

**DEXTER VILLAGE COUNCIL
REGULAR MEETING
MONDAY, AUGUST 8, 2011**

A. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The meeting was called to order at 7:30 p.m. by President Keough at the Dexter Senior Center located at 7720 Ann Arbor Street in Dexter, Michigan.

B. ROLL CALL: President Keough

J. Carson	P. Cousins
D. Fisher	J. Semifero
J. Smith	R. Tell – absent

Also present: Donna Dettling, Village Manager; Courtney Nicholls, Assistant Village Manager; Terri Blackmore of the Washtenaw Area Transportation Study; Christine Phillips of Orchard, Hiltz & McCliment; residents and media.

C. APPROVAL OF THE MINUTES

1. Regular Council Meeting – July 25, 2011

Motion by Smith, Second by Fisher to approve the minutes of the Regular Council Meeting of July 25, 2011 with the following change:

Item L-1, Absent: Tell should be changed to *Absent: Keough*

Unanimous voice vote for approval with Trustee Tell absent

D. PRE-ARRANGED PARTICIPATION

None

Trustee Tell entered the meeting at 7:32 p.m.

E. APPROVAL OF THE AGENDA

Motion by Smith, Second by Fisher to approve the agenda with the addition of the Bills & Payroll number of \$191,877.18 under Consent Agenda.

Unanimous voice vote for approval

F. PUBLIC HEARINGS

Action on each public hearing will be taken immediately following the close of the hearing.

North Middle Interlocal Agreement – an Act 7 Agreement with Scio and Webster Townships for the purpose of selecting a representative to the proposed Act 196 Countywide Transit Authority Board.

Consideration of: North Middle Interlocal Agreement – an Act 7 Agreement with Scio and Webster Townships for the purpose of selecting a representative to the proposed Act 196 Countywide Transit Authority Board.

The public hearing was opened at 7:33 p.m.

No public comment.

The public hearing was closed at 7:34 p.m.

President Keough suggested that the representative to the Selection Committee be Trustee Carson, with himself as the alternate. Council discussion included: methods for keeping the Board representative informed of the various viewpoints of the communities he or she represents including resolutions, joint meetings and scheduled reports, voting representatives to the Board were assigned based on population, two meetings on the implementation plan will be held in the North Middle District, the Village will advertise the availability of the Board representative position, the agreement will be in front of Scio's Board on August 9th and Webster's on August 16th.

Motion by Cousins, Second by Carson to approve the North Middle Interlocal Agreement – an Act 7 Agreement with Scio and Webster Townships for the purpose of selecting a representative to the proposed Act 196 Countywide Transit Authority Board.

Ayes: Carson, Smith, Fisher, Cousins, Semifero, Tell, Keough

Nays: None

Motion carries

G. NON-ARRANGED PARTICIPATION

Non-arranged participation will include those in the audience not listed on the agenda that wish to speak. At the Village President's discretion, members of the audience may be called on to speak at any time. Those addressing the Council will state their name and address. This section is limited to 5 minutes per participant or 10 minutes for group representatives.

None

H. COMMUNICATIONS

1. Upcoming Meeting List
2. Sign Calendar
3. July Citation Report
4. Letter from Comcast

Trustee Smith requested that the website address for the Dexter Area Historical Society & Museum be updated to <http://www.dextermuseum.org>

I. REPORTS

1. Community Development Manager – Allison Bishop

Mrs. Bishop submits her report as provided in the packet. Clarification was provided on the location of 3515 Broad, Trustee Carson provided an update on the Ordinances under consideration by the Planning Commission, the Chamber has been shown a copy of the ordinances under consideration and may request a joint meeting to discuss Village/Chamber cooperation, Trustee Cousins raised a concern about the lack of progress in the Mill Creek Park construction.

2. Boards, Commissions & Other Reports – Bi-annual or as needed

None

3. Subcommittee Reports

The Website Committee met on August 1 to develop a list of features for the new website. Request for proposals are due on August 15. The Committee will have a meeting on the 15th to start reviewing the proposals.

4. Village Manager Report

Mrs. Dettling submits her report as provided in the packet. Mrs. Dettling gave the following verbal updates: a) Denise Livingston (Hazel's Home Cookin') has found a potential buyer for her business, purchase is contingent on obtaining a lease from the Village. The Village was also contacted by the Dexter Arts Center about leasing the space. Council consensus was to enter into the contract with the buyer for Hazels; b) Village's bond rating was upgraded from A+ to AA-; c) the Village cityhood petition will be in front of the Boundary Commission again on August 18; d) Met with the School's regarding the need for a dedicated left turn lane into the bus loop – President Keough raised the concern that basing the decision on hourly traffic counts taken in June might not provide a true picture of the traffic congestion that will be created by the loop; e) the refinancing of the Downtown Development Authority bonds will be on the next agenda; f) the second resident meeting for the water main project will be on August 23rd; g) a sign will be posted at 8077 Forest that it was the site of a fire training and will be properly demolished soon; h) Town Hall meeting proposed for October 20, topic likely to be Main Street resurfacing

5. Village President Report

President Keough submits his report as provided in the packet. President Keough gave the following verbal updates: a) seeking Council's interest in participating in the Dexter Daze parade, b) current draft version of the Regional Fire Committee's interlocal agreement is provided in the packet – looking for and received general support from Council to participate in a cost share of the legal fees to have the document reviewed by an attorney; c) the meeting with Luke Bonner of SPARK has been changed to Friday morning at 9:30 a.m.

J. CONSENT AGENDA

1. Consideration of: Bills & Payroll in the amount of \$191,877.18

Motion by Fisher, Second by Smith to approve item 1 of the consent agenda.

Unanimous voice vote for approval

K. OLD BUSINESS

None

L. NEW BUSINESS

1. Consideration of: Bond Authorizing Ordinance for the \$1,550,000 Drinking Water Revolving Fund Loan

Motion by Semifero, Second by Fisher to approve the Bond Authorizing Ordinance to provide for the acquisition and construction of additions, extensions, and improvements to the water supply system of the Village of Dexter, to provide for the issuance and sale of junior lien revenue bonds to pay the cost thereof, to prescribe the form of the bonds, to provide for the collection of revenues from the system sufficient for the purpose of paying the costs of operation and maintenance of the system and to pay the principal of and interest on the bonds, to provide for security for the bonds, to provide for the segregation and distribution of the revenues, to provide for the rights of the holders of the bonds in enforcement thereof, and to provide for other matters relating to the bonds and the system.

Ayes: Cousins, Semifero, Smith, Fisher, Tell, Carson, Keough

Nays: None

Motion carries

2. Consideration of: Purchase of 8087 Forest for \$87,000

Motion by Cousins, Second by Tell to authorize the Village Manager to complete the property purchase transaction for 8087 Forest Street in an amount not to exceed \$88,000 to include closing and inspection costs and to make the necessary budget amendment to place the \$88,000 in General Fund expense line item – property acquisition 101.901-000-975.011 from unrestricted General Operating Fund reserves.

Ayes: Fisher, Tell, Semifero, Smith, Carson, Cousins, Keough

Nays: None

Motion carries

3. Consideration of: Request for \$2500 to Assist in Funding the Regional Gateway Initiative

Motion by Carson, Second by Cousins to pledge \$2500 to the Regional Gateway Initiative on the condition that a check be released after all funds needed to execute the consultant's contract are committed and a contract is entered into.

Ayes: Smith, Carson, Tell, Semifero, Cousins, Fisher, Keough

Nays: None

Motion carries

4. Consideration of: Outdoor Service Area Liquor License Request from Dexter Capital, 8031 Main

Motion by Carson, Second by Tell that the request by Dexter Capital LLC for a new Outdoor Service Area to be held in conjunction with their 2011 Class C licensed business located at 8031 Main, Suite 100, Dexter, MI 48130, Washtenaw County be approved.

Ayes: Semifero, Cousins, Carson, Tell, Fisher, Smith, Keough

Nays: None

Motion carries

5. Discussion of: Broad Street Site Redevelopment Team/Bird Houk Proposal

Village Council reviewed the memo provided and discussed the plan to work with Bird Houk to look at economically feasible options for the use of the property including re-development, demolition, or leasing. Formal approval of the contract is expected at the last meeting in September.

6. Discussion of: Sidewalk Connection to the Cedars of Dexter

Village Council reviewed the memo provided and discussed whether the sidewalk should go along Dexter Pinckney Road and into the Westridge subdivision at Eastridge Drive or cross Dexter Pinckney and enter the subdivision at Westridge Drive. Council requested information on the cost estimate for installing the additional sidewalk and information on the length of both connections.

Trustee Semifero exited the meeting at 9:32 p.m.

7. Discussion of: Central Street Design

Christine Phillips of Orchard, Hiltz and McCliment led a discussion of the Central Street project planned for Spring 2012. Discussion included, right-of-way issues, sidewalk location including changing the alignment of the road to accommodate new sidewalk, paving the Department of Public Works driveway, coordination with the Border to Border project, the need for the proposed guardrail in the Border to Border project, softening the angle of the sidewalk crossing over the railroad tracks and the addition of lighting/trees in the project area.

M. COUNCIL COMMENTS

- Tell Tree removal at 3rd and Edison damaged roadway, Hudson Street alley washed out, need an additional trash can in the park or additional trash removal during the weekend
- Smith Plants blocking entrance to the Lion's Park gazebo
- Fisher None
- Carson Chelsea Area Planning Team/Dexter Area Regional Team meeting at the Library on the 15th of August
- Cousins Five Healthy Communities Meeting tomorrow; Watershed Council participating in the River Up program, Kandie Waggoner is interested in rejoining the Arts, Culture & Heritage Committee

N. NON-ARRANGED PARTICIPATION

None

O. CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PENDING LITIGATION IN ACCORDANCE WITH MCL 15.268 SEC. 8

Motion by Smith, Second by Fisher to enter into closed session for the purpose of discussing pending litigation in accordance with MCL 15.268 Sec. 8 at 10:13 p.m.

Ayes: Tell, Fisher, Cousins, Carson, Smith, Keough
Nays: None
Absent: Semifero
Motion carries

Motion by Tell, Second by Smith to exit closed session at 10:29 p.m.

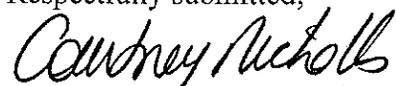
Ayes: Carson, Smith, Fisher, Cousins, Tell, Keough
Nays: None
Absent: Semifero
Motion carries

P. ADJOURNMENT

Motion by Smith, Second by Fisher to adjourn at 10:30 p.m.

Unanimous voice vote for approval with Trustee Semifero absent

Respectfully submitted,



Courtney Nicholls
Assistant Village Manager

Approved for Filing: August 22, 2011

ORDINANCE NO. 3-2011

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE WATER SUPPLY SYSTEM OF THE VILLAGE OF DEXTER; TO PROVIDE FOR THE ISSUANCE AND SALE OF JUNIOR LIEN REVENUE BONDS TO PAY THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE FOR SECURITY FOR THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE VILLAGE OF DEXTER ORDAINS:

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

- (a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Authority" means the Michigan Finance Authority.
- (c) "Authorized Officers" means the Village President, the Village Manager, the Village Clerk and the Village Treasurer of the Issuer.
- (d) "Bonds" means the Series 2011 Bonds, together with any additional bonds heretofore or hereafter issued of equal standing with the Series 2011 Bonds.
- (e) "Engineers" means Orchard, Hiltz & McCliment, consulting engineers of Livonia, Michigan
- (f) "Issuer" means the Village of Dexter, County of Washtenaw, State of Michigan.
- (g) "MDEQ" means the Michigan Department of Environmental Quality.
- (h) "Outstanding Bonds" means the Outstanding Junior Lien Bonds and Outstanding Senior Lien Bonds.

(i) "Outstanding Junior Lien Bonds" means the Issuer's Series 2010 Bonds, and any additional bonds issued that are of equal standing and priority of lien with the Series 2010 Bonds.

(j) "Outstanding Senior Lien Bonds" means the Series 1999 Bonds and any additional bonds issued that are of equal standing and priority of lien with the Series 1999 Bonds.

(k) "Prior Ordinances" means, collectively, the ordinances and resolutions adopted by the Village Council authorizing the issuance of the Outstanding Bonds.

(l) "Project" means the acquisition, construction, furnishing and equipping of additions, extensions and improvements to the Issuer's water supply system, together with all necessary interests in land, rights of way and all appurtenances and attachments therefor, as described in the plans prepared by the Engineers and approved herein.

(m) "Purchase Contract" means the Purchase Contract to be entered into between the Authority and the Issuer relating to the purchase by the Authority of the Series 2011 Bonds.

(n) "Revenues" and "Net Revenues" means the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the various funds and accounts established by the Prior Ordinance and this Ordinance.

(o) "Series 1999 Bonds" means the Issuer's 1999 Water Supply System Revenue Bonds, dated December 15, 1999, in the original principal amount of \$3,173,000.

(p) "Series 2010 Bonds" means the Issuer's 2010 Water Supply System Junior Lien Revenue Bond, in the original principal amount of \$2,160,000.

(q) "Series 2011 Bonds" means the Issuer's 2011 Water Supply System Junior Lien Revenue Bond, in the principal amount of not to exceed \$1,550,000 issued pursuant to this Ordinance.

(r) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

(q) "Supplemental Agreement" means the supplemental agreement among the Issuer, the Authority and MDEQ relating to the Series 2011 Bonds.

(r) "System" means the entire Water Supply System of the Issuer, including the Project and all additions, extensions and improvements hereafter acquired.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the Engineers, which plans and specifications are hereby approved. The Project qualifies for the Drinking Water Revolving Fund financing program being administered by the MDEQ and the Authority, whereby bonds of the Issuer are sold to the Authority and bear interest at a fixed rate of two and one-half percent (2.50%) per annum.

Section 3. Costs; Useful Life. The cost of the Project is estimated to be One Million Five Hundred Fifty Thousand Dollars (\$1,550,000), including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than thirty (30) years.

Section 4. Payment of Cost; Bonds Authorized. To pay part of the cost of acquiring and constructing the Project, legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2011 Bonds, the Issuer shall borrow the sum of not to exceed One Million Five Hundred Fifty Thousand Dollars (\$1,550,000), or such lesser amount as shall have been advanced to the Issuer pursuant to the Purchase Contract and the Supplemental Agreement, and issue the Series 2011 Bonds pursuant to the provisions of Act 94. The remaining cost of the Project, if any, shall be defrayed from Issuer funds on hand and legally available for such use.

Except as amended by or expressly provided to the contrary in this Ordinance, all of the provisions of the Prior Ordinances shall apply to the Series 2011 Bonds issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of additional revenue bonds of subordinate lien with respect to the Outstanding Senior Lien Bonds to finance the cost of acquiring and constructing additions, extensions and improvements to the System, additional bonds of subordinate standing with the Outstanding Senior Lien Bonds for such purpose being authorized by the provisions of the Prior Ordinances, upon the conditions therein stated, which conditions have been fully met.

Section 5. Issuance of Series 2011 Bonds; Details. The Series 2011 Bonds of the Issuer, to be designated **2011 WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND (LIMITED TAX GENERAL OBLIGATION)**, are authorized to be issued in the aggregate principal sum of not to exceed One Million Five Hundred Fifty Thousand Dollars (\$1,550,000) as finally determined by order of the MDEQ for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2011 Bonds. The Series 2011 Bonds shall be payable out of the Net Revenues, as set forth more fully in Section 8 hereof, provided that the Series 2011 Bonds shall be subordinate to the prior lien with

respect to the Net Revenues in favor of the Outstanding Bonds and of any additional bonds of equal standing with the Outstanding Bonds hereafter issued. The Series 2011 Bonds shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined by the order of the MDEQ at the time of sale of the Series 2011 Bonds and approved by the Authority and an Authorized Officer. Principal installments of the Series 2011 Bonds shall be payable on October 1 of the years 2012 to 2031, inclusive, or such other payment dates as hereinafter provided. Interest on the Series 2011 Bonds shall be payable on April 1 and October 1 of each year, commencing April 1, 2012 or on such other interest payment dates as hereinafter provided. Final determination of the principal amount of and interest on the Series 2011 Bonds and the payment dates and amounts of principal installments of the Series 2011 Bonds shall be evidenced by execution of the Purchase Contract and each of the Authorized Officers is authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above; provided, however, that the first principal installment shall be due no earlier than October 1, 2012 and the final principal installment shall be due no later than October 1, 2032 and that the total principal amount shall not exceed \$1,550,000.

The Series 2011 Bonds shall bear interest at a rate of two and one-half percent (2.50%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and any Authorized Officers as shall be appropriate shall deliver the Series 2011 Bonds in accordance with the delivery instructions of the Authority.

The principal amount of the Series 2011 Bonds is expected to be drawn down by the Issuer periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Series 2011 Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2011 Bonds shall be payable as provided in the Series 2011 Bond form in this Ordinance.

The Series 2011 Bonds shall be subject to optional redemption by the Issuer with the prior written approval of the Authority and on such terms as may be required by the Authority.

The Treasurer of the Issuer shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the Treasurer.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 2011 Bonds, the Authority shall deliver the Series 2011 Bonds to the Issuer for cancellation.

Section 6. Execution of Series 2011 Bonds. The Series 2011 Bonds shall be signed by the manual or facsimile signature of the Village President and countersigned by the manual or facsimile signature of the Village Clerk and shall have the corporate seal of the Issuer or a facsimile thereof impressed thereon. The Series 2011 Bonds bearing the manual or facsimile

signatures of the Village President and the Village Clerk sold to the Authority shall require no further authentication.

Section 7. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's 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 or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Issuer shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2011 Bonds contained in Section 13 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The Issuer shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and upon presentation for such purpose the transfer agent shall under such reasonable regulations as it may prescribe transfer or cause to be transferred on said books Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the transfer agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, 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 law hereafter enacted, in lieu of and 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 same without surrender thereof.

Section 8. Payment of Series 2011 Bonds; Security; Priority of Lien. Principal of and interest on the Series 2011 Bonds shall be payable from the Net Revenues. There is hereby recognized the statutory lien upon the whole of the Net Revenues created by this Ordinance which shall be a lien that is junior and subordinate to the lien of the Outstanding Senior Lien Bonds created by the Prior Ordinances, to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or until sufficient cash or Sufficient

Government Obligations have been deposited in trust for payment in full of the Series 2011 Bonds then outstanding, principal and interest, to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to the Series 2011 Bonds, the holders of the Series 2011 Bonds shall have no further rights under this Ordinance except for payment from the deposited funds, and the Series 2011 Bonds shall no longer be considered to be outstanding under this Ordinance.

In addition, the Series 2011 Bonds being sold to the Authority, the Issuer hereby pledges its limited tax full faith and credit for the payment of the principal of and interest on the Series 2011 Bonds. Should the Net Revenues of the System at any time be insufficient to pay the principal of and interest on the Series 2011 Bonds as the same become due, then the Issuer shall advance from any funds available therefor, or, if necessary, levy taxes upon all taxable property in the Issuer, subject to constitutional and statutory limitations, such sums as may be necessary to pay said principal and interest. The Issuer shall be reimbursed for any such advance from the Net Revenues of the System subsequently received which are not otherwise pledged or encumbered by this Ordinance or the Prior Ordinances.

Section 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring and constructing of the Project shall continue to be under the supervision and control of the Issuer. The Issuer may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The Issuer may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The System shall be operated on the basis of an operating year which shall coincide with the Issuer's fiscal year.

Section 10. Rates and Charges; No Free Service. The rates and charges for service furnished by the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance and are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Series 2011 Bonds and the Outstanding Bonds as the same become due and payable, and the maintenance of the reserves, if any, therefore; and to provide for all other obligations, expenditures and funds for the System required by law, the Prior Ordinances and this Ordinance. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm, or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 11. Funds and Accounts; Flow of Funds; Junior Lien Bond and Interest Redemption Fund. The funds and accounts established by the Prior Ordinances are hereby continued, provided that a Junior Lien Bond and Interest Redemption Fund shall be established as follows:

Out of the Net Revenues remaining in the Receiving Fund after provision has been made for the Operation and Maintenance Fund and only after provision has been made for the

Redemption Fund, there shall be set aside monthly in the Junior Lien Fund a sum proportionately sufficient to provide for the payment when due of the current principal of and interest on the Series 2011 Bonds, less any amount in the Junior Lien Fund representing accrued interest on the Series 2011 Bonds. Commencing on October 1, 2011, the amount set aside each month for interest on the Series 2011 Bonds shall be 1/6 of the total amount of interest on the Series 2011 Bonds next coming due. The amount set aside each month for principal on the Series 2011 Bonds, commencing October 1, 2011, shall be 1/12 of the amounts of principal next coming due. If there is any deficiency in the amounts previously set aside, that deficiency shall be added to the next succeeding months' requirements.

No moneys shall be set aside and credited to the Junior Lien Fund unless and until the Issuer is current with respect to all required transfers to all other funds under the Prior Ordinances and there is no default in any payments or requirements under the Prior Ordinances.

If for any reason there is a failure to make such deposits in the amounts required, then the entire amount of the deficiency shall be set aside and deposited in the Junior Lien Bond Redemption Account out of the Revenues first received thereafter which are not required by this Ordinance to be deposited in the Operation and Maintenance Account or the Bond and Interest Redemption Fund or the Junior Lien Bond Redemption Account, which amount shall be in addition to the regular monthly deposit required during such succeeding month or months.

Section 12. Bond Proceeds. The proceeds of the sale of the Series 2011 Bonds as received by the Issuer shall be deposited in a separate account in a bank or banks qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94 designated WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BONDS CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project and any engineering, legal and other expenses incident thereto and to the financing thereof.

Section 13. Bond Form. The Series 2011 Bonds shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this Ordinance and subject to such modifications which may be required by the Michigan Attorney General and the Authority and approved by bond counsel:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WASHTENAW

VILLAGE OF DEXTER

2011 WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND
(LIMITED TAX GENERAL OBLIGATION)

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: _____ Dollars (\$ _____)

DATE OF ORIGINAL ISSUE: _____, 2011

The VILLAGE OF DEXTER, County of Washtenaw, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received hereby promises to pay, primarily out of the hereinafter described Net Revenues of the Issuer's Water Supply System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the Issuer under this bond, the Authority will periodically provide to the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding Principal Amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than \$ _____ is disbursed to the Issuer or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two and one-half percent (2.50%) per annum. Interest is first payable on April 1, 2012, and semiannually thereafter on the first day of April and October of each year, as set forth in the Purchase Contract.

Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A. or at such other place as shall be designated in

writing to the Issuer by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

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

For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Water Supply System of the Issuer, including all appurtenances, extensions and improvements thereto (the "Water Supply System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created which of equal standing and priority of lien as to the prior lien of the Issuer's 2010 Water Supply System Junior Lien Revenue Bond (the "Series 2010 Bonds") and junior in standing and priority of lien as to the prior lien of the Issuer's 1999 Water Supply System Revenue Bonds (the "Series 1999 Bonds"; together with the Series 2010 Bonds, the "Outstanding Bonds") of the Issuer and of any additional bonds of the Issuer of equal standing and priority of lien with the Series 1999 Bonds.

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to the Ordinance Nos. ____, ____ and ____ duly adopted by the Village Council (the "Ordinances"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the Water Supply System of the Issuer.

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

This bond is primarily a self-liquidating bond, payable, both as to principal and interest, primarily from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory second lien hereinbefore mentioned. As additional security, the Issuer has pledged its limited tax full faith and credit for payment of the principal of and interest on the bonds of this issue, which includes the Issuer's obligation to levy taxes, if necessary, within applicable constitutional and statutory tax limitations.

The Issuer has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the Water Supply System shall be outstanding, such rates for service furnished by the Water Supply System as shall be sufficient to provide for payment of the interest upon and the principal of this bond and any bonds of equal standing with this bond, the Outstanding Bonds and any additional bonds of equal standing with the Outstanding Bonds, as and when the same shall become due and payable, and to maintain a bond redemption fund (including, except for bonds of this issue, a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the Water Supply System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the Water Supply System as are required by the Ordinances.

Principal installments of this bond are subject to prepayment by the Issuer prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

This bond is transferable only upon the books of the Issuer by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance, and upon payment of the charges, if any, therein prescribed.

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

IN WITNESS WHEREOF, the Village of Dexter, County of Washtenaw, State of Michigan, by its Village Council has caused this bond to be executed with the manual or facsimile signatures of its Village President and its Village Clerk and the corporate seal of the Village to be impressed or imprinted hereon, all as of the Date of Original Issue.

VILLAGE OF DEXTER

By *Shirley W. King*
Its Village President

(Seal)

Countersigned:

By *Caral J. Jones*
Its Village Clerk

MDEQ Project No.: 7294-01
MDEQ Approved Amt: \$ _____

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of the principal of the bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Michigan Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

<u>Maturity Date</u>	<u>Principal Amount</u>
October 1, 2012	\$
October 1, 2013	
October 1, 2014	
October 1, 2015	
October 1, 2016	
October 1, 2017	
October 1, 2018	
October 1, 2019	
October 1, 2020	
October 1, 2021	
October 1, 2022	
October 1, 2023	
October 1, 2024	
October 1, 2025	
October 1, 2026	
October 1, 2027	
October 1, 2028	
October 1, 2029	
October 1, 2030	
October 1, 2031	

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the Issuer from the date such portion is disbursed, until paid, at the rate of 2.50% per annum, payable April 1, 2012 and semi-annually hereafter.

Section 14. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty per cent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest upon the Series 2011 Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Series 2011 Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Series 2011 Bonds and the security therefor.

Section 15. Additional Bonds. The Issuer may issue additional bonds of equal standing with the Series 2011 Bonds for the following purposes and subject to the following conditions:

(a) To complete the Project in accordance with the plans and specifications therefor. Such bonds shall not be authorized unless the engineers in charge of construction shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the Issuer, it shall be the duty of the Issuer to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.

(b) For subsequent repairs, extensions, enlargements and improvements to the System or for subsequent repairs, extensions, enlargements and improvements to the System and for the purpose of refunding part or all of the Junior Lien Bonds then outstanding and paying costs of issuing such additional Junior Lien Bonds. Junior Lien Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve-month operating year, if the same shall be lower than the average, shall be equal to at least one hundred percent (100%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Senior Lien Bonds, Junior Lien Bonds and on the additional Bonds then being issued. If the additional Junior Lien Bonds are to be issued in whole or in part for refunding outstanding Junior Lien Bonds, the annual principal and interest requirements shall be determined by deducting from the

principal and interest requirements for each operating year the annual principal and interest requirements of any Junior Lien Bonds to be refunded from the proceeds of the additional Junior Lien Bonds. For purposes of this subparagraph (b) the Issuer may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Junior Lien Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Junior Lien Bonds. Determination by the Issuer as to existence of conditions permitting the issuance of additional Junior Lien Bonds shall be conclusive. No additional Junior Lien Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the Issuer shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

(c) For refunding a part or all of the Junior Lien Bonds then outstanding and paying costs of issuing such additional Junior Lien Bonds including deposits which may be required to be made to the bond reserve account for such Junior Lien Bonds. No additional Junior Lien Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.

Section 16. Negotiated Sale; Application to MDEQ and Authority; Execution of Documents. The Issuer determines that it is in the best interest of the Issuer to negotiate the sale of the Series 2011 Bonds to the Authority because the Drinking Water Revolving Fund financing program provides significant interest savings to the Issuer compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to make application to the Authority and to the MDEQ for placement of the Series 2011 Bonds with the Authority. The actions taken by the Authorized Officers with respect to the Series 2011 Bonds prior to the adoption of this Ordinance are ratified and confirmed. The Authorized Officers are authorized to execute and deliver the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate. Any Authorized Officers is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2011 Bonds for the Drinking Water Revolving Fund. Prior to the delivery of the Series 2011 Bonds to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2011 Bonds contained in Section 13 of this Ordinance as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 17. Covenant Regarding Tax Exempt Status of the Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2011 Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2011 Bonds proceeds and moneys deemed to be Bond proceeds.

Section 18. Approval of Bond Counsel. The representation of the Issuer by Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel is hereby approved, notwithstanding the representation by Miller Canfield of the Authority in connection with the Drinking Water Revolving Fund program which may include advising the Authority with respect to this borrowing.

Section 19. Approval of Bond Details. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2011 Bonds issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Series 2011 Bonds shall not exceed two and one-half percent (2.50%) per annum, and the Series 2011 Bonds shall mature in not more than twenty (20) annual installments.

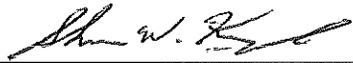
Section 20. Savings Clause. All ordinances, resolutions or orders, or part thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

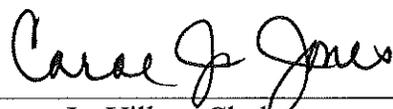
Section 21. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 22. Publication and Recordation. This Ordinance shall be published in full in *The Dexter Leader*, a newspaper of general circulation in the Issuer qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such record authenticated by the signatures of the Village President and the Village Clerk.

Section 23. Effective Date. This Ordinance shall be effective upon its adoption and publication.

ADOPTED AND SIGNED THIS 8th day of August, 2011.

Signed 
Its Village President

Signed 
Its Village Clerk

I HEREBY CERTIFY that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the Village Council of the Village of Dexter, County of Washtenaw, State of Michigan, at a regular meeting held on the 8th day of August, 2011, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting:

Semifero, Cousins, Carson, Tell, Smith, Fisher, Keough

and that the following Members were absent:

None

I further certify that Member Semifero moved for adoption of said Ordinance and that said motion was supported by Member Fisher.

I further certify that the following Members voted for adoption of said Ordinance: Semifero, Cousins, Carson, Tell, Smith, Fisher, Keough

and that the following Members voted against adoption of said Ordinance:

None

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


Village Clerk

19,248,453.2\022911-00026

RESOLUTION

At a Regular meeting of the Village Council
(Regular or Special) (Township Board, City or Village Council)

called to order by President Keough on August 8, 2011 at 7:30 P.M.

The following resolution was offered:

Moved by Carson and supported by Tell

That the request by DEXTER CAPITAL LLC FOR A NEW OUTDOOR SERVICE AREA TO BE HELD IN CONJUNCTION WITH PENDING 2011 CLASS C LICENSED BUSINESS LOCATED AT 8031 MAIN, SUITE 100, DEXTER, MI 48130, WASHTENAW COUNTY

be considered for Approval
(Approval or Disapproval)

APPROVAL

DISAPPROVAL

Yeas: Carson, Tell, Fisher, Smith, Cousins, Semitero & Keough
Nays: NONE
Absent: NONE

Yeas: _____
Nays: _____
Absent: _____

It is the consensus of this legislative body that the application be:

Recommended for issuance
(Recommended or Not Recommended)

State of Michigan _____

County of Washtenaw

I hereby certify that the foregoing is a true and complete copy of a resolution offered and

adopted by the Village Council at a Regular
(Township Board, City or Village Council) (Regular or Special)

meeting held on August 8, 2011
(Date)

(Signed) Caree J. Jones
(Township, City or Village Clerk)

8140 Main, Dexter, MI 48130
(Mailing address of Township, City or Village)

