

ORDINANCE #29

AN ORDINANCE TO PROVIDE FOR THE CONSTRUCTION OF A WATER SUPPLY SYSTEM FOR THE VILLAGE OF SPRINGPORT: AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SELF-LIQUIDATING REVENUE BONDS FOR THE PURPOSE OF DEFRAYING THE COST THEREOF UNDER THE PROVISIONS OF ACT 94, PUBLIC ACTS OF MICHIGAN, 1933, AS AMENDED: PROVIDING FOR THE FIXING, COLLECTION, SEGREGATION AND DISPOSITION OF THE REVENUES OF SAID WATER SUPPLY SYSTEM AND PAYMENT OF SAID BONDS OUT OF THE REVENUES THEREOF; AND CREATING A STATUTORY LIEN ON SUCH REVENUES, TO READ AS AMENDED.

WHEREAS, PURSUANT to the requirements of Sec. 25, Article VIII of the constitution of Michigan, the qualified electors of the Village of Springport, at a special election held July 24, 1952 voted by more than a three-fifths majority to acquire a water supply system for said Village;

AND WHEREAS, to finance the cost of acquisition of said Water Supply System, the Village Council proposes to issue self-liquidating revenue bonds under the provisions of Act 94, Public Acts of Michigan, 1933, as amended;

THE VILLAGE OF SPRINGPORT ORDAINS:

Section 1. Pursuant to the vote of the qualified electors of the Village of Springport, County of Jackson, Michigan, the Village Council hereby determines it to be necessary for and to secure the public health, safety, convenience and welfare of the Village of Springport, to construct and acquire a Water Supply System for said Village consisting of well, pump-house and controls, pump, elevated tank, water mains and appurtenances thereto; and determines that said system shall be acquired and constructed in accordance with maps, plans and specifications prepared by Emerson Wertz & Associates Engineers of Bryan, Ohio.

Section 2. The Village Council of the Village of Springport has caused an estimate to be made by said engineers of the cost of said Water Supply System, including engineering, legal and other expenses incident thereto, including interest on the bonds for a period to and including January 1, 1956, which estimate is in the sum of One Hundred Thirty Thousand Six Hundred Forty-Six (\$130,646.00) Dollars, and the Village Council does hereby adopt said estimate as the estimated cost of the System. The Village Council does hereby estimate the period of usefulness of the System to be not less than forty (40) years.

Section 3. To pay part of the cost of acquiring and constructing such Water System, including the payment of engineering, legal and other expenses incident thereto and the financing thereof, including interest on the bonds to and including January 1, 1956, it is hereby determined that the Village of Springport shall borrow the sum of \$125,000.00 and that revenue bonds be issued therefore under the provisions of Act 96 Public Acts of Michigan, 1933 as amended, which revenue bonds are sometimes herein referred to as “the bonds”. The balance of the cost shall be paid from general funds of the Village available for such purpose.

Wherever the words “The System” are used in this Ordinance, they shall be understood to mean the complete Water Supply System of the Village of Springport and all appurtenances thereto including all extensions and improvement thereto.

Wherever the words “revenues” and “net revenues” are used in this Ordinance, they shall be understood to have the meaning as defined in Section 3 of Act 94, Public Acts of Michigan, 1933 as amended.

Section 4. Said bonds shall be designated WATER SUPPLY SYSTEM REVENUE BONDS and shall be, not general obligations of the Village of Springport, but revenue bonds, payable out of the net revenues of the system after provision has been made for the payment of expenses of operation, and shall consist of 125 bonds of the denomination of \$1,000.00 Dollars each, dated as January 1, 1954, numbered in direct order of maturity from 1 to 125, inclusive, and maturing as follows;

\$2,000 January 1st of each year from 1957 to 1965 inclusive;
\$3,000 January 1st of each year from 1966 to 1972 inclusive;
\$4,000 January 1st of each year from 1973 to 1978 inclusive;
\$5,000 January 1st of each year from 1979 to 184, May 15, 199each year from
1983 to 1989 inclusive;
each year from 1983 to 1989 inclusive;

said bonds to bear interest at a rate or rates not exceeding four and one quarter (4 1/4%) percent per annum, payable July 1, 1954 and semi-annually thereafter on January 1st and July 1st of each year, both principal and interest to be payable in lawful money of the United States of America at a bank or trust company to be designated by the purchaser of the bonds. Bonds numbered 1 to 8, inclusive maturing in the years 1956 to 1959, inclusive, will not be subject to redemption prior to maturity. Bonds numbered 9 to 125, inclusive, maturing in the years 1961 to 1989, inclusive, will be subject to redemption prior to maturity, at the option of the Village, in inverse numerical order on any interest payment date on or after January 1, 1959, at par and accrued interest to date fixed for redemption plus a premium as follows;

\$40.00 on each bond called for redemption on or before January 1, 1962
\$30.00 on each bond called for redemption after January 1, 1962, but on or before
January 1, 1966
\$20.00 on each bond called for redemption after January 1, 1966, but on or before
January 1, 1970

\$10.00 on each bond called for redemption after January 1, 1970 but on or before January 1, 1973.

No premium shall be paid on bonds called for redemption after January 1, 1973.

Thirty days notice of the call of any bonds for redemption shall be given by publication in a paper circulated in the State of Michigan which carries as part of its regular service, notice of sale of municipal bonds, and in case of registered bonds, thirty days notice shall be given by mail to the registered address. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the payment agent to redeem said bonds. Said bonds may be registered as to principal only in the manner and with the effect set forth on the face thereof, as hereinafter provided.

Said bonds shall be signed by the president and counter-signed by the village clerk, and shall have interest coupons attached bearing the facsimile signatures of the president and the village clerk, and said officials by the execution of said bonds shall adopt as and for their own proper signatures their respective facsimile signatures on said coupons.

Section 5. Said bonds and the attached coupons shall not be a general obligation or indebtedness of the Village of Springport, but shall be payable solely from the net revenues derived from the operation of the System; and to secure such payment there is hereby created a statutory first lien upon the whole of the net revenues of said System, to continue until the payment in full of the principal and interest on said bonds.

Section 6. The holder or holders of said bonds or coupons representing in the aggregate not less than twenty (20%) per cent of the entire issue then outstanding may, either at law or in equity, by suit action, mandamus or other proceedings, protect and enforce the statutory first lien upon the revenues of said System and may by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Village of Springport, including the fixing of sufficient rates, the collection of revenues, the proper segregation of the revenues shall not be construed to compel the sale of the System. If there be any default in the payment of the principal of or interest upon any of said bonds any court having jurisdiction in any proper action may appoint a receiver to administer and operate said System on behalf of the Village, and under the direction of said court, and by and with the approval of said court to perform all of the duties of the officials of said Village, more particularly set forth herein and in Act 94, Public Acts of Michigan, 1933 as amended. The holder or holders of any such bonds or any coupons there from shall have all rights and remedies given by said Act 94, Public Acts of Michigan, 1933 as amended, for collection and enforcement of said bonds and the security therefore.

Section 7. Water bills for service shall be sent on the first day of each month and become due and payable on or before the twenty-fifth day of each month. All bills not paid by the twenty-fifth day of each month shall have a penalty of 5% of the amount of the bill.

Section 8. There shall be and there is hereby established rates and charges for the use of and for the services supplied by the Village's Water Supply System, as follows:

WATER RATES:

METER RATE – \$1.47 per 1,000 gal.

Straight meter – min. \$17.00 Per Unit

INDIVIDUAL - \$17.00 per month

COMMERCIAL SERVICE – Restaurants that provide sit down services must be metered.

UNMETERED COMMERCIAL - \$17.00 per month

SCHOOL – \$4.60 per student and employees per year.

APARTMENT HOUSES OR MULTI-UNITS - \$17.00 per unit

SPECIALTY CASTINGS - \$100.00 plus .60 thousand gal. until Present agreement terminates.

FIRE HYDRANT RENTAL RATE – For water used through fire Hydrant, the Village shall pay a charge of \$223.08 per hydrant per year. (Currently 39 hydrants)

All properties within the village with structures, not connected to the main water system, will be charged 60% of the appropriate minimum rate. All future rates may be changed from time to time by council action without the need for publication.

Water use charges, as well as any special rates, for all individuals, families, corporations, organizations or any other public or private entities, shall be set by a resolution of the Village Council. Such resolution may be adopted only after a public hearing has been held affording all persons any opportunity to comment on the proposed charges. The Village Clerk shall cause notice of the time and place of such hearing to be published once in a newspaper published and circulated within the Village not less than ten (10) days prior to the date of said hearing. The new rates shall become immediately effective upon adoption of the resolution by the council.

In order to maintain and ensure the operation of the Springport Village Water System, to supply the customers basic needs and to provide fire protection; the Springport Water Department retains and will enforce Water Usage Restrictions in times of emergency. The Springport Water Department will determine the necessity for restriction. Said restrictions

will take the form of a “Sprinkling Ban” (including pools, irrigation, etc.) in all but extreme emergencies.

PENALTIES SHALL BE:

- First Offense - Written Warning
- Second Offense - \$30.00 fine added to water bill, (if not paid within twenty-five days will be subject to disconnection.)
- Third Offense - Disconnection subject to payment of previous fine.

Enforcement

The charges for water service which are under the provisions of Section 21, Act 94 Public Acts of Michigan, 1933, as amended, made a lien on all premises served thereby are hereby recognized to constitute such lien and whenever such charge against any piece of property shall be delinquent for six (6) months the Village official or officials in charge of the collection thereof shall certify annually, on July 1st of each year, to the tax assessing officer of the Village, the fact of such delinquency, whereupon such charge shall be entered upon the next tax roll as a charge against such premises and shall be collected and the lien thereof enforced in the same manner as general village taxes against such premises are collected, and the lien thereof enforced.

In addition to other remedies provided, the Village shall have the right to shut off and discontinue the supply of water to the premises for the nonpayment of water rates when due pursuant to the procedure set forth in this paragraph. If such charges are not paid within thirty (30) days after the due date thereof, the Village shall send Notice of Disconnect. If, after ten (10) days there have been no attempts made at paying those water charges or a payment agreement signed, the water service will be discontinued. In order to restore water service, the individual(s) or business(es) must pay any outstanding balance in full either all at once or pursuant to a payment plan AND pay a turn on fee of \$40.00 if re-connected during regular DPW hours, or \$40.00-“PLUS” an additional \$50.00 if re-connected after 3:00 pm DPW regular hours, weekends or holidays.

Disconnected individuals(s) or business(es) will have the right to appeal to the Administrative Committee at a time and date set for an administrative hearing. Failure to be present at the administrative hearing will constitute a finding against the individual(s) or business(es) involved. At the time of the administrative hearing, the individual(s) or business(es) will be allowed to present testimony on their behalf. At the end of the hearing, the Administrative Committee, which will be comprised of such individual(s) and/or officer(s) as determined by resolution of the Village Council, will make its finding, and will provide the individual(s) or business(es) with a written notice of that finding.

Section 9. No free service shall be furnished by said System to any person, firm or corporation public or private, or to any public agency or instrumentality.

Section 10. The rates hereby fixed are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of said System as are necessary to preserve the same in good repair and working order, to provide for the payment of the interest upon and the principal of all the bonds as and when the same become due and payable, and the creation of the reserve therefore required by this Ordinance, and to provide for such other expenditures for said System as this Ordinance may require. Such rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed at all times to fix and maintain such rates for services furnished by the System as shall be sufficient to provide for the foregoing.

Section 11. The System shall be operated on the basis of an operating year commencing January 1st and ending January 31st.

Section 12. The revenues of the System are hereby ordered to be set aside, as collected, and deposited in Springport State Savings Bank of Springport, Michigan, a bank duly qualified to do business in Michigan, in an account to be designated WATER SUPPLY SYSTEM RECEIVING FUND (hereafter referred to as the Receiving Fund) and said revenues so deposited are pledged for the purpose of the following funds and shall be transferred from the Receiving Fund periodically in the manner and at the times hereinafter specified.

A) OPERATION AND MAINTENANCE FUND

Out of the revenue in the Receiving Fund there shall be first set aside quarterly, into a separate depository account designated Operation and Maintenance Fund, a sum sufficient to provide for the payment of the next quarter's current expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

The Village Council, prior to the commencement of each operating year, shall adopt a budget covering the foregoing expenses for each year, and such total expenses shall not exceed the total amount specified in said budget, except by a vote of two thirds (2/3) of the member of the Village Council.

B) BOND AND INTEREST REDEMPTION FUND

There shall next be established and maintained a separate depository account designated as the Bond and Interest Redemption Fund, which shall be used solely for the purpose of payment the principal of and the interest upon the bonds hereby authorized. The moneys in the Bond and Interest Redemption Fund (including the Bond Reserve Account hereinafter established) shall be kept on deposit with bank or trust company where the principal and interest on the bonds herein authorized are currently payable.

Out of the revenues remaining in the Receiving Fund after provision has been made for expenses of operation and maintenance of the System, there shall next be a set aside, quarterly, in the Bond and Interest Redemption Fund, a sum proportionately sufficient to provide for the payment of the principal of and interest upon all outstanding bonds payable from the revenue of the System, as and when the same became due and payable. The amount so set aside for interest on the bonds herein authorized, in each quarter during the first six (6) months of each operating year, shall not be less than one-half (1/2) of the total amount of interest (not capitalized) maturing on the following July 1st, and during the last six (6) months of each operating year, shall not be less than one-half (1/2) of the total amount of interest (not capitalized) maturing on the following January 1st. The amount so set aside for principal during each quarter during each operating year commencing January 1, 1956, shall be not less than one-fourth (1/4) of the amount of principal maturing on the January 1st following each operating year. If there be any deficiency in the amount previously required to be set aside, then the amount of such deficiency shall be added to the current requirements.

There is hereby established in the Bond and Interest Redemption Fund a separate account, to be known as the Bond Reserve Account, into which there shall be paid quarterly, all of the revenue of the System after provision has been made for the Operation and Maintenance Fund, and Bond and Interest Redemption Fund, until such time as there has been accumulated in said Bond Reserve Account the sum of \$8,000.00 which Bond Reserve Account shall be established in the full amount herein required not later than the close of the operating year commencing January 1, 1958. The money in the said Bond Reserve Account shall be used solely for the payment of the principal and interest on said bonds as to which there would otherwise be a default. If, at any time, it shall be necessary to use moneys in the Bond Reserve Account for such payment, then the moneys so used shall be replaced from the net revenues first received thereafter which are not required by

this Ordinance to be used for operation and maintenance or for current principal and interest requirements: provided, however, that such Bond Reserve Account shall not be regarded as moneys otherwise appropriated or pledged for the purpose of determining the sufficiency of funds available for redemption of callable bonds. No further payments need to be made into the Bond and Interest Redemption Fund after enough of the bonds have been retired so that the amount then held in said Fund (including the Bond Reserve Account) is equal to the entire amount of the principal and interest which will be payable at the time of maturity of all the bonds that remain outstanding.

C) REPLACEMENT FUND

There shall next be established and maintained a separate depository account designated as the Replacement Fund which shall be used solely for the purpose of making major repairs and replacements to the System. There shall be deposited in said Fund in quarterly installments after providing for all requirements of the Operating and Maintenance Fund and the Bond and Interest Redemption Fund (including the Bond Reserve Account) all of the revenues of said System until the fund shall total \$5,000.00. If, at any time it shall be necessary to use moneys in said fund for such purpose, the moneys so used shall be replaced from net revenues in the Receiving Fund, which are not required by this Ordinance to be used for the Operation and Maintenance Fund or the Bond and Interest Redemption Fund (including the Bond Reserve Account).

D) SURPLUS MONEYS

All moneys remaining in the Receiving Fund at the end of any operating year after satisfying the above requirements shall be deemed to be surplus, and of such moneys, not less than one-half (1/2) thereof shall be transferred to the Bond and Interest Redemption Fund and used to call bonds for redemption at the time and at the prices herein set forth.

The remainder of said surplus moneys, after satisfying the above requirements may be used, at the option of the Village Council, for either of the following purposes:

1. Transferred to the Bond and Interest Redemption Fund and used to call bonds for redemption at the times and at the prices herein set forth, or,
2. Transferred to a separate depository account to be designated IMPROVEMENT AND EXTENSION FUND and used for extensions and improvements to the System.

Provided, however, that is there should be any deficit in the Operation and Maintenance Fund, Bond and Interest Redemption Fund (including the Bond Reserve Account) or the Replacement Fund, on account of defaults in setting aside therein the amounts hereinbefore required, then transfers shall be made from

such funds remaining in the Receiving Fund to such Funds in the priority and order named, to the extent of such deficits.

Section 13. In the event the moneys in the Receiving fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Bond and Interest Redemption Fund, any moneys and or securities in other funds of the System shall be transferred first, to the Operation and Maintenance Fund, and second to the Bond and Interest Redemption Fund to the extent of any deficit therein.

Section 14. Moneys in the Bond and Interest Redemption Fund over and above those being accumulated for the payment of principal and interest next maturing and moneys in any other fund except the Receiving Fund and the Operation and Maintenance Fund may be invested in obligations of the United States of America.

In the event such investments are made, the securities representing the same shall be kept on deposit with the bank and trust company having on deposit the fund or funds from which such purchase was made. Income received from such investments shall be credited to the fund from which said investments were made.

Section 15. Said bonds shall be sold and the proceeds applied in accordance with the provisions of Act 94, Public Acts of Michigan 1933, as amended.

Section 16. The proceeds of the sale of the bonds herein authorized to be issued shall be deposited in Springport State Savings Bank of Springport, Michigan, a Federal Reserve System member bank. From the proceeds of sale of the bonds there shall be immediately transferred to the Bond and Interest Redemption Fund, a sum sufficient to pay interest maturing on the bonds on July 1, 1954, January 1, 1955, and January 1, 1956, and there shall further be transferred to the Bond and Interest Redemption Fund any premium and accrued interest on said bonds. The balance of such proceeds shall be applied solely in payment of the cost of the project hereinbefore described and any engineering, legal and other expenses incident thereto and to the financing thereof. Payments for construction either on account or other wise, shall not be made unless the registered engineer in charge of such work shall file with the Village Council, a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefore, that it was done pursuant to and in accordance with the contract therefore, and that such work is entirely satisfactory. Any unexpended balance of the proceeds of sale remaining, after completion of the project herein authorized, may in the discretion of the Village council, and to the extent of \$18,750.00 be used for further improvements, enlargements and extensions to the System, provided that at the time of such expenditure, such use be approved by the Municipal Finance Commission. Any remaining balance after such expenditures shall be paid into the Bond and Interest Redemption Fund and shall be used for the redemption of callable bonds, or prior to the first call date only, purchasing bonds on the open market at not more than the fair market value thereof, and at a price in any event not exceeding the first call price.

Section 17. The Village of Springport covenants and agrees with the successive holders of the bonds and coupons that, so long as any of the bonds remain outstanding and unpaid as to either principal or interest:

- a) The Village of Springport will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the constitution and laws of the State of Michigan, including the making and collecting of sufficient rates for water services rendered by the System, and the segregation and application of the revenues of the System in the manner provided in this Ordinance. The Village further covenants and agrees that it will not reduce the rates herein fixed until such time as the Bond Reserve Account and Replacement fund are established in their full required amount and bonds maturing in the years 1983 to 1997 inclusive, have been redeemed. The operation of the water system shall include the supplying of potable water which water shall not be fluorinated.
- b) The Village Council will maintain and keep proper books of record and account, separate from all other records and accounts, in which shall be made full and correct entries of all transactions relating to the System. Not less than three (3) months after the close of each operating year, the Village Council will cause to be prepared, on forms furnished by the Municipal Finance Commission, if such forms are available, a statement in reasonable detail, sworn to by its Chief Accounting Officer, showing the cash income and disbursements of the System during each operating year, the assets and liabilities of the System at the beginning and close of the fiscal year, and such other information as is necessary to enable any taxpayer of the Village, user of the service furnished, or any holder or owner or anyone acting in their behalf, to be fully informed as to all matters pertaining to the financial operation of the System during each year. A certified copy of such statement shall be filed with the Municipal Finance Commission, and such statement and books of record and account shall at all reasonable times be open to inspection by any taxpayer of the village, user of the service or holder of any bonds or anyone acting in their behalf. The Village Council will also cause an annual audit of such books of record and account for the preceding operating year to be made by a recognized independent certified public accountant and will make such audit available to the holder of any of the bonds. Such audit shall be completed and so made available not later than three (3) months after the close of each operating year.
- c) The Village will maintain and carry for the benefit of the holders of the bonds, insurance on all physical properties of the System in the kinds and in the amounts normally carried by public utility companies and municipalities engaged in the operation of water supply systems. All moneys received for losses under any such insurance policies shall be applied to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of calling bonds.

- d) The Village will not sell, lease, or dispose of the System, or any substantial part thereof until all of the bonds have been paid in full, both as to principal and interest. The Village further, will cause the operation of the System to be carried on as economically as possible, will cause to be made to the System all repairs necessary to keep the same in good repair and working order and will not do or suffer to be done any act which would affect the System in such a way as to impair or affect unfavorably the security of the bonds.

Section 18. The right is reserved in accordance with the provisions of Act 94 Public Acts of Michigan, 1933 as amended, to issue additional bonds payable from the revenues of the System, which shall be of equal standing with the bonds herein authorized for the purpose of completion of the project in accordance with the plans and specifications therefore; and such bonds shall not be authorized unless Emerson Wertz & Associates or the successor 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 therefore.

If such certificate shall be so executed and filed with the Village Clerk, it shall be the duty of the Village Council 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. Except as herein authorized no additional bonds having equal standing with the bonds of this issue, shall be authorized or issued.

Section 19. Said bonds shall be substantially in the following form:

UNITED STATES OF AMERICA STATE OF MICHIGAN COUNTY OF
JACKSON VILLAGE OF SPRINGPORT WATER SUPPLY SYSTEM
REVENUE BOND

No. _____ \$1,000.00

KNOW ALL MEN BY THESE PRESENTS that the Village of Springport, County of Jackson, State of Michigan for value received, hereby promises to pay to the bearer, or if registered, to the registered holder hereof but only out of the revenues of the Water Supply System of the Village, including all appurtenances, extensions and improvements thereto, the sum of ONE THOUSAND DOLLARS on the first day of January A.F. 19___, with interest thereon from the date hereof until paid at the rate of _____ percent per annum, payable on July 1, 1954, and semi-annually thereafter on the first day of January and July of each year, on presentation and surrender of the proper interest coupons hereto attached as severally become due. Both principal of and interest upon this bond are payable in lawful money of the United State of America at _____ and for the prompt payment thereof, the gross revenues of the Water Supply System of the Village of Springport, including all appurtenances, extensions, and improvements thereto after provision has been made for reasonable and necessary expenses of operation, administration and maintenance are irrevocably pledged and a statutory first lien thereon is hereby created.

This bond is one of a series of one hundred twenty-five (125) bonds of \$1,000 each, of even date and like tenor except as to date of maturity _____ aggregating the principal sum of \$125,000.00, issued pursuant to Ordinance No. 29, duly adopted by the Village Council on December 9, 1952, and as amended, for the purpose of paying the cost of acquiring and constructing a Water Supply System for the Village.

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

Bonds numbered 1 to 8, inclusive, maturing in the years 1957 to 1960, inclusive, will not be subject to redemption prior to maturity.

The right is reserved of redeeming bonds 9 to 125, inclusive, maturing in the years 1961 to 1989, inclusive, at the option of the Village, in inverse numerical order on any interest payment date on or after January 1, 1959, at par and accrued interest to the date fixed for redemption plus a premium as follows:

- \$40.00 on each bond called for redemption on or before January 1, 1962
- \$30.00 on each bond called for redemption after January 1, 1962 but on or before January 1, 1966
- \$20.00 on each bond called for redemption after January 1, 1966, but on or before January 1, 1970
- \$10.00 on each bond called for redemption after January 1, 1970, but on or before January 1, 1973
- No premium shall be paid on bonds called for redemption after January 1, 1973.

Thirty days notice of the call of any bonds for redemption shall be given by publication in a paper circulated in the State of Michigan which carries, as part of its regular service, notices of sale of municipal bonds, and in case of registered bonds, thirty days notice shall be given by mail to the registered address. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the paying agent to redeem said bonds.

This bonds is a self-liquidating bond and is not a general obligation of the Village of Springport, and does not constitute an indebtedness of the Village of Springport, within any constitution or statutory limitation, and is payable both as to principal and interest, solely from the revenues of the Water Supply System of the Village. The principal and interest on this bond are secured by the statutory lien hereinbefore mentioned. The Village of Springport hereby covenants and agrees to fix and maintain at all times, while any of such bonds shall be outstanding, such rates for service furnished by said Water Supply System as shall

be sufficient to provide for payment of the interest upon and the principal of all such bonds as when the same become due and payable, to create a Bond and Redemption Fund (including a Bond Reserve Account) therefore, to provide for the payment of expenses of administration and operation and such expenses for maintenance of said 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 said System as are required by said Ordinance.

This bond and the interest thereon are exempt from any and all taxation whatsoever by the State of Michigan or by any taxing authority within said State.

This bond may be registered as to principal only on the books of the Village Treasurer in the name of the holder, and such registration noted on the back hereof by the Village Treasurer, after which no transfer shall be valid unless made on the books and noted hereon in like manner but transferability by delivery may be restored by registration to bearer. Such registration shall not affect the negotiability of the interest coupons.

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

IN WITNESS WHEREOF the Village Council of the Village of Springport, County of Jackson, State of Michigan, has caused this bond to be signed in the name of said Village by the President and counter-signed by the Village Clerk and the corporate seal of the Village to be affixed hereto, and the coupons hereto attached to be signed by the facsimile signatures of said President and Village Clerk, as of this first day of January, 1954.

WAS SO SIGNED

Form of Coupon

On the first day of _____ A.D. 19___, unless the bond to which this coupon pertains shall have been called for redemption, the VILLAGE OF SPRINGPORT, County of Jackson, Michigan, State of Michigan will pay to the bearer the sum of _____ Dollars, in the manner and out of the revenues described in said bond, at _____% being the semi-annual interest rate then due on its Water Supply System Revenue Bond, dated January 1, 1954, No. _____.

This coupon is not a general obligation of the Village of Springport, but is payable from certain revenues as set forth in the bond to which it pertains.

Section 20. The Village Clerk is hereby authorized and directed to make application to the Municipal Finance Commission for authority to issue and sell said bonds, and for approval of the form of notice of sale of said bonds in accordance with the provisions of Act 202, Public Acts of Michigan, 1943, as amended, and of Act 94, Public Acts of Michigan, 1933, as amended.

Section 21. 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.

Section 23. This Ordinance shall be published in full in the Springport Signal, a newspaper of general circulation in the Village of Springport, qualified under State law to publish legal notices, within one week of adoption.

Section 24. This Ordinance shall become effective immediately upon its adoption.

I HEREBY CERTIFY THAT THE ABOVE IS A TRUE COPY OF AN ORDINANCE ADOPTED BY THE VILLAGE COUNCIL, VILLAGE OF SPRINGPORT, AT A SPECIAL MEETING HELD ON DECEMBER 9, 1952.

LE. Mercer
Clerk Village of Springport
Michigan

AMENDED: SECTION 4, 12, 16, 17, 19 on the 20th day of March 1953.

AMENDED: SECTION 3 no date listed.

AMENDED: SECTION 3, 4, 12, 16, 17, and 19 no date listed.

AMENDED: SECTION 2,3, and 19 no date listed.

AMENDED: SECTION 17(a) on the 22nd day of March 1973.

AMENDED: SECTION 8 on the 1st day of July 1977.

AMENDED: SECTION 8 on the 20th day of October 1979.

AMENDED: SECTION 8 on the 6TH day of February 1980

AMENDED: SECTION 7 on the 7th day of July 1984.

AMENDED: No Section listed. No date listed.

AMENDED: SECTION 8 no date listed.

AMENDED: SECTION 8 on the 1st day of April 1992.

AMENDED: SECTION 8 on the 1st day of May 1992.

AMENDED: July 1, 1992.

AMENDED: SECTION 8 on the 1st day of August 1992.

AMENDED: SECTION 8 on the 9th day of September 1992.

AMENDED: SECTION 8 on the 13th day of June 1996.

AMENDED: SECTION 8 on the 8th day of May 1997.

AMENDED: SECTION 8 on the 11th day of April 2002.