.
- 4.00 % DBE participation required
24. Letting of June 5, 2015 Prequalification Level:
\$1,485,000.00
 Letting Call: 1506 034
 Project: STUL 70139-123977
 Local Agreement: 15-5258
 Start Date: 10 days after award
 Completion Date: July 31, 2015
- 3.44 mi of hot mix asphalt cold milling and resurfacing, sidewalk ramps, and pavement markings on Fruitport Road from M-104 to Apple Drive, Ottawa County.
- 3.00 % DBE participation required
25. Letting of June 5, 2015 Prequalification Level:
\$874,000.00
 Letting Call: 1506 035
 Project: STUL 09408-126569
 Local Agreement: 15-5273
 Start Date: 10 days after award
 Completion Date: November 13, 2015
- 0.28 mi of hot mix asphalt cold milling and resurfacing, storm sewer, drainage, pavement repairs, and concrete curb, gutter, sidewalk and ramps on Center Avenue from Water Street east to Madison Avenue in the city of Bay City, Bay County.
- 6.00 % DBE participation required

26. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 036 **\$860,000.00**
Project: BRO 77016-118572, ETC
Local Agreement: 15-5256
Start Date: 10 days after award
Completion Date: October 30, 2015

Bridge removal and replacement with an aluminum box culvert, hot mix asphalt surfacing, and guardrail on Fargo Road and Rynn Road over O'Loughlin Drain, St. Clair County.

3.00 % DBE participation required

27. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 037 **\$826,000.00**
Project: STL 26051-123512
Local Agreement: 15-5196
Start Date: 10 days after award
Completion Date: August 29, 2015

28.02 mi of chip sealing, fog sealing, and pavement markings on various routes, Gladwin County.

0.00 % DBE participation required

28. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 038 **\$809,000.00**
Project: BHT 36001-115635
Local Agreement: 15-5279
Start Date: 10 days after award
Completion Date: October 15, 2015

Bridge deck replacement, cleaning and coating of the existing steel beams, and guardrail on County Road 643 over Paint River, Iron County.

0.00 % DBE participation required

29. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 039 **\$784,000.00**
Project: CMG 25400-120047
Local Agreement: 15-5266
Start Date: July 7, 2015
Completion Date: November 13, 2015

Traffic signal modernization, video detection, traffic adaptive installation, and wireless mid-block count stations on Pierson Road from Linden Road to Jennings Road, Genesee County.

0.00 % DBE participation required

30. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 040 **\$756,000.00**
 Project: STL 03449-126249, ETC
 Local Agreement: 15-5293
 Start Date: 10 days after award
 Completion Date: October 30, 2015
- 2.99 mi of hot mix asphalt cold milling and resurfacing, approaches, drainage cover adjustment, guardrail, and pavement markings on North Shore Drive from Baseline Road to Blue Star Highway and from Blue Star Highway to 70th Street, Allegan County.
- 3.00 % DBE participation required
31. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 041 **\$715,000.00**
 Project: STU 81475-126926
 Local Agreement: 15-5243
 Start Date: 10 days after award
 Completion Date: November 15, 2015
- 0.27 mi of hot mix asphalt road reconstruction, concrete pavement, curb, gutter, driveway and ADA ramps, and pavement markings on North Adams Street from Pearl Street to Cross Street in the city of Ypsilanti, Washtenaw County.
- 4.00 % DBE participation required
32. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 042 **\$643,000.00**
 Project: MCS 25019-112189, ETC
 Local Agreement: 15-5292
 Start Date: 10 days after award
 Completion Date: October 16, 2015
- Expansion joint and pin and hanger replacement and partial painting of steel beams on Stewart Avenue over C & O Railroad in the city of Flint, Genesee County.
- 4.00 % DBE participation required
33. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 043 **\$6,375,000.00**
 Project: STU 50458-126614
 Local Agreement: 15-5277
 Start Date: 10 days after award
 Completion Date: May 15, 2016
- 1.05 mi of pavement removal, hot mix asphalt paving, concrete pavement, curb, gutter, sidewalk and ramps, station grading, aggregate base, subgrade undercutting, drainage, traffic signals, and pavement markings on Metropolitan Parkway from Groesbeck Highway to Gratiot Avenue, Macomb County.
- 7.00 % DBE participation required

34. Letting of June 5, 2015
Letting Call: 1506 044
Project: STL 77555-126901
Local Agreement: 15-5236
Start Date: 10 days after award
Completion Date: November 6, 2015
- Prequalification Level:
\$2,421,000.00
- 2.76 mi of hot mix asphalt cold milling, rubblizing and resurfacing, aggregate base, shoulders, and pavement markings on Fred W. Moore Highway from east of Allington Road to west of Wadhams Road, St. Clair County.
- 5.00 % DBE participation required
35. Letting of June 5, 2015
Letting Call: 1506 045
Project: MCS 24009-118586
Local Agreement: 15-5262
Start Date: 10 days after award
Completion Date: May 27, 2016
- Prequalification Level:
\$927,000.00
- Bridge removal and replacement with 27-inch, prestressed concrete beams and approach work on Maple River Road over the Maple River, Emmet County.
- 4.00 % DBE participation required
36. Letting of June 5, 2015
Letting Call: 1506 046
Project: BHT 52009-122994
Local Agreement: 15-5252
Start Date: 10 days after award
Completion Date: November 15, 2015
- Prequalification Level:
\$853,000.00
- Superstructure rehabilitation on County Road 480 over LS&I Railroad, Marquette County.
- 2.00 % DBE participation required
37. Letting of June 5, 2015
Letting Call: 1506 047
Project: BRO 23003-118673
Local Agreement: 15-5269
Start Date: 10 days after award
Completion Date: April 30, 2016
- Prequalification Level:
\$745,000.00
- Bridge removal and replacement with 27-inch, prestressed concrete beams and approach work on Brookfield Road over Battle Creek River, Eaton County.
- 4.00 % DBE participation required

38. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 048 **\$664,000.00**
 Project: STL 69137-123249
 Local Agreement: 15-5118
 Start Date: July 13, 2015
 Completion Date: August 28, 2015
- 1.10 mi of hot mix asphalt base crushing, shaping and resurfacing, trenching, aggregate shoulders, and pavement markings on Gingell Road from M-32 northerly to Waters Road, Otsego County.
- 3.00 % DBE participation required
39. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 049 **\$635,000.00**
 Project: STH 44609-119584-2
 Local Agreement: 14-5541
 Start Date: July 7, 2015
 Completion Date: September 21, 2015
- 0.55 mi of hot mix asphalt crushing, shaping and resurfacing, concrete curb and gutter and spillway, aggregate base, machine grading, high friction surface, drainage, signs, and pavement markings on Lake Pleasant Road and Newark Road, Lapeer County.
- 5.00 % DBE participation required
40. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 050 **\$593,000.00**
 Project: STU 23403-126929
 Local Agreement: 15-5205
 Start Date: 10 days after award
 Completion Date: October 30, 2015
- 0.50 mi of hot mix asphalt cold milling, removal and resurfacing, earth excavation, aggregate base, concrete driveway, curb, gutter, sidewalk and ramps, drainage, guardrail, and pavement markings on St. Joe Highway from Marketplace Boulevard to Canal Road, Eaton County.
- 6.00 % DBE participation required
41. Letting of June 5, 2015 Prequalification Level:
 Letting Call: 1506 056 **\$2,076,000.00**
 Project: NH 82457-126994
 Local Agreement: 15-5260
 Start Date: 10 days after award
 Completion Date: 65 WD
- 0.65 mi of hot mix asphalt cold milling and resurfacing, pavement repair, watermain, sidewalk ramps, guardrail, signing, pavement markings, and bridge improvement on Greenfield Road from south of I-94 to Rotunda Drive in the city of Dearborn, Wayne County.
- 5.00 % DBE participation required

42. Letting of June 5, 2015 Prequalification Level:
\$1,632,000.00
 Letting Call: 1506 057
 Project: STL 70522-76806
 Local Agreement: 15-5250
 Start Date: 10 days after award
 Completion Date: October 16, 2015
- 0.38 mi of hot mix asphalt removal and resurfacing, storm sewer, concrete curb, gutter and sidewalk and pavement markings on Randall Street from 68th Avenue east to 64th Avenue in the city of Coopersville, Ottawa County.
- 0.00 % DBE participation required
43. Letting of June 5, 2015 Prequalification Level:
\$550,000.00
 Letting Call: 1506 058
 Project: STL 20039-122205
 Local Agreement: 15-5224
 Start Date: August 3, 2015
 Completion Date: September 18, 2015
- 2.96 mi of hot mix asphalt resurfacing and aggregate shoulders on Hartwick Pines Road from M-93 north to County Road 612, Crawford County.
- 3.00 % DBE participation required
44. Letting of June 5, 2015 Prequalification Level:
\$530,000.00
 Letting Call: 1506 059
 Project: STL 29057-123617
 Local Agreement: 15-5214
 Start Date: 10 days after award
 Completion Date: August 28, 2015
- 2.00 mi of hot mix asphalt resurfacing, trenching, aggregate shoulders, remove and replace culvert and pavement markings on Alger Road from Pierce Road northerly to Washington Road, Gratiot County.
- 0.00 % DBE participation required
45. Letting of June 5, 2015 Prequalification Level:
\$529,000.00
 Letting Call: 1506 060
 Project: STL 67555-110322
 Local Agreement: 15-5283
 Start Date: 10 days after award
 Completion Date: August 13, 2015
- 4.91 mi of hot mix asphalt base crushing, shaping and resurfacing, trenching, aggregate shoulders and pavement markings on 14 Mile Road from Lakola Road easterly to 210th Avenue and 19 Mile/130th Avenue from 140th Avenue easterly to 130th Avenue thence northerly to 20 Mile Road, Osceola County.
- 0.00 % DBE participation required

46. Letting of June 5, 2015 Prequalification Level:
\$562,000.00
 Letting Call: 1506 066
 Project: STL 34067-113838
 Local Agreement: 15-5285
 Start Date: 10 days after award
 Completion Date: August 14, 2015
- 17.10 mi of hot mix asphalt chip and fog sealing and pavement markings, countywide, Ionia County.
- 0.00 % DBE participation required
47. Letting of June 5, 2015 Prequalification Level:
\$1,090,000.00
 Letting Call: 1506 067
 Project: STU 82457-126991
 Local Agreement: 15-5261
 Start Date: 10 days after award
 Completion Date: 40 WD
- 0.99 mi of hot mix asphalt cold milling and resurfacing, aggregate shoulder, concrete pavement repairs, curb, gutter, driveway, spillway and ramps, membrane preformed waterproofing, drainage, signing, and pavement markings on Lilley Road from Warren Road northerly to Joy Road, Wayne County.
- 4.00 % DBE participation required
48. Letting of June 5, 2015 Prequalification Level:
\$1,348,000.00
 Letting Call: 1506 078
 Project: STU 33522-117104
 Local Agreement: 15-5274
 Start Date: 10 days after award
 Completion Date: October 30, 2015
- 1.67 mi of hot mix asphalt cold milling, crushing, shaping and resurfacing, concrete curb, gutter, driveway, sidewalk and ramps, drainage, guardrail, and pavement markings on Kipp Road from US-127 east to Dexter Trail in the city of Mason, Ingham County.
- 4.00 % DBE participation required
49. Letting of June 5, 2015 Prequalification Level:
\$578,000.00
 Letting Call: 1506 079
 Project: HSIP 25609-120254
 Local Agreement: 15-5289
 Start Date: 10 days after award
 Completion Date: June 30, 2016
- 0.30 mi of intersection reconstruction, pavement removal, grading, concrete pavement, curb and gutter, hot mix asphalt paving, aggregate base and shoulders, and storm sewer on Hill Road and Elms Road, Genesee County.
- 3.00 % DBE participation required

AERONAUTICS

50. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 026 **\$11,611,000.00**
Project: FM 38176-125041
Local Agreement:
Start Date: August 31, 2015
Completion Date: 325 Calendar Days

Runway 7/25 construction - phase 1 at Jackson County - Reynolds Field, city of Jackson, Jackson County.

7.00 % DBE participation required

51. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 071 **\$785,000.00**
Project: FM 32229-127335
Local Agreement:
Start Date: August 17, 2015
Completion Date: 60 CD

Runway 4/22 and 17/35 lighting rehabilitation at the Huron County Memorial Airport, city of Bad Axe, Huron County.

3.00 % DBE participation required

52. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 072 **\$5,341,000.00**
Project: FM 13184-121222
Local Agreement:
Start Date: August 24, 2015
Completion Date: 53 CD

Rehabilitate runway 5L/23R at the W.K. Kellogg Airport, city of Battle Creek, Calhoun County.

6.00 % DBE participation required

FREIGHT SERVICES

53. Letting of June 5, 2015 Prequalification Level:
Letting Call: 1506 073 **\$1,050,000.00**
Project: CTF 30900-127221
Local Agreement:
Start Date: 10 days after award
Completion Date: December 18, 2015

1.42 mi of railroad yard track, wye, and structure rehabilitation on the Indiana Northeastern Railroad in the city of Hillsdale, Hillsdale County.

0.00 % DBE participation required

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the projects described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of June 17, 2014.

Respectfully submitted,

Original Signed

Kirk T. Steudle
Director

REQUEST FOR MICHIGAN STATE TRANSPORTATION
COMMISSION APPROVAL

BID LETTING PRE-APPROVAL

May 21, 2015

STATE PROJECTS

1. Letting of June 5, 2015
Letting Call: 1506 102
Project: IM 63174-126564
Local Agreement:
Start Date: 10 days after award
Completion Date: November 15, 2015
- Prequalification Level:
\$746,000.00

PCI beam end repairs, substructure repairs including partial pier cap replacement, abutment repairs, installation of pressure relief joints, and maintaining traffic at I-75 over 13 Mile Road, over 14 Mile Road, and over Livernois Road in the cities of Madison Heights and Troy, Oakland County.

0.00 % DBE participation required

2. Letting of June 5, 2015
Letting Call: 1506 105
Project: ER 82192-126931
Local Agreement:
Start Date: 7 days after award
Completion Date: September 30, 2017
- Prequalification Level:
\$2,357,000.00

Pedestrian walkover construction, watermain and utility relocations, associated road work, and maintaining traffic on Cathedral Avenue over M-39 in the city of Detroit, Wayne County.

7.00 % DBE participation required

3. Letting of June 5, 2015
Letting Call: 1506 108
Project: BHI 44044-113235, ETC
Local Agreement:
Start Date: 10 days after award
Completion Date: September 24, 2016
- Prequalification Level:
\$4,944,000.00

Bridge rehabilitation, approach work, and maintaining traffic on multiple structures on I-69, Lapeer County. This project includes a 2 year bridge painting warranty.

4.00 % DBE participation required

4. Letting of June 10, 2015
Letting Call: 1506 603
Project: ST 84911-124111
Local Agreement:
Start Date: 10 days after award
Completion Date: September 18, 2015
- Prequalification Level:
\$624,000.00

Up to 366.93 lnmi of hot mix asphalt crack treatment and overband crack filling on various state trunklines, Gogebic, Iron, Dickinson, Menominee, and Delta Counties. This project will be constructed with a fixed price variable scope innovative contracting method. This project includes a 2 year pavement performance warranty.

0.00 % DBE participation required

LOCAL PROJECTS

5. Letting of June 5, 2015
Letting Call: 1506 106
Project: TA 41401-122951
Local Agreement: 15-5198
Start Date: 10 days after award
- Prequalification Level:
\$813,000.00

Completion Date: October 2, 2015

0.18 mi of hot mix asphalt shared-use path, concrete sidewalk and ramps, timber boardwalk, piles, and metal railing on Reeds Lake Boulevard from Lakeside Drive to Reeds Lake Boulevard North Arm in the city of East Grand Rapids, Kent County.

3.00 % DBE participation required

6. Letting of June 5, 2015
Letting Call: 1506 107
Project: STL 78129-120291
Local Agreement: 15-5315
Start Date: 10 days after award
Completion Date: October 15, 2015
- Prequalification Level:
\$599,000.00

4.01 mi of hot mix asphalt resurfacing, aggregate shoulders, and pavement markings on Michigan Avenue from US-131 to Fisher Lake Road and on Klinger Lake Road from the village of Centreville to Timm Road, St. Joseph County.

3.00 % DBE participation required

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the projects described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of June 17, 2014.

Respectfully submitted,

Original Signed

Kirk T. Steudle
Director

REQUEST FOR MICHIGAN STATE
TRANSPORTATION COMMISSION APPROVAL

LETTING EXCEPTIONS AGENDA

May 21, 2015

The following projects have been pre-approved, and are being returned for re-approval after meeting the exception criteria by the State Transportation Commission.

STATE PROJECTS

1. Letting of May 1, 2015
 Letting Call: 1505 068
 Project: ST 52032-118774
 Local Agreement:
 Start Date: June 8, 2015
 Completion Date: October 8, 2015
- Low Bid: **\$929,716.25**
 Engineer Estimate: \$790,744.40
 Pct Over/Under Estimate: 17.57 %

Culvert replacement with precast, concrete box culvert, guardrail, hot mix asphalt approach, and pavement marking on M-35 over Warner Creek, Marquette County.

2.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Smith Construction, Inc.	\$929,716.25	Same	1 **
M.J.O. Contracting, Inc.	\$1,093,389.18	Same	2
A. Lindberg & Sons, Inc.	\$1,172,283.91	Same	3
Hebert Construction Co.	\$1,487,711.65	Same	4

Total Number of Bidders: 4

2. Letting of May 1, 2015
 Letting Call: 1505 076
 Project: NH 81132-124034
 Local Agreement:
 Start Date: June 15, 2015
 Completion Date: September 25, 2015
- Low Bid: **\$2,328,888.88**
 Engineer Estimate: \$1,878,136.54
 Pct Over/Under Estimate: 24.00 %

3.65 mi of hot mix asphalt, cold milling, and resurfacing, sidewalk ramps, utility patch repair, and curb and gutter repair on US-12BR from Huron River bridge to the Washtenaw/Wayne county line in the city of Ypsilanti, Washtenaw County. This project includes a 3 year materials and workmanship pavement warranty.

3.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Ajax Paving Industries, Inc.	\$2,328,888.88	Same	1 **
Cadillac Asphalt, L.L.C.	\$2,415,000.00	Same	2

Total Number of Bidders: 2

3. Letting of May 1, 2015
 Letting Call: 1505 201
 Project: M 84900-M51404-2
 Local Agreement:
 Start Date: June 1, 2015
 Completion Date: August 21, 2015

Low Bid: **\$1,165,095.98**
 Engineer Estimate: \$765,915.62
 Pct Over/Under Estimate: 52.12 %

Deck patching and crack sealing, substructure and concrete T-beam patching, hot mix asphalt overlay with membrane preformed waterproofing, hot mix asphalt approaches, and pavement relief joints on I-94, I-94BL, M-311, US-12, and US-131BR, Berrien, Calhoun, Cass, Kalamazoo, and St. Joseph counties. This project will be constructed with an innovative contracting method, maintenance work contract (Indefinite Delivery).

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
C. A. Hull Co., Inc.	\$1,165,095.98	Same	1 **
Anlaan Corporation	\$1,451,050.50	\$1,450,750.50	2

Total Number of Bidders: 2

LOCAL PROJECTS

4. Letting of May 1, 2015
 Letting Call: 1505 007
 Project: STU 23455-126356
 Local Agreement: 15-5134
 Start Date: June 8, 2015
 Completion Date: August 29, 2015

Low Bid: **\$926,679.23**
 Engineer Estimate: \$799,842.10
 Pct Over/Under Estimate: 15.86 %

0.34 mi of hot mix asphalt removal and resurfacing, sanitary sewer, watermain, storm sewer, concrete curb, gutter, sidewalk and ramps, and pavement markings on Jenne Street from Edwards Street north to South Street in the city of Grand Ledge, Eaton County.

7.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
C & D Hughes, Inc.	\$926,679.23	Same	1 **
Milbocker and Sons, Inc.	\$944,695.35	Same	2
E.T. MacKenzie Company	\$994,351.48	Same	3
Hoffman Bros., Inc.	\$994,891.53	Same	4

Total Number of Bidders: 4

5. Letting of May 1, 2015
 Letting Call: 1505 013
 Project: STU 77475-123183
 Local Agreement: 15-5121
 Start Date: June 1, 2015
 Completion Date: October 9, 2015

Low Bid: **\$2,045,168.24**
 Engineer Estimate: \$1,569,947.05
 Pct Over/Under Estimate: 30.27 %

0.39 mi of hot mix asphalt surfacing, pavement removal, aggregate base, drainage, storm sewer, watermain, culvert, concrete curb and gutter, and guardrail on Water Street from north of the I-94 westbound on-ramp to north of West Water Road, Saint Clair County.

5.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Toebe Construction LLC	\$2,045,168.24	Same	1 **
Anlaan Corporation	\$2,070,801.36	Same	2
Boddy Construction Company, Inc.	\$2,139,290.43	Same	3
Z Contractors, Inc.	\$2,204,906.03	Same	4
Pamar Enterprises, Inc.	\$2,328,461.57	Same	5
Angelo Iafrate Construction Company	\$2,482,533.55	Same	6

Total Number of Bidders: 6

6. Letting of May 1, 2015
 Letting Call: 1505 021
 Project: STUL 13038-122808
 Local Agreement: 15-5165
 Start Date: July 13, 2015
 Completion Date: September 4, 2015

Low Bid: **\$700,868.70**
 Engineer Estimate: \$633,253.40
 Pct Over/Under Estimate: 10.68 %

1.35 mi of hot mix asphalt cold milling and resurfacing, and concrete curb, gutter, sidewalks and ramps on Emmett Street E from west of East Avenue N east to M-66 (Capital Avenue, NE) and on Van Buren Street E from Washington Avenue west to Elm Street in the city of Battle Creek, Calhoun County.

7.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Michigan Paving and Materials	\$700,868.70	Same	1 **
Lakeland Asphalt Corporation	\$714,092.80	Same	2
C & D Hughes, Inc.	\$770,841.50	Same	3
Kamminga & Roodvoets, Inc.	\$846,388.80	Same	4
Northern Construction Services	\$911,491.50	Same	5

Total Number of Bidders: 5

7. Letting of May 1, 2015
 Letting Call: 1505 030
 Project: STU 63132-126455, ETC
 Local Agreement: 15-5146, 15-5178
 Start Date: 10 days after award
 Completion Date: May 20, 2016

Low Bid: **\$6,335,189.32**
 Engineer Estimate: \$5,294,821.90
 Pct Over/Under Estimate: 19.65 %

2.88 mi of hot mix asphalt removal, cold milling, crushing, shaping and resurfacing, concrete pavement, driveway, curb, gutter, spillway, sidewalk and ramps, aggregate base, sewer, drainage, watermain, traffic signal, and pavement markings on Hamlin Road from Hamlin Court east to Dequindre Road in the city of Rochester Hills, Oakland County.

7.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
DiPonio Contracting, Inc.	\$6,335,189.32	Same	1 **
Pamar Enterprises, Inc.	\$6,372,297.61	Same	2
Angelo Iafrate Construction	\$7,903,569.77	Same	3

Total Number of Bidders: 3

8. Letting of May 1, 2015
 Letting Call: 1505 035
 Project: STL 51555-123696
 Local Agreement: 15-5130
 Start Date: June 2, 2015
 Completion Date: August 22, 2015

Low Bid: **\$1,005,329.47**
 Engineer Estimate: \$878,116.41
 Pct Over/Under Estimate: 14.49 %

17.91 mi of chip and fog sealing, intermittent paving, and pavement markings on various routes, Manistee County.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Pavement Maintenance Systems, LLC	\$1,005,329.47	Same	1 **
Fahrner Asphalt Sealers, L.L.C.	\$1,060,929.58	Same	2

Total Number of Bidders: 2

9. Letting of May 1, 2015
 Letting Call: 1505 040
 Project: STU 82457-126212
 Local Agreement: 15-5135
 Start Date: 10 days after award
 Completion Date: September 30, 2015

Low Bid: **\$1,646,589.35**
 Engineer Estimate: \$1,159,375.00
 Pct Over/Under Estimate: 42.02 %

0.70 mi of hot mix asphalt cold milling and resurfacing, pavement repair, concrete curb, gutter, sidewalk and ramps, signing, pavement markings, and watermain on Schaefer Road from Michigan Avenue (US-12) north to Ford Road (M-153) and on Prospect Avenue from west of Schlaff Street east to Schaefer Road in the city of Dearborn, Wayne County.

8.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Cadillac Asphalt, L.L.C.	\$1,646,589.35	Same	1 **
Florence Cement Company	\$1,710,010.41	Same	2
Pavex Corporation	\$1,734,272.62	Same	3

Total Number of Bidders: 3

10. Letting of May 1, 2015
 Letting Call: 1505 044
 Project: STU 82457-126769
 Local Agreement: 15-5136
 Start Date: 10 days after award
 Completion Date: July 22, 2015

Low Bid: **\$518,872.16**
 Engineer Estimate: \$441,546.50
 Pct Over/Under Estimate: 17.51 %

0.28 mi of hot mix asphalt cold milling and resurfacing, pavement repair, concrete curb, gutter, sidewalk and ramps, and pavement markings on Kercheval Avenue from Cadieux Road east to Neff Avenue in the city of Grosse Pointe, Wayne County.

9.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Ajax Paving Industries, Inc.	\$518,872.16	Same	1 **
Florence Cement Company	\$525,686.65	Same	2
Cadillac Asphalt, L.L.C.	\$542,107.15	Same	3
Pro-Line Asphalt Paving Corp.	\$574,654.84	Same	4
Pavex Corporation	\$677,209.95	Same	5

Total Number of Bidders: 5

11. Letting of May 1, 2015
 Letting Call: 1505 054 Low Bid: **\$649,529.52**
 Project: EDD 77555-126839 Engineer Estimate: \$566,531.98
 Local Agreement: 15-5163 Pct Over/Under Estimate: 14.65 %
 Start Date: August 1, 2015
 Completion Date: June 1, 2016

1.00 mi of hot mix asphalt cold milling, widening and resurfacing, trenching, removal and replacement of existing arch culvert with aluminum box culvert on Capac Road from Koehn Road northerly to the Capac village limits, St. Clair County.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Superior Contracting Group L.L.C.	\$649,529.52	Same	1 **
Weston Transport, Inc.	\$687,893.23	Same	2
Ace-Saginaw Paving Company	\$704,745.67	Same	3
Boddy Construction Company, Inc.	\$748,860.15	Same	4
Dan's Excavating, Inc.	\$757,923.11	Same	5
L.J. Construction, Inc.	\$790,375.63	Same	6
Fisher Contracting Company	\$828,087.59	Same	7
Florence Cement Company	\$838,367.44	Same	8
JSS - Macomb, LLC	\$859,641.27	Same	9

Total Number of Bidders: 9

12. Letting of May 1, 2015
 Letting Call: 1505 061 Low Bid: **\$2,586,745.97**
 Project: HSIP 82609-123801 Engineer Estimate: \$2,274,723.65
 Local Agreement: 15-5141 Pct Over/Under Estimate: 13.72 %
 Start Date: 10 days after award
 Completion Date: June 15, 2016

14.10 mi of upgrading traffic signals, pedestrian signals, crosswalks, concrete curb, gutter, sidewalk and ramps, pavement markings, and signing at various locations in the city of Detroit, Wayne County.

6.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Rauhorn Electric, Inc.	\$2,586,745.97	Same	1 **
J. Ranck Electric, Inc.	\$2,750,425.72	Same	2
Dan's Excavating, Inc.	\$2,852,274.34	Same	3

Total Number of Bidders: 3

13. Letting of May 1, 2015
 Letting Call: 1505 066
 Project: STUL 11400-124639
 Local Agreement: 15-5152
 Start Date: 10 days after award
 Completion Date: 45 AD

Low Bid: **\$578,578.36**
 Engineer Estimate: \$518,500.00
 Pct Over/Under Estimate: 11.59 %

0.50 mi of hot mix asphalt removal, cold milling, and resurfacing, concrete driveway, curb, gutter, sidewalk and ramps, aggregate base, drainage, and slope restoration on Marquette Woods Road from St. Joseph Avenue easterly to Roosevelt Road, Berrien County.

8.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Kalin Construction Co., Inc.	\$578,578.36	Same	1 **
Northern Construction Services	\$624,050.35	Same	2
Hoffman Bros., Inc.	\$625,082.65	Same	3
Milbocker and Sons, Inc.	\$717,562.10	Same	4
Nashville Construction Company	\$724,242.72	Same	5

Total Number of Bidders: 5

AERONAUTICS

14. Letting of May 1, 2015
 Letting Call: 1505 037
 Project: FM 35132-125609
 Local Agreement:
 Start Date: July 6, 2015
 Completion Date: 23 CD

Low Bid: **\$554,241.00**
 Engineer Estimate: \$525,215.00
 Pct Over/Under Estimate: 5.53 %

Taxiway surface sealing, overband crack repair, and paint marking at the Oscoda-Wurtsmith Airport, city of Oscoda, Iosco County.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Gee Asphalt Systems, Inc.	\$554,241.00	Same	1 **

Total Number of Bidders: 1

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the projects described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of June 17, 2014.

Respectfully submitted,

Original Signed

Kirk T. Steudle
Director

INFORMATION FOR MICHIGAN STATE
TRANSPORTATION COMMISSION

May 21, 2015

The following project information is being provided for informational purposes, as requested by the State Transportation Commission.

LOCAL PROJECTS

1. Letting of May 1, 2015
 Letting Call: 1505 018
 Project: STL 27053-119554
 Local Agreement: 15-5122
 Start Date: 10 days after award
 Completion Date: July 31, 2015
- Low Bid: **\$135,837.58**
 Engineer Estimate: \$111,574.00
 Pct Over/Under Estimate: 21.75 %

0.05 mi of hot mix asphalt surfacing, earth excavation, subbase, aggregate base, drainage structures, hot mix asphalt approach, concrete curb, gutter and sidewalk, pavement markings, and slope restoration on North Moore Street from US-2 south in the village of Bessemer, Gogebic County.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Snow Country Contracting, Inc.	\$135,837.58	Same	1 **

Total Number of Bidders: 1

2. Letting of May 1, 2015
 Letting Call: 1505 065
 Project: CM 11400-123274
 Local Agreement: 15-5120
 Start Date: 10 days after award
 Completion Date: August 14, 2015
- Low Bid: **\$276,379.15**
 Engineer Estimate: \$213,113.65
 Pct Over/Under Estimate: 29.69 %

0.68 mi of hot mix asphalt shoulder widening, trenching, aggregate base, slope restoration, ditching, and permanent pavement markings on Rephart Lane from North Main Street north to Timberland Drive, Berrien County.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Northern Construction Services	\$276,379.15	Same	1 **

Total Number of Bidders: 1

These projects, for which the bid is under Five Hundred Thousand Dollars (\$500,000) and has less than two (2) bidders or is a low bid rejection or have other bid issues, are being submitted for informational purposes. The contracts for these projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the projects described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of June 17, 2014.

Respectfully submitted,

Original Signed

Kirk T. Steudle
Director

EXHIBIT B
Construction Contracts - MDOT Projects
Items to the Commission - May 21, 2015

Total Over the Original Cost (All MDOT) \$694,558.88	Total Over the Original Cost (MDOT/MDOT) \$694,558.88	Total Over the Original Cost (MDOT/Cons) \$0.00
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Number of Projects Over 10% (6 Total)	Total Original Contract Amount \$1,503,268.17	Total Final Contract Amount \$2,197,827.05	Total Increase or Decrease \$694,558.88	Total Percent 46.20%
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Region	Control Section	Job Number	Project Description	Prime Contractor	Original Contract Amount	Final Contract Amount	Increase	Percent	Date Work Started	Expect Compl.	Actual Compl.	Final Date	Designed by MDOT (M) or Consultant (C)	Reason for Additional Project Costs
North	35012	124766	3.51 mi of hot mix asphalt single-course overlay on M-65 from north of Pine Acres Drive northerly to south of Kings Corner Road, Iosco County. This project includes a 3 year materials and workmanship pavement warranty.	Rieth-Riley Construction Co., Inc.	\$613,487.35	\$701,727.47	\$88,240.12	14.38%	9/22/2014	10/10/2014	11/12/2014	1/27/2015	M	Reason #1: CM#1 includes an increase to Topsoil Surface and Slope Restoration items. After placing shoulder aggregate at the standard slope requirement, these items were necessary for safety due to significant drop offs between the edge of the shoulder and the existing front slope. Reason 1 accounts for 100% of the total project cost increase.
Bay	74062	110163	0.82 mi of hot mix asphalt cold milling and resurfacing, drainage, storm sewer, concrete curb, gutter and driveways, and pavement marking on M-46 from Townline Road east to Walmart driveway in the city of Sandusky, Sanilac County.	Boddy Construction Company, Inc.	\$889,780.82	\$1,496,099.58	\$606,318.76	68.14%	4/23/2013	86 Work Days	11/23/2013	2/11/2015	M	Reason #1: CM #5 includes an increase totaling \$471,812.77 for removal and replacement of proposed culvert. This project was scoped as a safety project, not as a reconstruction and drainage design. During the project there were two storm events, which dropped 4-6 inches of rain. This caused major flooding, which led to design doing a complete drainage system analysis. The designer determined that the proposed culvert for the project was undersized. The previously placed sewer system and existing 24" and 30" storm sewer had to be increased to 42" storm sewer. The cost of this modification included removal and replacement of the storm sewer system according to the drainage system analysis. Reason 1 accounts for \$471,812.77, or 78% of the total project cost increases.

EXHIBIT B
Construction Contracts - Local Projects
Items to the Commission - May 21, 2015

Total Over the Original Cost (All Local) \$681,295.92	Total Over the Original Cost (Local/Local) \$503,977.21	Total Over the Original Cost (Local/Cons) \$177,318.71
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	Number of Projects Over 10% (7 Total)	Total Original Contract Amount \$4,149,938.03	Total Final Contract Amount \$4,831,233.95	Total Increase or Decrease \$681,295.92	Total Percent 16.42%
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Region	Control Section	Job Number	Project Description	Prime Contractor	Original Contract Amount	Final Contract Amount	Increase	Percent	Date Work Started	Expect Compl.	Actual Compl.	Final Date	Designed by Local (L) or Consultant (C)	Reason for Additional Project Costs
North	51555	116246	5.00 mi of hot mix asphalt resurfacing, aggregate shoulders, concrete curb and gutter, signing, guardrail, and pavement markings on 9 Mile Road from US-31 to east of Big Four Road, Manistee County.	Elmer's Crane and Dozer, Inc.	\$495,624.02	\$646,374.81	\$150,750.79	30.42%	5/12/2014	6/6/2014	6/16/2014	1/12/2015	C	Reason #1: CM #2 and #3 includes an increase of \$107,126.06 of HMA, LVSP to overlay inconsistent existing cross section slopes to construct the final grade within specifications. Reason #2: CM #3 includes an increase of \$41,600.00 of DB HDPE Culv, 18 inch. Due to existing conditions of the corrugated steel pipe, the Contractor was unable to push or pull the HDPE liner in place as specified in the plans. It was necessary to change methods and directionally bore the liner in place. The increase in cost includes the equipment and labor to directionally bore the HDPE liner, traffic control, and restoration of disturbed property. Reasons 1 & 2 account for \$148,726.06, or 99% of the total project cost increases.
Metro	82400	113179	0.72 mi of decorative concrete sidewalk, sidewalk ramps, pedestrian lighting, landscaping, trees, and site furnishing on Canfield Street from Cass Avenue northeasterly to John R Street and on John R Street from Canfield Street southeasterly to Mack Avenue in the city of Detroit, Wayne County.	Rauhorn Electric, Inc.	\$2,169,401.55	\$2,423,359.80	\$253,958.25	11.71%	4/16/2012	11/15/2014	9/12/2014	1/22/2015	C	Reason #1: CM #4 and CM #5 include increases of \$39,827.97 for extra charges for work performed to remove all temporary traffic control devices and construction equipment and return them to the project site for an event (Festival on M-1) and to accelerate work for other events (Minor League Baseball Playoffs & Thanksgiving Day Parade on M-1) not included in the Maintaining Traffic Special Provision. The work was necessary to maintain a safe area and open roadway as requested by the City of Detroit and State (M-1 in State R.O.W.) for the events. Reason #2: CM #1 included an increase of \$28,518.27 for aggregate base material and placement. The aggregate base was necessary to improve the pavement subbase in areas where there were poor existing soil conditions. Reason #3: CM #4 included an increase of \$36,729.98 for Reconstructing Public Lighting Department Vaults found in a deteriorated condition after removal of the existing pavement. This work was necessary to prevent probable future settlement of the pavement. Reason #4: CM #4 include increases for \$30,016.53 for investigations and additional work to re-route and install new underground electrical conduit, electrical manhole structures, foundations for light fixtures, sewer manholes and sewer pipe due to existing underground utility conflicts. The work was required to install the proposed utilities shown on the project plans for the new streetscape as requested by the City of Detroit. Reason #5: CM #4 include an increase of \$18,300.72 for Open Cutting Pavement to Install Conduits to Install New Lighting Conduits that was inadvertently omitted from the Contract. The work was required to install the conduits shown on the project plans. Reason #6: CM #4 and CM #5 included increases of \$12,118.02 for delays, rental of steel road plates and for additional work to return to the project site over one year later to install a lighting fixture shown on the project plans that could not be installed during the first construction season per the Progress Clause due to a sink hole found during the original excavation for the light fixture foundation. The sink hole was determined to be caused by a private sewer service which was repaired by the adjacent private building owner and the light fixture was subsequently installed. Reasons 1-6 account for \$165,511.49 or 65% of the total project cost increases.
Superior	75153	116528	0.12 mi of hot mix asphalt paving, pavement, curb and gutter removal, sidewalk ramps, pavement marking, watermain, and sanitary sewer on Cedar Street from Oak Street to Walnut Street in the city of Manistique, Schoolcraft County.	Elmer's Crane and Dozer, Inc.	\$374,186.21	\$473,454.38	\$99,268.17	26.53%	9/3/2013	10/1/2013	10/17/2013	1/27/2015	C	Reason #1: CM #1 included an increase of \$99,268.17 for additional items added to the project to address the poor existing condition of storm sewer and storm structures and also increased curb and gutter and sidewalk associated with the storm sewer and utility upgrades. Reason 1 accounts for \$99,268.17, or 100% of the total project cost increases.
Grand	41609	119595	1.07 mi of hot mix asphalt cold milling and resurfacing, drainage, addition of center left turn lane, concrete curb, gutter, sidewalk and ramps, and pavement marking on 68th Street from Plaza Center Drive east to Plaster Creek, Kent County.	Michigan Paving and Materials Company	\$1,110,726.25	\$1,288,044.96	\$177,318.71	15.96%	6/9/2014	8/29/2014	9/15/2014	2/6/2015	L	Reason #1: CM #1 included a new item to compensate contractor for 7ea case 2 Hydrant relocations to allow for proposed roadway grading. This item accounted for an increase to the project of \$19,250 after deducting an offsetting item that was originally intended for this scope of work. Reason #2: CM #3 contained an increase in the quantity for the contract item Aggregate Base, Modified due to a greater existing depth of HMA than was proposed to be replaced resulting in additional aggregate base, modified required to be placed. An increase in the quantity of HMA, 2C was also required to achieve the proposed depth of HMA projectwide. These two increases in project items resulted in a total increase to the project of \$84,306. Reason #3: CM #4 contains an increase in the quantity for the contract item HMA, 5E10 which was required to achieve the proposed depth of HMA projectwide. This increase accounted for an increase to the project of \$47,703.25. Reasons 1-3 account for \$151,259.25, or 85% of the total project cost increases.

**2014 Tribal Affairs Update
Presented to the
Michigan State Transportation Commission
May 21, 2015**

Introduction

The Michigan Department of Transportation (MDOT) maintains a variety of ongoing consultative, contractual, and collaborative relationships with each of 12 federally recognized sovereign Tribal governments whose lands are located within the political boundaries of the State of Michigan. MDOT government-to-government activities with Tribes are performed under the requirements of Transportation Commission Policy 10140 (January 2007). The policy requires preparation of this annual review and a report to the Transportation Commission on MDOT activities and planned outreach initiatives.

I. Statewide Coordination and Planning with Tribal Governments

During 2014, MDOT staff organized and conducted the Michigan Intergovernmental Transportation Meeting on October 15-16, hosted by the Nottawaseppi Huron Band of the Potawatomi, at the FireKeepers Hotel and Convention Center near Battle Creek. This meeting was a collaborative effort with the sovereign Tribal governments, the Federal Highway Administration, the U.S. Department of Interior/Bureau of Indian Affairs, and participating county and local road authorities in Michigan. Major topics included a roundtable discussion on current Tribal-state-local transportation projects statewide; a presentation on the Tribal-local trails collaboration for the Mid-Michigan Community Pathway; a planning presentation by Tribal and MDOT experts regarding development of statewide school curriculum materials based on MDOT's archaeology findings (see more in Section II below); a panel discussion on Tribal-state roadway and pedestrian safety initiatives; an open forum on opportunities and challenges in developing transit programs in Tribal communities; a presentation by the host Nottawaseppi Huron Band on its environmental program to restore native wild rice to the Kalamazoo River Basin waterways; a presentation on Tribal government collaboration on the Michigan Regional Prosperity Initiative; and a panel discussion on developing Tribal cultural information for the Pure Michigan Scenic Byways Program.

II. Direct Consultation with Tribes on Cultural and Historic Preservation Issues

During 2014, MDOT archaeologist Dr. James A. Robertson, Ph.D., continued routine consultation activities with Michigan Indian Tribes for both major action transportation projects and minor projects that had the potential to impact culturally significant historic properties. In addition to regular project specific consultation, MDOT, under Dr. Robertson's leadership, commenced a public education and outreach initiative that is based on the significant archaeological finds made prior to construction of the M-231 Bridge over the Grand River in Ottawa County. The education project will be an ongoing MDOT/Tribal collaboration with several state agencies to develop curriculum unit and lesson plans for Michigan schools that relate the archaeological finds to prehistoric, historic, and contemporary Tribal culture. Representatives from the Michigan Department of Education and the Library of Michigan will also be participating. The project will use

the state's Michigan Online Resources for Educators (M.O.R.E) Web site to develop and publish teacher curriculum and lesson plans.

In addition, MDOT staff consulted with Tribal governments in 2014 to begin developing a series of posters and information displays on Tribal history and culture to be posted at MDOT rest areas, roadside parks, and welcome centers in areas where Tribal governments are located. Staff from the Michigan Department of Natural Resources (MDNR) and MDOT have had discussions with Tribal experts to develop similar history and ecology information displays on native wild rice and other native plants to be posted at MDNR recreational boat launches and state parks and on Mackinac Island (on MDOT's M-185 roadway around the island). The primary goal of this collaborative project is to provide relevant historic, cultural, and environmental information to users of Michigan roadways and recreational facilities, in support of Michigan's broader economic objectives for travel and tourism statewide. Discussions on design and written content of posters and displays will continue with several Tribes in 2015.

III. Regional Coordination with Tribal Governments

MDOT's day-to-day business contacts with Tribal governments are conducted primarily through region and Transportation Service Center (TSC) offices. Region and TSC staff meet with Tribal governments to identify multimodal transportation needs that may mutually benefit both governments, including roads, streets, non-motorized trail systems, and other transportation related facilities. The following is a summary of significant government-to-government region activities in 2014, as submitted by MDOT region and TSC staff:

Grand Traverse Band of Ottawa and Chippewa Indians

MDOT's North Region worked with the Grand Traverse Band of Ottawa and Chippewa Indians (GTB) regarding permits for event signage on M-72 in Grand Traverse County.

The Traverse City TSC worked with GTB on a field review of the Acme Creek area on M-72 in Acme Township; worked with an economic consultant for GTB regarding the M-72 corridor in Acme Township; met with GTB Tribal leadership regarding M-72 improvements in Acme Township related to the village at Grand Traverse development; held a kickoff meeting with GTB for the M-72 plan design; held a meeting with the Tribe's consultant regarding roadway design standards and review requirements, and conducted a follow-up M-72 project status update meeting with the Tribe and their consultant.

The Traverse City TSC also participated with GTB in the US-31/M-37 Division Street, Traverse City planning and environmental linkages process. A representative from the Tribe is on the local advisory committee.

Little River Band of Ottawa Indians

The North Region planner participated with the Little River Band of Ottawa Indians (LRBOI) on the Tribal Safety Committee that developed a Tribal Safety Plan. In addition, the Cadillac TSC worked with LRBOI in Manistee County on the following issues in 2014:

- a. A request by LRBOI for historical information signs on M-55, M-22, and US-31 was facilitated and completed with the assistance of MDOT's Traffic and Safety Division and the statewide Tribal government liaison. As a result, a plan was finalized for a brown and white informational highway sign at four roadway locations that reads "Little River Band of Ottawa Indians-Ancestral Reservation Area."
- b. An MDOT sponsored road safety audit (RSA) was pursued for the intersection of M-22 and US-31 where the LRBOI government center, health center, casino business, and gas station/convenience store are located. LRBOI Tribal members would like a traffic signal or roundabout at this location for pedestrian activity. Past studies do not support the criteria for either of these improvements. On behalf of LRBOI, a request has been submitted to Lansing staff to organize the RSA for this location. Based on the RSA, LRBOI may pursue Bureau of Indian Affairs' funding for future implementation, conditioned on MDOT concurrence.
- c. During 2014, there was discussion between the Michigan Department of Environmental Quality, the Manistee County Health Department, and LRBOI regarding sewer and water projects in the reservation area that would utilize the right-of-way adjacent to US-31. MDOT has been in discussions with LRBOI for several years on a proposal to construct utilities in the right-of-way. Agreement between LRBOI and the City of Manistee to finance the sewer and water project was announced in 2014, with no plan yet established for construction.

Little Traverse Bay Bands of Odawa Indians

MDOT's North Region planner met with staff from the Little Traverse Bay Bands of Odawa Indians and Mackinac State Historical Parks regarding the placement of historical/interpretive signs on Mackinac Island and at MDOT welcome centers/rest areas in the North Region.

Keweenaw Bay Indian Community

Superior Region staff continued to participate on a collaborative team with Keweenaw Bay Indian Community, MDNR, and MDOT staff to develop ecology, history, and cultural displays along the US-41 Corridor in Baraga County.

Lac Vieux Desert Band of Lake Superior Chippewa Indians

The Superior Region and Crystal Falls TSC coordinated with the Lac Vieux Desert Band on a permit request for construction of a walking path along US-45 in Watersmeet. The TSC is hoping to construct the pathway in 2015. In addition, region and TSC staff will continue to coordinate with the Tribe on proposed off road vehicle trail connection opportunities along M-28 in Gogebic County.

Sault Ste. Marie Tribe of Chippewa Indians

Sault Ste. Marie Tribe planning and law enforcement staff participated in the Newberry TSC's annual Incident Trunkline Closure Meeting.

Bay Mills Indian Community

Bay Mills Indian Community law enforcement staff participated in the Newberry TSC's annual Incident Trunkline Closure Meeting.

Hannahville Indian Community

Region staff met with the Hannahville Indian Community and others to begin discussions regarding a Tribal Safety Plan. Meeting participants included representatives from MDOT, the Menominee County Road Commission, the Tribal Chairman's Office, Bureau of Indian Affairs, Tribal Police, the Tribal Attorney's office, and Tribal Maintenance.

Saginaw Chippewa Indian Tribe of Michigan

Bay City and Mt. Pleasant TSC staff meet regularly with the Saginaw Chippewa Indian Tribe to discuss transportation projects and Tribe sponsored events that could potentially affect traffic and mobility.

Construction began in 2014 on the boulevard along M-20 in Mt. Pleasant between Summerton Road and Leaton Road. The boulevard construction will help to improve safety and reduce congestion in this corridor that directly serves Tribal government and economic interests. The project is the culmination of several years of coordinated planning and funding efforts between the Tribe and MDOT. The project is being funded through U.S. Bureau of Indian Affairs and MDOT safety funds.

IV. Current and Projected 2015 MDOT Activities Related to Tribal Governments

1. In April 2015, Dr. James Robertson presented a paper at the Michigan Tribal Education Directors' Conference on the education and outreach initiative regarding archaeological finds made prior to construction of M-231 over the Grand River in Ottawa County.

2. On May 6, 2015, MDOT and six participating Tribal governments received a 2015 Governor's Award for historic preservation of the M-231/Grand River bridge archaeology project. The award was based in part on the government-to-government collaboration and partnership between MDOT and the six consulting Indian Tribes.
3. Dr. Robertson and MDOT Tribal Government Liaison Stuart Lindsay will meet with Tribal historic preservation representatives from all 12 Michigan Indian Tribes during spring and summer of 2015 to gain the Tribes' perspective on best practices for future project-related consultation. They will also meet and offer each Tribe the opportunity to participate in the public outreach curriculum and lesson development project (Section II above) and to request Tribal Council support for this endeavor.
4. Also during 2015, MDOT staff will continue discussions with interested Tribal governments statewide to develop information displays on Tribal history and culture at MDOT rest areas, roadside parks, and welcome centers in areas where Tribal governments are located.
5. At the region and TSC level, MDOT will continue to collaborate with Tribal governments on planning, funding, and developing state highway infrastructure and other transportation projects that benefit Tribal and state interests.
6. MDOT will also assist in continued development of effective transportation planning, consultation, and coordination between Tribal governments, local governments, and metropolitan and rural planning agencies.