

**RESOLUTION
#20-2010-0804**

**BLACKMAN CHARTER TOWNSHIP
COUNTY OF JACKSON, MICHIGAN**

BOND RESOLUTION

WHEREAS, the Township Board hereby determines that it is necessary to acquire an approximately 28-acre parcel of land located south of Springport Road, west of US-127 and north of I-94 in the Township in order to provide public road access through such parcel, improve drainage in the area and aid in the development and redevelopment of other parcels in the downtown district of the Downtown Development Authority of the Charter Township of Blackman (the "Project"); and

WHEREAS, the cost of the Project is estimated to be not less than Three Million Four Hundred Forty-Five Thousand Dollars (\$3,445,000); and

WHEREAS, the Township is authorized to issue bonds under Section 517 of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), and to use the proceeds of the sale of such bonds to pay the cost of capital improvement items such as the Project; and

WHEREAS, pursuant to Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"), the Township Board has approved various proceedings for approval of the Development and Tax Increment Finance Plan, as amended (the "DDA Plan"), which plans and amendments were submitted by the Downtown Development Authority of the Charter Township of Blackman (the "DDA"), and which DDA Plan provides for the use of tax increment revenues collected by the DDA pursuant to the DDA Plan to pay the cost of the Project, including the principal of and interest on the bonds issued to finance the cost of the Project; and

WHEREAS, the DDA has approved an Agreement for Payment of Debt Service on General Obligation Limited Tax Bonds (the "DDA Agreement"), pursuant to which the DDA agrees to use the tax increment revenues collected pursuant to the DDA Plan (the "DDA Revenues") to pay when due the principal of and interest on the bonds issued to finance part of the cost of the Project; and

WHEREAS, the Township Board has determined to issue bonds and to use the proceeds of the sale of such bonds to finance part of the costs of the Project.

NOW, THEREFORE, BE IT RESOLVED, by the Township Board of the Charter Township of Blackman, as follows:

1. DEFINITIONS. Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Bond Resolution and the recitals herein, have the following meanings:

1. "Act 34" means Act No. 34, Public Acts of Michigan, 2001, as amended.
2. "ARRA" means the American Recovery and Reinvestment Act of 2009, being Public Law No. 111-5, 123 Stat. 115 (2009), enacted on February 17, 2009 by the Congress of the United States.
3. "Bond Registrar and Paying Agent" means the bond registrar and paying agent appointed pursuant to Section 7 hereof.
4. "Bond Resolution" means this resolution, as it may be amended and supplemented from time to time in accordance with the terms hereof.
5. "Bonds" means the Township's General Obligation Limited Tax Bonds, Series 2010 authorized by Sections 2 and 3 of this Bond Resolution.
6. "Build America Bonds" means Bonds that meet the definition of a "build America bond" in Section 54AA(d) of the Code and the definition of a "qualified bond" under Section

54AA(g)(2) of the Code and for which the Township will be allowed a Refundable Credit, all as authorized by Section 1531, Title 1 of Division B of ARRA.

7. "Code" means the Internal Revenue Code of 1986, as amended.
8. "Construction Fund" means the fund described in Section 14 of this Bond Resolution.
9. "DTC" means The Depository Trust Company, New York, New York.
10. "Interest Payment Date" means each date or dates set forth in a Sale Order on which interest shall be payable on the Bonds.
11. "Letter of Representations" means the Blanket Issuer Letter of Representations between the Township and DTC.
12. "Principal and Interest Fund" means the fund established pursuant to Section 13 of this Bond Resolution.
13. "Recovery Zone Economic Development Bonds" means Build America Bonds that meet the definition of a "recovery zone economic development bond" in Section 1400U-2 of the Code and for which the Township will be allowed a Refundable Credit, all as authorized by Section 1400U-2 of the Code.
14. "Redemption Price" means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to this Bond Resolution.
15. "Refundable Credit" means with respect to Recovery Zone Economic Development Bonds, if any, an amount equal to 45 percent of the interest due on the Recovery Zone Economic Development Bonds on each Interest Payment Date, to be paid to the Township by the United States Department of Treasury in accordance with Sections 1400U-2 and 6431 of the Code.
16. "Sale Order" means the written order of the Supervisor or Treasurer approving the sale of the Bonds and making certain determinations regarding the final terms thereof within the parameters of this Bond Resolution.
17. "Township" means the Charter Township of Blackman, Michigan.

18. “Tax-Exempt Bonds” means Bonds the interest on which is excluded from gross income for federal income tax purposes.

2. AUTHORIZATION OF BONDS - PURPOSE. Bonds of the Township aggregating the principal sum of not to exceed Three Million Three Hundred Eighty Thousand Dollars (\$3,380,000) shall be issued and sold for the purpose of defraying part of the cost of the Project and issuing the Bonds, as determined by the Supervisor or the Treasurer in the Sale Order.

3. BOND DETAILS. The Bonds shall be designated “General Obligation Limited Tax Bonds, Series 2010;” shall be dated as of such date set forth in the Sale Order; shall be issued as serial bonds or term bonds, or a combination thereof, as determined by the Supervisor or the Treasurer in the Sale Order; shall be numbered from 1 upwards; shall be fully registered; shall be in the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof; shall bear interest at a rate or rates not exceeding 8% per annum in the case of Tax-Exempt Bonds, if any, and 10% per annum in the case of Recovery Zone Economic Development Bonds, if any, to be determined by the Supervisor or the Treasurer in the Sale Order, payable on each Interest Payment Date; shall mature on such dates and in such years and amounts as shall be determined by the Supervisor or the Treasurer in the Sale Order; and shall be sold at a purchase price to be determined by the Supervisor or the Treasurer in the Sale Order.

4. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the Bonds to the Bond Registrar and Paying Agent as they severally mature. Interest shall be paid to the registered owner of each Bond as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon and mailed by the Bond Registrar and Paying Agent to the registered owner at the registered address.

5. REDEMPTION PROVISIONS.

19. Optional, Extraordinary and Mandatory Sinking Fund Redemption. The Bonds may be subject to optional redemption, extraordinary redemption and mandatory sinking fund redemption prior to maturity as provided in the Sale Order. The Bonds may be subject to optional redemption and extraordinary redemption on the dates, at the prices and upon the terms determined by the Supervisor or the Treasurer to be in the best interest of the Township. Bonds subject to mandatory sinking fund redemption shall be subject to redemption at a Redemption Price of 100% of the principal amount thereof. Bonds to be so redeemed shall be selected by lot.

20. Notice of Redemption. Not less than thirty days' notice of redemption shall be given by mail to the registered owners of Bonds called to be redeemed at the registered address. Bonds or portions of Bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Bond Registrar and Paying Agent to redeem the same.

6. BOOK-ENTRY SYSTEM. One fully-registered Bond for each maturity, in the aggregate amount of such maturity, shall be initially issued in the name of Cede & Co., as nominee of DTC for the benefit of other parties (the "Participants") in the book-entry-only transfer system of DTC. In the event the Township determines that it is in the best interest of the Township not to continue the book-entry system of transfer or that the interests of the holders of the Bonds might be adversely affected if the book-entry system of transfer is continued, the Township may notify DTC and the Bond Registrar and Paying Agent, whereupon DTC will notify the Participants of the availability through DTC of Bond certificates. In such event, the Bond Registrar and Paying Agent shall deliver, transfer and exchange Bond certificates as requested by DTC and any Participant or "beneficial owner" in appropriate amounts in accordance with this Bond Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Township and the Bond Registrar and Paying Agent and discharging its responsibilities with respect thereto under applicable law or the Township may determine that DTC is incapable of discharging its duties and may so advise

DTC. In either such event, the Township shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor securities depository), the Township and the Bond Registrar and Paying Agent shall be obligated to deliver Bond certificates in accordance with the procedures established by this Bond Resolution. In the event Bond certificates are issued, the provisions of this Bond Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the Township and the Bond Registrar and Paying Agent to do so, the Township and the Bond Registrar and Paying Agent shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds certificated to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, interest on and redemption premium, if any, on the Bonds and all notices with respect to the Bonds shall be made and given, respectively, to DTC. The Supervisor or the Treasurer is authorized to sign the Blanket Issuer Letter of Representations on behalf of the Township in such form as such officer deems necessary or appropriate and to sign such additional documents as such officer deems necessary or appropriate in order to accomplish the issuance of the Bonds in accordance with law and this Bond Resolution.

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

8. EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS. The Bonds shall be executed in the name of the Township by the manual or facsimile signatures of the Supervisor and the Clerk and authenticated by the manual signature of an authorized representative of the Bond Registrar and Paying Agent, and the seal of the Township (or a facsimile thereof) shall be impressed or imprinted on the Bonds. After the Bonds have been executed and authenticated for delivery to the original purchaser thereof, they shall be delivered by the Supervisor or the Treasurer to the purchaser upon receipt of the purchase price. Additional Bonds bearing the manual or facsimile signatures of the Supervisor and the Clerk and upon which the seal of the Township (or a facsimile thereof) is impressed or imprinted may be delivered to the Bond Registrar and Paying Agent for authentication and delivery in connection with the exchange or transfer of Bonds. The Bond Registrar and Paying Agent shall indicate on each Bond the date of its authentication.

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

Each Bond shall be transferable only upon the books of the Township, which shall be kept for that purpose by the Bond Registrar and Paying Agent, upon surrender of such Bond together with a written instrument of transfer satisfactory to the Bond Registrar and Paying Agent duly executed by the registered owner or the owner's duly authorized attorney.

Upon the exchange or transfer of any Bond, the Bond Registrar and Paying Agent on behalf of the Township shall cancel the surrendered Bond and shall authenticate and deliver to the transferee a new Bond or Bonds of any authorized denomination and aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Bond. If, at the time the Bond Registrar and Paying Agent authenticates and delivers a new Bond pursuant to

this section, payment of interest on the Bonds is in default, the Bond Registrar and Paying Agent shall endorse upon the new Bond the following: “Payment of interest on this Bond is in default. The last date to which interest has been paid is _____.”

The Township and the Bond Registrar and Paying Agent may deem and treat the person in whose name any Bond shall be registered upon the books of the Township as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of Section 4 of this Bond Resolution shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Township nor the Bond Registrar and Paying Agent shall be affected by any notice to the contrary. The Township agrees to indemnify and save the Bond Registrar and Paying Agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

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

The Bond Registrar and Paying Agent shall not be required to transfer or exchange Bonds or portions of Bonds which have been selected for redemption.

10. FORM OF BONDS. The Bonds shall be in substantially the following form with such changes thereto as determined by the Supervisor and the Clerk pursuant to the terms of this Bond Resolution and the Sale Order, which approval shall be evidenced by their execution (whether by manual or facsimile signature) of the Bonds:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF JACKSON
CHARTER TOWNSHIP OF BLACKMAN
GENERAL OBLIGATION ECONOMIC DEVELOPMENT BOND, SERIES 2010

INTEREST RATE MATURITY DATE DATE OF ORIGINAL ISSUE CUSIP

Registered Owner:

Principal Amount:

The Charter Township of Blackman, County of Jackson, State of Michigan (the "Township"), acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the corporate trust office of _____, _____, Michigan, the Bond Registrar and Paying Agent, or at such successor Bond Registrar and Paying Agent as may be designated pursuant to the Resolution identified below, and to pay to the Registered Owner at the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the Bond Registrar and Paying Agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount until the Township's obligation with respect to the payment of such Principal Amount is discharged, at the rate per annum specified above. Interest is payable on the first day of _____ and _____ in each year, commencing on _____ 1, 201_. Principal and interest are payable in lawful money of the United States of America.

This bond is one of a series of bonds aggregating the principal sum of _____ Dollars (\$_____) issued by the Township under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 34, Public Acts of 2001, as amended) and a bond authorizing resolution adopted by the Township Board of the Township (the "Resolution") for the purpose of defraying part of the cost of acquiring an approximately 28-acre parcel of land located south of Springport Road, west of US-127 and north of I-94 in the Township in order to provide public road access through such parcel, improve drainage in the area and aid in the development and redevelopment of other parcels of land in the Township.

The bonds of this series are payable in the first instance from tax increment revenues collected by the Downtown Development Authority of the Charter Township of Blackman (the "DDA") pursuant to Act 197, Public Acts of Michigan, 1975, as amended (the "DDA Revenues"). The DDA and the Township have entered into an agreement (the "DDA Agreement") whereby the DDA has agreed to use the DDA Revenues to pay the principal of and interest on the bonds when due. The Township has pledged the DDA Revenues received from the DDA pursuant to the DDA Agreement to the payment of the principal of and interest on the bonds. As additional security, the full faith and credit of the Township have been pledged to the prompt payment of the principal of and interest on this bond. In the event and to the extent that the DDA Revenues received by the Township from the DDA pursuant to the DDA Agreement are not sufficient to pay the principal of and interest on the bonds of this series, such principal and interest are payable as a first budget obligation of the Township from its general funds. The ability of the Township to raise such funds is subject to applicable constitutional, statutory and charter limitations on the taxing power of the Township.

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

MANDATORY SINKING FUND REDEMPTION

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

<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
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(REPEAT IF MORE THAN ONE TERM BOND)

Bonds or portions of Bonds to be redeemed by mandatory redemption shall be selected by lot.

OPTIONAL REDEMPTION

Bonds maturing prior to _____ 1, 20__, are not subject to optional redemption prior to maturity. Bonds maturing on and after _____ 1, 20__, are subject to redemption prior to maturity at the option of the Township, in such order as shall be determined by the Township, on any one or more interest payment dates on and after _____ 1, 20__.

greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the bonds maturing in any year are to be redeemed, the bonds or portions of bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the bond or portion of the bond called to be redeemed plus interest to the date fixed for redemption.

Not less than thirty days notice of redemption shall be given to the holders of bonds called to be redeemed by mail to the registered holder at the registered address. Bonds or portions of bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Bond Registrar and Paying Agent to redeem the same.

The Bond Registrar and Paying Agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

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

IN WITNESS WHEREOF, the Charter Township of Blackman, Oakland County, Michigan, by its Township Board, has caused this bond to be executed in its name by the manual or facsimile signatures of the Supervisor and the Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the Bond Registrar and Paying Agent.

CHARTER TOWNSHIP OF BLACKMAN

(SEAL)

By: _____
Clerk

By: _____
Supervisor

CERTIFICATE OF AUTHENTICATION

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

THE HUNTINGTON NATIONAL BANK
Bond Registrar and Paying Agent

By: _____
Authorized Representative

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(please print or type name, address and taxpayer identification number of transferee) the within
Bond and all rights thereunder and 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: _____

Signature Guaranteed _____

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

END OF BOND FORM

11. SECURITY. The Bonds shall be payable in the first instance from the DDA Revenues. All such DDA Revenues received by the Township from the DDA pursuant to the DDA Agreement are pledged for the payment of the principal of and interest on the Bonds. The Bonds shall also be limited tax general obligations of the Township. The full faith and credit of the Township and, if all or any part of the Bonds are designated as Recovery Zone Economic Development Bonds, the Refundable Credit related to such Bonds, are pledged for the prompt payment of the principal of and interest on the Bonds as the same shall become due. Each year the Township shall be obligated, as a first budget obligation, to advance moneys from its general funds or to levy ad valorem property taxes on all taxable property within its corporate boundaries to pay such principal and interest as the same become due in the event and to the extent that the DDA Revenues received by the Township from the DDA pursuant to the DDA Agreement are not sufficient to make such payment. The ability of the Township to raise funds to pay such amounts is subject to applicable constitutional, statutory and charter limitations on the taxing power of the Township.

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

13. PRINCIPAL AND INTEREST FUND. There shall be established for the Bonds a Principal and Interest Fund. From the proceeds of the sale of the Bonds there shall be set aside in the Principal and Interest Fund any accrued interest received from the purchaser of the Bonds

at the time of delivery of the same plus such portion of premium received from the original purchaser of the Bonds as determined by the Supervisor or the Treasurer in the Sale Order. All payments made by the Township pursuant to Section 11 of this Bond Resolution and all Refundable Credits, if any, are pledged for payment of the principal of and interest on the Bonds and as made or received, as the case may be, shall be placed in the Principal and Interest Fund.

14. CONSTRUCTION FUND. The remainder of the proceeds of the sale of the bonds shall be set aside in a construction fund and used to pay the costs of issuing the bonds and to acquire the Project. Any unexpended balance of the proceeds of the sale of the bonds remaining in the construction fund after completion of the Project shall be deposited in the principal and interest fund established pursuant to Section 13 hereof.

15. ESTIMATES OF PERIOD OF USEFULNESS AND COST. The estimates of \$3,445,000 as the cost of the Project and of 30 years and upwards as the period of usefulness thereof, as submitted to this Township Board, are approved and adopted.

16. APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY. The issuance and sale of the Bonds is subject to approval being granted therefor by the Department of Treasury of the State of Michigan in accordance with Act 34. If necessary, the Supervisor or the Treasurer is authorized to file with the Department of Treasury an application for approval with respect to the Bonds.

17. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS; AUTHORIZATION OF OFFICERS. (a) The Supervisor or the Treasurer is authorized to sell the Bonds at a negotiated sale to Fifth Third Securities, Inc., as managing underwriter (the "Underwriter"), and the Underwriter is hereby authorized to add co-managers as approved by the Supervisor or the Treasurer. The negotiated sale to the Underwriter is authorized to provide the Township maximum flexibility to achieve the lowest possible interest costs with respect to the Bonds. The sale shall be made pursuant to the terms and conditions to be set forth in a Bond Purchase Agreement (the "Purchase Agreement") between the Township and the Underwriter. The Supervisor or the Treasurer is authorized to execute and deliver the Purchase Agreement in

such form as shall be approved by such officer, with such approval to be evidenced by his or her signature thereon. The Sale Order shall be executed by the Supervisor or the Treasurer at the time of the sale of the Bonds and shall set forth the principal amount, principal maturities and payment dates, interest rates and Interest Payment Dates, and redemption provisions, if any, with respect to the Bonds, the purchase price to be paid by the Underwriter, compensation to be paid to the Underwriter, if any, and designation as Tax-Exempt Bonds and/or Recovery Zone Economic Development Bonds, as the case may be, as well as such other provisions as the Supervisor or the Treasurer determines to be necessary or appropriate in connection with the sale of the Bonds. In making the determination in the Sale Order with respect to principal maturities and dates, redemption provisions, purchase price of the Bonds, compensation to be paid to the Underwriter, if any, and designation of the Bonds as either Tax-Exempt Bonds or Recovery Zone Economic Development Bonds, or some combination thereof, the Supervisor and the Treasurer shall be limited as follows:

(1) The interest rate on any Tax-Exempt Bond shall not exceed 8% per annum and the interest rate on any Recovery Zone Economic Development Bonds shall not exceed 10% per annum.

(2) The final maturity date of the Bonds shall be no later than May 1, 2027.

(3) The purchase price of the Bonds shall not be less than 99% nor more than 102% of the principal amount thereof.

(4) The Underwriter's discount with respect to the Bonds or the compensation to be paid to the Underwriter shall not exceed 1.25% of the principal amount of the Bonds.

(5) The Supervisor or the Treasurer is authorized to designate all or any part of the Bonds as Recovery Zone Economic Development Bonds, as provided in Sections 54AA and 1400U-2 of the Code, if determined that such designation is economic and in the best interests of the Township.

(b) The Supervisor, the Treasurer and other officers of the Township are each hereby authorized and directed, on behalf of the Township, to take any and all actions, perform any and

all acts and execute any and all contracts, certificates and other documents as shall be required, necessary or desirable to effect the proper sale, issuance, delivery, transfer and exchange of the Bonds in accordance with the provisions of this Bond Resolution.

18. REPLACEMENT OF BONDS. Upon receipt by the Treasurer of proof of ownership of an unmatured Bond, of satisfactory evidence that the Bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Treasurer, the Treasurer may authorize the Bond Registrar and Paying Agent to deliver a new executed Bond to replace the Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured Bond is lost, apparently destroyed or wrongfully taken, the Treasurer may authorize the Bond Registrar and Paying Agent to pay the Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Bond. The Bond Registrar and Paying Agent, for each new Bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the Bond Registrar and Paying Agent and the Township in the premises. Any Bond delivered pursuant the provisions of this Section 18 in lieu of any Bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the Bond in substitution for which such Bond was delivered.

19. TAX COVENANT. (a) The Township covenants to comply with all requirements of the Code necessary to assure that the interest on the Tax-Exempt Bonds, if any, will be and will remain excludable from gross income for federal income tax purposes. The Supervisor, the Treasurer and other appropriate Township officials are authorized to do all things necessary to assure that the interest on the Tax-Exempt Bonds, if any, will be and will remain excludable from gross income for federal income tax purposes.

(b) The Supervisor or the Treasurer is authorized in the Sale Order to make any tax covenants on behalf of the Township in connection with the issuance of Recovery Zone Economic Development Bonds, if any, that is determined to be in the best interests of the

Township and necessary for the Township to receive any Refundable Credit related to such Bonds. The Supervisor, the Treasurer and other appropriate Township officials are authorized to do all things necessary to assure compliance with any such covenants.

20. OFFICIAL STATEMENT. The Supervisor or the Treasurer is authorized to cause the preparation of a preliminary official statement and a final official statement for the Bonds for the purpose of enabling compliance with SEC Rule 15c2-12 (the “Rule”) and to do all other things necessary to comply with the Rule. After the award of the Bonds, the Township shall provide, copies of a “final official statement” (as defined in paragraph (e)(3) of the Rule) on a timely basis and in reasonable quantity as requested by the Underwriter to enable the Underwriter to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Council. The Supervisor or the Treasurer is authorized to enter into such agreements as may be required to enable the Underwriter to comply with the Rule.

21. CONTINUING DISCLOSURE. The Supervisor or the Treasurer is hereby authorized to execute a certificate of the Township to comply with the continuing disclosure undertaking of the Township with respect to the Bonds pursuant to paragraph (b)(5) of the Rule, and amendments to such certificate from time to time in accordance with the terms of such certificate (the certificate and any amendments thereto are collectively referred to herein as the “Continuing Disclosure Certificate”). The Township hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

22. BOND INSURANCE. The Supervisor or the Treasurer is authorized and directed to take any actions that may be necessary or appropriate to purchase a policy or policies of municipal bond insurance with respect to the Bonds to the extent that the Supervisor or Treasurer determines that the purchase of such municipal bond insurance is in the best interests of the Township. If the Supervisor or the Treasurer makes such a determination, the purchase of a policy or policies and the payment of premiums therefor and the execution by the Supervisor or the Treasurer of any necessary commitments or other documents with respect thereto are hereby authorized.

23. RECOVERY ZONE DESIGNATION. Having determined that the entire Township is an area having significant unemployment, rate of home foreclosures and general distress, the entire Township is hereby designated as a Recovery Zone pursuant to ARRA for purposes of the issuance of Recovery Zone Economic Development Bonds. The Township Board finds that the Project is reasonably expected to promote economic development and other economic activity in the Township.

24. QUALIFIED TAX-EXEMPT OBLIGATIONS. In the event that the Bonds are issued as Tax-Exempt Bonds, the Bonds are designated as "Qualified Tax-Exempt Obligations" as described in Section 265(b)(3)(B) of the Code.

25. SUPPLEMENTAL RESOLUTIONS NOT REQUIRING CONSENT OF BONDHOLDERS. (a) The Township may, without the consent of the holders of the Bonds, adopt resolutions supplemental to this Bond Resolution that shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(1) To add covenants of the Township for the purpose of further securing the payment of principal of or interest on the Bonds or to maintain or improve the then applicable rating on the Bonds;

(2) To cure any ambiguity or formal defect or omission in this Bond Resolution; or

(3) To make such modifications in the provisions of this Bond Resolution if, in the opinion of nationally recognized bond counsel filed with this Township Board, such modifications do not result in materially diminishing the security hereby granted to the holders of the Bonds at the time outstanding.

(b) Before any supplemental resolution under this Section 23 shall become effective, an opinion of nationally recognized bond counsel to the effect that such supplemental resolution complies with the provisions of this Section 24 shall be delivered to this Township Board.

26. APPROVAL OF DDA AGREEMENT. The DDA Agreement, in the form presented to this meeting (upon which the Township Clerk shall indicate the date of adoption of

this Bond Resolution), is hereby approved. The Supervisor and the Clerk are authorized to execute and deliver the DDA Agreement in substantially the form approved, with such changes as approved by them as are determined to be necessary or appropriate and not materially adverse to the Township. The approval of such changes shall be conclusively evidenced by their signatures on the DDA Agreement.

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

At a regular meeting of the Township Board of the Charter Township of Blackman, located at 1990 W. Parnall Rd., County of Jackson Michigan, on Wednesday, August 4, 2010, at 6:00 p.m., this resolution was presented by Board Member _____ and seconded by Board Member _____

Upon roll call, the following voted “aye”:

The following voted “nay”:

Absent:

RESOLUTION DECLARED ADOPTED.

Robert Rando, Supervisor

J. Michael Thomas, Clerk

STATE OF MICHIGAN)
)ss
COUNTY OF JACKSON)

I, the undersigned Clerk of the Charter Township of Blackman, Michigan, hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Township Board at a regular meeting held on the 4th day of August, 2010, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with the provisions of the open meetings act, MCL 15.261 et seq, including posting of notice of the meeting at least 18 hours before the meeting in accordance with MCL 15.265.

Clerk
Charter Township of Blackman