

**TABLE OF SPECIAL ORDINANCES**

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**TABLE I: FRANCHISE AGREEMENTS**

<i>Ord. No.</i>	<i>Date Passed</i>	<i>Description</i>
-	2-26-1985	Granting a natural gas distribution franchise to Southeastern Gas Company (1989 Code, §§ 29.000, 29.010, 29.020)
2021-02	7-6-2021	Granting an electric generation, transportation and distribution business to DTE Electric Company
2022-01	6-21-2022	Granting the right to lay, operate, maintain and replace gas pipes, mains, conductors, service pipes and other apparatus and facilities for the manufacture, transmission and distribution of gas to SEMCO Energy Gas Company



## SUMMARY

This proposed ordinance replaces and supersedes any previous franchises the village granted to DTE Electric, by adopting a new ordinance, Ordinance No. 2021-02 *DTE Electric Company Franchise Agreement*, to permit DTE Electric Company to operate an electric generation, transportation and distribution business within the Village of Port Sanilac.

**BY COUNCIL MEMBER Mike Balysh:**

**AN ORDINANCE** to replace and supersede any previous franchises the village granted to DTE Electric, by adopting a new ordinance, Ordinance No. 2021-02, '*DTE Electric Company Franchise Agreement*', to permit DTE Electric Company to operate an electric generation, transportation and distribution business within the Village of Port Sanilac.

**IT IS HEREBY ORDAINED BY THE PEOPLE OF THE VILLAGE OF PORT SANILAC THAT:**

**Section 1.** Any previous ordinances or agreements granting franchise rights to DTE Electric, be amended by adopting a new ordinance, Ordinance No. 2021-02, to read as follows:

*"DTE Electric Company Franchise Agreement*

**Section 1. Definitions.**

For purposes of this Ordinance No. 2021-02, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Village means the Village of Port Sanilac, Sanilac County, Michigan or the territory within the Village limits of the Village of Port Sanilac.

DTE means DTE Electric Company, a corporation organized under the laws of the State of Michigan and its successors and assigns.

Ordinance shall mean this Ordinance No. 2021-02.

**Section 2. Grant of electric franchise to use public rights of way; non-exclusive.**

Subject to this part, applicable provisions of the Michigan Constitution of 1963, applicable state statutes, rules and regulations, and applicable federal statutes, rules and regulations, the village hereby grants a non-exclusive franchise to use the village's public highways, streets, alleys or other public places to DTE, and its successors and assigns. This franchise grants to DTE the right and privilege, in its reasonable discretion, subject to regulations of the Michigan Public Service Commission, or successor agency having similar jurisdiction (i) to transact local business within the village, (ii) to generate, transport and distribute electricity, and to install, maintain, operate and use all voltages of electricity distribution facilities and other necessary equipment on, along, across, and under the highways, streets, alleys, bridges and other public places within the village, (iii) to convey, supply and sell electric power and related services within the village, and (iv) to undertake all other incidental matters thereto.

**Section 3. Term.**

The franchise granted herein shall continue in effect for a period of thirty (30) years from the effective date of this Ordinance, subject to revocation at the will of the village and as otherwise provided in Section 9 below.

**Section 4. Electric service and extension of system.**

This franchise grants DTE and its successors and assigns the right to furnish electric services, pursuant to regulations of the Michigan Public Service Commission, or successor agency having similar jurisdiction, and in accordance with applicable laws, rules and regulations.

**Section 5. Use of streets and other public places.**

(a) DTE shall not obstruct public rights-of-way longer than necessary during the construction or repair of electrical services and shall be restored to the same good order and condition as when the work was commenced. DTE may trim or remove trees that are located within the public rights-of-way if necessary, to safely provide or maintain electrical service.

(b) DTE shall not damage, harm or injure any street, highway, alley or other public space, or any trees or other foliage, or in any manner disturb or interfere with any water main, gas pipes, or public or private sewer lines currently constructed or that may be constructed in the future.

(c) DTE's electrical system and associated appurtenances shall not unnecessarily interfere with the use of the public rights-of-way.

(d) Except in the case of an emergency or storm, DTE shall notify the village in writing at least 48 hours prior to undertaking any work in the village involving excavation in or the closing of any public rights-of-way. The notice shall state the intended duration of any rights-of-way obstruction, which, except in the case of an emergency or storm, obstruction shall not continue for more than four hours beyond the stated time unless the Village grants an extension of time. DTE shall, at the Village's request, provide plans and specifications showing the nature and extent of the proposed excavation and construction. DTE is solely responsible for obtaining any necessary governmental permits for such excavation or construction.

(e) This Ordinance shall not be construed to prevent DTE from immediately commencing construction or repair work, including tree trimming, resulting from a storm or other natural disaster when deemed necessary to prevent danger to life or property and, in such



case, DTE shall notify the village of the construction or repair work as soon as reasonably practical.

(f) The village shall promptly reimburse DTE for the cost to repair or replace any DTE property damaged by the village, its agents or contractors.

#### **Section 6. Indemnification.**

DTE shall use due care in exercising the privileges in this Ordinance and, at its sole cost and expense, shall indemnify and hold harmless the village, and its employees and agents, from any liability which may be imposed upon or incurred by the indemnitee(s), for all damages and costs which may be recovered against the village arising from the default, carelessness, or negligence of DTE or any of its officers, agents, and servants that may arise out of, or be in any way connected with, the operation and maintenance or condition of DTE's electric generation, transportation or distribution system and other necessary equipment within the village rights of way, or DTE'S failure to comply with any federal or state statute, regulation or rule, or any provision of this Ordinance.

#### **Section 7. Standards and conditions of service; rules, regulations and rates.**

Under this article, the rates to be charged for electric services within the village, and the standards and conditions of service and operation within the village, shall be the same as set forth in DTE's schedule of rules, regulations, and rates as applicable in the cities, villages, and villages where DTE is now supplying electric service, or as shall hereafter be validly prescribed for the village under the orders, rules, and regulations of the Michigan Public Service Commission, or other authority having jurisdiction over the provision of such service within the village.

**Section 8. Successors and assigns.**

Whether so expressed or not, the words "DTE Electric Company" and "DTE" are intended and shall be held and construed to mean and to include both DTE Electric Company and its successors and assigns.

**Section 9. Revocability of Franchise.**

The franchise herein granted shall be revocable, at the will of this village, in accordance with MCL Section 460.602, as amended from time to time; PROVIDED, however, pursuant to such statute, if both parties desire at a future time to have the franchise designated as irrevocable, they may do so by submitting their request to a vote of the village electors. DTE shall pay the cost of any special election held for the occasion.

**Section 10. Acceptance by DTE.**

DTE shall file a written acceptance of electric franchise with the Office of the Village Clerk within thirty (30) days after the effective date of this Ordinance.

**Section 11. Entire agreement.**

This article contains the entire agreement between the village and DTE which grants an electric franchise and thereby, the permission to use the public rights-of-way within the village. Neither the village nor DTE makes any representations except those expressly or by reference set forth in this Ordinance.”

**Section 2.** All ordinances or parts of ordinances, in conflict with this ordinance are repealed.

**Section 3.** This ordinance is declared necessary to preserve the public peace, health, safety, and welfare of the People of the Village of Port Sanilac.

**Section 4.** This ordinance shall take effect immediately after the date of publication thereof, which shall be within 10 days after the date of its adoption and shall continue in effect for a period of thirty years thereafter.

ENACTED at a regular meeting of the Board of Trustees of the Village of Port Sanilac held on the 6th day of July, 2021. Motion by: Mike Balysh. Seconded by: Sue Balysh

Yeas: 7; Nays: 0

Signature: Debbie Paradossi

Print: Debbie Paradossi

**Village of Port Sanilac Clerk**

Signature: 

Print: RAYMOND S. MARCH

**Village of Port Sanilac President**

**CERTIFICATION**

The foregoing is a true copy of Ordinance No. 2021-02 which was enacted by the Village of Port Sanilac Board of Trustees at a regular meeting held on July 6, 2021.

Debbie Paradossi

**Village of Port Sanilac Clerk**

**THE VILLAGE OF PORT SANILAC**

**FRANCHISE GRANTED TO  
SEMCO ENERGY GAS COMPANY**

**Ordinance No. #2022-01**

An Ordinance, granting to SEMCO Energy Gas Company, a division of SEMCO Energy, Inc., a Michigan corporation, its successors and assigns, the right, power and authority to lay, maintain and operate gas mains, pipes and services on, along, across and under the highways, streets, alleys, bridges, waterways, and other public places under the jurisdiction of the Village of Port Sanilac, and to conduct a local gas business in the Village of Port Sanilac, located in Sanilac County, Michigan, for a period of thirty years. Furthermore, it is the responsibility of SEMCO Energy Gas Company to obtain any permits from other agencies.

**THE VILLAGE OF PORT SANILAC ORDAINS:**

**Section 1. GRANT OF FRANCHISE.** The Village of Port Sanilac, located in Sanilac County, Michigan (the "Village"), hereby grants to SEMCO Energy Gas Company, a division of SEMCO Energy, Inc., a Michigan corporation, its successors and assigns, (the "Grantee") the right, power and authority to construct, lay, operate, maintain and replace in the public streets, highways, alleys and other public places in the Village of Port Sanilac, Michigan, all needful and proper gas pipes, mains, conductors, service pipes and other apparatus and facilities requisite for the manufacture, transmission and distribution of gas for all purposes to the Village of Port Sanilac, and the inhabitants thereof, and for conducting gas elsewhere to supply neighboring cities, villages and other territories supplied with gas by said Grantee, for a period of thirty years.

**Section 2. CONSIDERATION.** In consideration of the rights, power and authority hereby granted, Grantee shall faithfully perform all things required by the terms hereof.

**Section 3. CONDITIONS.** No highway, street, alley, bridge or other public place used by Grantee shall be obstructed longer than necessary during the work of construction or repair, and shall be restored to as good order and condition as

when Grantee commenced the work. All of Grantee's pipes and mains shall be so placed in the highways and other public places as not to unnecessarily interfere with the use thereof for highway purposes. Grantee will use its best efforts to not unreasonably interfere with or disrupt any public utility apparatus or facilities operated by the Village and, to the extent Grantee interferes with or disrupts any such public utility apparatus or facilities, Grantee shall restore such apparatus or facilities to as good order and condition as when Grantee commenced work.

**Section 4. HOLD HARMLESS.** Grantee shall at all times keep and save the Village free and harmless from all loss, costs and expense to which it may be subject by reason of the Grantee's negligent construction and negligent maintenance of the structures and equipment hereby authorized. If any action is commenced against the Village resulting from Grantee's negligent construction and maintenance, Grantee shall, upon notice, defend the Village and save it free and harmless from all loss, cost and damage arising out of such negligent construction and maintenance.

**Section 5. FRANCHISE NOT EXCLUSIVE.** The rights, power and authority herein granted, are not exclusive. Either manufactured or natural gas may be furnished hereunder.

**Section 6. RATES.** Grantee shall charge for gas furnished the rates, charges and special taxes as approved from time to time by the Michigan Public Service Commission, or its successors having authority and jurisdiction to fix and regulate gas rates and charges, or as otherwise permitted or required by applicable law or tariff, for the term of this franchise. Such rates shall be subject to Commission review and change at any time upon petition therefore being made by either said Village, acting by its Village Board, or by said Grantee.

**Section 7. REVOCATION.** The franchise granted by this ordinance is subject to revocation upon sixty (60) days written notice by the party desiring such revocation.

**Section 8. MICHIGAN PUBLIC SERVICE COMMISSION JURISDICTION.** Grantee shall, as to all other conditions and elements of service not herein fixed, be and remain subject to the reasonable rules and regulations of the Michigan Public Service Commission or its successors, applicable to gas service in said Village

and shall provide service in accordance with the terms and conditions set forth in its applicable tariff as approved from time to time by the Michigan Public Service Commission or its successors.

**Section 9. SUCCESSORS AND ASSIGNS.** The words "SEMCO Energy Gas Company" and "SEMCO Energy, Inc.," wherever used herein, are intended and shall be held and construed to mean and include SEMCO Energy Gas Company and its parent, subsidiaries, successors, affiliates, and assigns, whether so expressed or not. The word "Grantee," wherever used herein, is intended and shall be held and construed to mean and include SEMCO Energy Gas Company, SEMCO Energy, Inc., and the successors and assigns of each, whether so expressed or not. Grantee may assign the rights and obligations under this agreement as long as the Grantee provides prior written notice to the Village of any such assignment.

**Section 10. FORCE MAJEURE.** The Grantee shall not be liable for failure to furnish service as herein provided, or for any breach of the Grantee's obligations hereunder, if such failure or breach is caused by acts of God, labor troubles, riot, or any other causes or contingencies not reasonably within the control of the Grantee.

**Section 11. EFFECTIVE DATE.** Upon adoption, the Village Clerk shall deliver to Grantee a certified copy of this ordinance. Additionally, the Village shall publish this ordinance within thirty (30) days of its adoption and this ordinance shall take effect upon the day after the date of publication thereof, continuing for a term of thirty (30) years from that date; provided, however, it shall cease and be of no effect after sixty (60) days from its adoption unless within said period the Grantee shall accept the same in writing filed with the Village Clerk. Upon acceptance and publication hereof, the ordinance shall constitute a contract between said Village and said Grantee.

Ayes: 6  
Nays: 0

Attested, by Order of the Village of  
Port Sanilac, Sanilac County, Michigan

Date Passed: 6/21/2022

Barbara Kalerian  
Port Sanilac Village Clerk

[Signature]  
Port Sanilac Village President

## CERTIFICATION

The undersigned, being the duly qualified and acting Clerk of The Village of Port Sanilac, Sanilac County, Michigan, hereby certifies that: (1) the foregoing is a true and complete copy of a resolution duly adopted by the Village Board at a regular meeting held on the 21st day of June, 2022 at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended) and, (4) minutes of such meeting were kept and will be or have been made available as required thereby.

Dated: 6/21/2022

Barbara Raleneau  
Port Sanilac Village Clerk



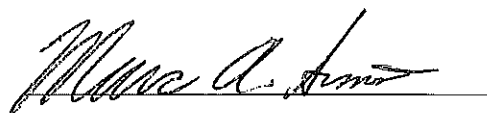
**ACCEPTANCE**

SEMCO Energy Gas Company, a division of SEMCO Energy, Inc., the Grantee under a Franchise approved by the Village of Port Sanilac, County of Sanilac, Michigan, hereby accepts the Franchise, pursuant to the terms and conditions thereof.

Dated: 7-6-2022

**SEMCO Energy Gas Company,  
a division of SEMCO Energy, Inc.**

By:



Marc A. Simone  
Vice President Operations



**TABLE II: STREET VACATIONS**

<i>Ord. No.</i>	<i>Date Passed</i>	<i>Description</i>
41	--	Hickory Street, from Ridge Street (known as Highway U.S. 25) to Lake Street, and Hands Avenue, from Cherry Street to Mulberry Street; the property therein contained shall revert to and be the property of the abutting owners from their lot line to the centerline of the said street (1989 Code, § 26.200)
51	--	Erie Street, from Church Street to St. Clair Street; the property therein contained shall revert to and be the property of the abutting owners from their lot line to the centerline of the said streets (1989 Code, § 26.210)



**TABLE III: DOWNTOWN DEVELOPMENT DISTRICT**

<i>Ord. No.</i>	<i>Date Passed</i>	<i>Description</i>
-	--	A part of Section 35, Town 12 North, Range 16 East, and Section 2, Town 11 North, Range 16 East, Village of Port Sanilac, Sanilac County, Michigan, more particularly described as: commencing at the southwest corner of Section 35, Town 12 North, Range 16 East, and point of beginning; thence north along the west line of said Section 1330 feet more or less to the south right-of-way line of Huron Street extended; thence east along said right-of-way line 220 feet more or less; thence south 100 feet more or less; thence east 110 feet more or less; thence south 975 feet more or less; thence east 105 feet more or less; thence north 75 feet more or less; thence east 225 feet more or less; thence south 45 feet more or less; thence east 740 feet more or less to the east right-of-way line of St. Clair Street; thence south along said line 75 feet more or less; thence east 910 feet more or less; thence north 1,100 feet more or less to the south right-of-way line of Huron Street; thence west along said line 100 feet more or less; thence north 66 feet more or less to the north right-of-way line of Huron Street; thence northerly 174 feet more or less; thence east 20 feet more or less; thence northerly 310 feet more or less; thence east 300 feet more or less to the easterly right-of-way line of North Ridge Street (M-25); thence southerly along said line 780 feet more or less; thence east 380 feet more or less; thence south 990 feet more or less; thence west 110 feet more or less; thence south 95 feet more or less to the north right-of-way line of Main Street (M-46); thence easterly along said line 365 feet more or less to the west right-of-way line of North Lake Street; thence north along said line 420 feet more or less; thence continuing northerly along said line 210 feet more or less; thence continuing north along said line 140 feet more or less; thence east 700 feet more or less; thence southwesterly 340 feet more or less; thence south 175

<i>Ord. No.</i>	<i>Date Passed</i>	<i>Description</i>
		<p>feet more or less; thence west 50 feet more or less; thence southerly 375 feet more or less to the east terminus of the south right-of-way line of Main Street (M-46); thence southerly 900 feet more or less to the east terminus of the south right-of-way line of Cherry Street; thence west along said line 590 feet more or less to the west right-of-way line of vacated alley; thence southerly along said line 1,100 feet more or less to the north right-of-way line of Mulberry Street; thence east along said line 70 feet more or less; thence southerly 410 feet more or less; thence east 90 feet more or less; thence southerly 310 feet more or less to the east-west one-quarter line of Section 2, Town 11 North, Range 16 East; thence west along said line 80 feet more or less; thence southerly 190 feet more or less; thence westerly 170 feet more or less to the east right-of-way line of M-25 thence northerly along said line 200 feet more or less to the east-west one-quarter line of Section 2, Town 11 North, Range 16 East; thence west along said line 760 feet more or less; thence north 730 feet more or less; thence east 280 feet more or less; thence northerly 1,150 feet more or less to the north right-of-way line of Cherry Street; thence east along said line 130 feet more or less; thence north 430 feet to the south right-of-way line of Cedar Street; thence east 50 feet more or less along said line; thence northerly 260 feet more or less; thence west 550 feet more or less to the west right-of-way line of Martin Street; thence south along said line 180 feet more or less; thence west 550 feet more or less to the east right-of-way line of St. Clair Street; thence north along said line 125 feet more or less; thence west 350 feet more or less to the west right-of-way line of St. Mary's Drive; thence north along said line 135 feet more or less to the south right-of-way line of Main Street (M-46); thence west along said line 625 feet more or less; thence south 260 feet more or less; thence west 330 feet more or less to the west line of Section 2, Town 11 North, Range 16 East; thence north along said section line 300 feet more or less to the northwest corner of Section 2, Town 11 North, Range 16 East; thence west 50 feet more or less to the southwest corner of Section 35, Town 12 North, Range 16 East, and point of beginning.</p> <p>(1989 Code, § 10.050)</p>

**TABLE IV: ADOPTING THE CODE OF ORDINANCES**

<i>Ord. No.</i>	<i>Date Passed</i>	<i>Description</i>
2016-01	5-17-16	Adopting the Code of Ordinances





VILLAGE OF PORT SANILAC  
56 N. RIDGE ST.  
PORT SANILAC, MI 48469  
# 2016-01

**AN ORDINANCE ADOPTING A CODE OF ORDINANCES FOR THE VILLAGE OF PORT SANILAC, MICHIGAN, REVISING, AMENDING, RESTATING, CODIFYING AND COMPILING EXISTING GENERAL ORDINANCES OF THE VILLAGE OF PORT SANILAC.**

WHEREAS, the ordinances of the Village of Port Sanilac are inadequately arranged and classified and are insufficient in form and substance for the complete preservation of the public peace, health, safety, and general welfare of the municipality and for the proper conduct of its affairs; and

WHEREAS, the General Law Village Act, 3 of 1895, authorizes the Village of Port Sanilac to adopt, revise, amend, restate, codify and compile ordinances (Sanilac) by reference to the title into a record of ordinances hereafter entitled the Code of Ordinances of the Village of Port; and

WHEREAS, the Village of Port Sanilac Council has authorized a general compilation, revision and codification of the record of ordinances of the Village of Port Sanilac of a general and permanent nature and publication of such ordinance in book form; and

**THEREFORE THE VILLAGE OF PORT SANILAC ORDAINS:**

- Section 1. The general record of ordinances of the Village of Port Sanilac are compiled, revised, amended, restated, codified and compiled in book form are hereby adopted and shall constitute the "Code of Ordinances of the Village of Port Sanilac."
- Section 2. Such Code of Ordinances as adopted in Section 1 shall constitute the "Code of Ordinances of the Village of Port Sanilac."
- Section 3. The entire Code of Ordinances shall be available for viewing or obtained at the office of the Village Clerk, 56 N. Ridge Street, Village of Port Sanilac 48469 Phone, (810) 622-9963.
- Section 4. All prior ordinances pertaining to the subjects treated in such Code of Ordinances shall be deemed repealed from and after the effective date of this ordinance except as they are included and reordained in whole or in part in this Code of Ordinances; provided, such repeal shall not affect any offense committed or penalty incurred or any right established prior to the effective date of this ordinance, nor shall such repeal affect the provision of ordinances levying taxes, appropriating money, annexing or

detaching territory, establishing franchises, or granting special right to certain persons, authorizing the purchase or sale of real or personal property, granting or accepting easements, plate of dedication of land to public use, vacating or setting the boundaries of streets or other public places; nor shall repeal affect any other ordinance or a temporary or special nature or pertaining to subjects not contained in or covered by the Code.

Section 5. This Ordinance shall be published in newspaper of general circulation within the Village of Port Sanilac, Michigan as required by the General Law Village Act.

Section 6. The Ordinance and Code shall be in full force and effect upon publication as provided in Section 5, and such Code shall be presumptive evidence of all provisions, sections, penalties and regulations therein contained as of the date of publication, and that the same is properly signed, attested, recorded, and approved and that any public hearing and notices thereof required by law have been given.

Section 7. This Ordinance shall take effect upon publication and stated in Section 5.

PASSED AND ADOPTED by the Port Sanilac Village Council on this 17<sup>th</sup> day of May, 2016

Roll Call vote on this Ordinance was as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Abstaining</u>
President: Robert C. Taylor	<u>X</u>	_____	_____
Trustee/President Pro-Tem: Jennifer Briski	<u>X</u>	_____	_____
Trustee: Marsha Sue Jacobs	<u>X</u>	_____	_____
Trustee: Raymond Mach	<u>X</u>	_____	_____
Trustee: Susan Balysh	<u>X</u>	_____	_____
Trustee: Michael Balysh	<u>X</u>	_____	_____
Trustee: Jon Davis	<u>X</u>	_____	_____

**AUTHENTICATION AND CERTIFICATION**

We hereby certify that the foregoing constitutes a true and complete copy of the Ordinance adopted by majority vote at a Regular Meeting of the Village Board of Trustees held at the Village Hall on the 17<sup>th</sup> day of May, 2016.

Witness my official signature this 18<sup>th</sup> day of May, 2016.

Jenny L. Sroka  
Jenny L. Sroka, Village Clerk

\_\_\_\_\_  
Robert C. Taylor, Village President

**PUBLICATION:**

I do hereby further certify that the Ordinance was published as required by State Law in \_\_\_\_\_ newspaper published and circulated in the Village of Port Sanilac, Michigan, on the \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Jenny L. Sroka, Clerk



**TABLE V: WATER SUPPLY SYTEM IMPROVEMENTS**

<i>Ord. No.</i>	<i>Date Passed</i>	<i>Description</i>
2018-01	5-1-18	Provide for the acquisition, construction and equipping of certain improvements to the water supply system. Provide for the issuance and sale of revenue bonds.



## ORDINANCE NO. 2018-01

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN IMPROVEMENTS TO THE WATER SUPPLY SYSTEM OF THE VILLAGE OF PORT SANILAC; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS TO PAY A PORTION OF 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 COST OF THE OPERATION AND MAINTENANCE OF THE SYSTEM AND PAYING THE PRINCIPAL OF AND INTEREST ON THE BONDS AND THE ISSUER'S PRIOR BONDS; TO PROVIDE AN ADEQUATE RESERVE ACCOUNT FOR THE BONDS AND THE PRIOR BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE SYSTEM'S REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS AND THE PRIOR BONDS AND ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS, THE PRIOR BONDS, AND THE SYSTEM.

THE VILLAGE COUNCIL OF THE VILLAGE OF PORT SANILAC HEREBY ORDAINS:

**Section 1. Definitions.** The following words and terms used in this Ordinance shall have the meanings assigned in the preamble to this Ordinance and in this Section, unless the context clearly indicates otherwise.

The word "acquired," as used in this Ordinance, shall be construed to include acquisition by purchase, construction or by any other method.

"Act 94" shall mean Act 94, Public Acts of Michigan, 1933, as amended.

"Authorized Officer" shall mean the Issuer's Village President, Village Clerk, Village Treasurer, Business Manager, or a designee thereof.

"Bond" or "Bonds" shall mean the Issuer's 2018 Water Supply System Revenue Bonds, issued in one or more series in the aggregate principal amount of not to exceed One Million One Hundred Fifteen Thousand Dollars (\$1,115,000), authorized to be issued pursuant to this Ordinance and the Prior Bonds Authorizing Ordinance, together with any additional bonds of equal standing hereafter issued.

"Department of Treasury" shall mean the Department of Treasury of the State of Michigan.

"Engineer" shall mean Rowe Professional Services Company.

“Fiscal Year” shall mean the fiscal year of the Issuer and the operating year of the System, commencing July 1 and ending June 30 of the subsequent year, as such fiscal year may be changed by the Issuer from time to time.

“Government” shall mean the government of the United States of America, acting through the Department of Agriculture, or any agency thereof.

“Issuer” or “Village” shall mean the Village of Port Sanilac, Sanilac County, Michigan.

“Ordinance” shall mean this Ordinance and any ordinance or resolution of the Issuer amendatory or supplemental to this Ordinance, including ordinances or resolutions authorizing the issuance of additional bonds.

"Prior Bonds" shall mean the Issuer's Water Supply System Improvement Revenue Bonds, Series 2003, dated June 26, 2003, issued in the original principal amount of \$2,135,000.

"Prior Bonds Authorizing Ordinance" shall mean Ordinance No. 03-7, enacted by the Issuer's Village Council on June 10, 2003, with respect to the Prior Bonds. Except as changed by the provisions of this Ordinance, all of the provisions of the Prior Bonds Authorizing Ordinance shall apply to the Bonds, the same as if each of those provisions was repeated in this Ordinance in its entirety. It is the purpose of this Ordinance to authorize the issuance of additional bonds to finance a portion of the cost of the Project, additional bonds for such purpose being authorized by the provisions of the Prior Bonds Authorizing Ordinance, upon the conditions therein stated, which conditions have been fully satisfied.

“Project” shall mean the acquisition and construction of certain improvements to the Village’s water supply system, including, but not limited to, the replacement of certain existing water mains and the construction and installation of new water mains, as well as acquiring related equipment, improvements and appurtenances, and the acquisition of any necessary easements and/or rights in land.

“Public Improvements” shall mean the Project and any other public improvements, as defined in Section 3 of Act 94, which are authorized to be acquired and constructed under the provisions of this Ordinance.

“Revenues” and “Net Revenues” shall mean the revenues and net revenues of the Issuer derived from the operation 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 this Ordinance and/or the Prior Bonds Authorizing Ordinance, to which may be made the following adjustments: (1) Revenues may be augmented by the amount of any rate increases adopted before the issuance of additional bonds or to be placed into effect before the time principal or interest on such additional bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect; (2) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System; and/or (3) if there



is a bond reserve account to be funded from the proceeds of additional bonds, then the Revenues may be augmented by an amount equal to the investment income representing interest on investments estimated to be received each operating year from the addition to the bond reserve account to be funded from the proceeds of the additional revenue bonds being issued.

“System” shall mean the Issuer’s water supply system, including such facilities thereof as are now existing, acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

“Transfer Agent” shall mean the transfer agent and bond registrar for each series of bonds as appointed from time to time by the Issuer as provided in **Section 6** of this Ordinance and who or which shall carry out the duties and responsibilities as set forth in **Section 5**, **Section 6** and **Section 7** of this Ordinance.

**Section 2. Necessity; Approval of Plans and Specifications.** It is hereby determined to be a necessary public purpose of the Issuer to create, establish, and improve the System and to acquire and construct the Project in accordance with the plans and specifications prepared by the Issuer’s Engineer and on file with the Issuer, which plans and specifications are hereby approved, and the System is hereby created and established.

**Section 3. Costs; Useful Life.** The total cost of the Project is estimated to be approximately Two Million Twenty-Six Thousand Dollars (\$2,026,000), including the payment of incidental and/or issuance 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 forty (40) years. Project costs not financed through the issuance of the Bonds shall be paid ~~for~~ from grant monies received by the Village from the United States of America/USDA Rural Development (“USDA”) and Village funds on hand and available for that purpose.

**Section 4. Payment of Costs; Bonds Authorized.** To pay a portion of the cost of acquiring and constructing the Project and the legal, engineering, financial and other expenses incidental to said acquisition and construction, and expenses incidental to the issuance and sale of the Bonds, it is hereby determined that the Issuer shall borrow the sum of not to exceed One Million One Hundred Fifteen Thousand Dollars (\$1,115,000), and that revenue bonds be issued therefor in one or more series pursuant to the provisions of Act 94.

**Section 5. Bond Details.** The Bonds shall be designated **2018 WATER SUPPLY SYSTEM REVENUE BONDS**, with such series designation as necessary and approved by an Authorized Officer, shall be dated as of the date of delivery of the first installment, shall consist of one (1) fully-registered nonconvertible bond for each series of bonds in the denomination of not to exceed One Million One Hundred Fifteen Thousand Dollars (\$1,115,000); shall be issued in denominations of \$100, or integral multiples thereof; shall be payable in not more than forty (40) annual principal installments serially on April 1 (or such other date as shall be approved by an Authorized Officer) of each year, with the first installment coming due not later one (1) year from the date of delivery/funding of the Bonds. Subject to approval by an Authorized Officer, one series

of bonds, to be designated 2018 Water Supply System Revenue Bonds, Series A (the "Series A Bonds"), shall be issued in the principal amount of One Million Twenty-Five Thousand Dollars (\$1,025,000) at an interest rate not to exceed 1.875% per annum, and a second series of bonds, to be designated 2018 Water Supply System Revenue Bonds, Series B (the "Series B Bonds"), shall be issued in the principal amount of Ninety Thousand Dollars (\$90,000) at an interest rate not to exceed 2.75% per annum.

The Bonds may be issued in one or more series, as approved by an Authorized Officer. If more than one series of Bonds is issued, the title for the bond issue shall be revised to reflect the year that the series of Bonds is issued, and, if necessary, any series designation.

An Authorized Officer, or a designee thereof, is hereby authorized to: approve and/or adjust the maturity schedule, including the dates/years for the first and last maturities for the Bonds; approve and/or adjust the interest payment dates; and/or reduce the principal amount of the borrowing as deemed necessary and reasonable to the Project.

The Bonds are expected to be delivered to the Government as the initial purchaser thereof in installments (the "delivery installments") and each delivery installment shall be noted on the registration grid set forth on the applicable Bonds. The delivery installments shall be deemed to correspond to the serial principal installments of the applicable Bonds in direct chronological order of said serial principal installments.

The serial principal installments of the Bonds will each bear interest from the date of delivery of the corresponding delivery installment to the registered holder thereof as shown on the registration grid set forth on the Bonds at the applicable interest rate as described above, payable on October 1, 2018, and semiannually thereafter on April 1 and October 1 (or such other interest payment dates as shall be approved by an Authorized Officer) of each year until maturity or earlier prepayment of said installment. Acceptance of the interest rate on the Bonds shall be made by execution of the Bonds which so designates the rate specified by the Government and accepted in writing by the Issuer. The Bonds shall be issued in fully-registered form and each series of the Bonds shall not be convertible or exchangeable into more than one fully-registered bond.

Pursuant to the provisions of Section 517 of the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended (the "Act"), the Issuer has been designated as a "qualified" issuer and the Issuer is authorized to issue and sell the Bonds. Thus, the Issuer's Authorized Officers are hereby authorized and directed to negotiate privately the sale of the Bonds to the Government within the parameters established in this Ordinance. Further, based upon expense considerations associated with publishing a notice of sale, as specified in Section 309(2) of the Act, as well as the advantages and favorable terms (including the interest rate and reduced costs of issuance) reasonably expected to be realized from selling the Bonds to the Government through a negotiated sale versus selling the Bonds on the open market through a competitive sale, the Issuer authorizes the negotiated sale of the Bonds to the Government, without publication of a notice of sale. The Issuer hereby determines that it is in the best interest of the Issuer to accept the offer from the Government to purchase the Bonds at the price of par, and the Issuer hereby determines to sell the Bonds to the Government pursuant to the provisions of this Ordinance.

An Authorized Officer is hereby authorized to deliver the Bonds in accordance with the delivery instructions of the Government, after approval of the issuance and sale thereof by the Department of Treasury, if such approval is at that time required.

The Bonds or installments thereof will be subject to prepayment prior to maturity in the manner and at the times as provided in the form of the Bonds set forth in the form of the bond as attached as Exhibit A, and as otherwise provided by this Ordinance.

**Section 6. Bond Registration and Transfer.** 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. The Transfer Agent shall transfer or cause to be transferred on said books Bonds presented for transfer, as hereinafter provided and subject to such reasonable regulations as it may prescribe.

Any Bond may be transferred upon the books required to be kept by the Transfer Agent pursuant to this Section, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for transfer, 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 Transfer Agent shall record such transfer on the registration books and shall register such transfer on the registration grid attached to the Bond. At the time of such transfer the Transfer Agent shall note on the Bond the outstanding principal amount thereof at the time of such transfer. The Transfer Agent shall require the 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 to: (A) issue, register the transfer of, or exchange any Bond during a period beginning at the opening of business fifteen days before the day of the mailing of a notice of prepayment of Bonds or installments thereof selected for redemption and ending at the close of business on the day of that mailing; or (B) register the transfer of or exchange any Bond or portion thereof so selected for prepayment. In the event any Bond is called for prepayment in part, the Transfer Agent, upon surrender of the Bond, shall note on the Bond the principal amount prepaid and shall return the Bond to the registered owner thereof together with the prepayment amount on the prepayment date.

An Authorized Officer is hereby appointed to act as Transfer Agent with respect to the Bonds. If and at such time as a series of the Bonds is transferred to or held by any registered owner other than the Government, the Issuer by resolution may appoint a bank or trust company qualified under Michigan law to act as transfer agent and paying agent/bond registrar with respect to such series, and the Issuer may thereafter appoint a successor Transfer Agent upon sixty (60) days notice to the registered owner of the applicable series of the Bonds.

**Section 7. Payment of the Bonds.** Principal of and interest on the Bonds shall be payable in lawful money of the United States of America by check or draft mailed by the Transfer Agent to the registered owner at the address of the registered owner as shown on the registration books of the Issuer kept by the Transfer Agent. If the Government shall no longer be the registered owner of the Bonds, then the principal of and interest on the Bonds shall be payable to the registered

owner of record as of the fifteenth day of the month preceding the payment date by check or draft mailed to the registered owner at the registered address. Such date of determination of the registered owner for purposes of payment of principal or interest may be changed by the Issuer to conform to future market practice. An Authorized Officer is also hereby authorized to execute an agreement with any successor Transfer Agent.

The Transfer Agent shall record on the registration books the payment by the Issuer of each installment of principal or interest or both on the Bonds when made, and the canceled checks or drafts representing such payments shall be returned to and retained by an Authorized Officer, which canceled checks or drafts shall be conclusive evidence of such payments and the obligation of the Issuer with respect to such payments shall be discharged to the extent of such payments.

Upon payment by the Issuer of all outstanding principal of and interest on a series of the Bonds, the registered owners thereof shall deliver the Bond or Bonds to the Issuer for cancellation.

**Section 8. Execution and Delivery of the Bonds.** The Bonds shall be manually signed by the Village President and countersigned by the Village Clerk and shall have the corporate seal of the Issuer affixed thereto or impressed thereon. After execution, the Bonds shall be held by an Authorized Officer for delivery to the Government. No Bond or any installment thereof shall be valid until registered by an Authorized Officer or by another person designated in writing by an Authorized Officer to act as Bond Registrar, or upon transfer by the Government and thereafter, by an authorized representative of the Transfer Agent.

**Section 9. Bond Form.** The form and tenor of the Bonds shall be in substantially the form as attached hereto as **Exhibit A**, subject to appropriate variation upon issuance of any additional bonds.

**Section 10. Security for Bonds.** The Bonds hereby authorized, together with interest thereon, shall be payable solely from the net income and Net Revenues to be derived from the operation of the System. To pay such principal and interest as and when same shall become due, there is hereby created a statutory lien upon the whole of the Net Revenues of the System, which lien shall be a junior lien on the Net Revenues, subordinate to the existing first lien on the Net Revenues recognized and created for the Issuer's Prior Bonds, to continue until the payment in full of the principal and interest on the Bonds and said revenues shall be set aside for that purpose and identified as the "Bond and Interest Redemption Fund Account".

**Section 11. Budget.** Immediately upon the effective date of this Ordinance for the remainder of the current Fiscal Year, and thereafter prior to the beginning of each subsequent Fiscal Year, the Issuer shall prepare an annual budget for the System for the ensuing Fiscal Year itemized on the basis of monthly requirements. A copy of such budget shall be mailed to the Government without request from the Government for review prior to adoption (as long as the Government is the registered owner of any of the Bonds), and upon written request to any other registered owners of the Bonds.

**Section 12. Rates and Charges.** Rates and charges for the services of the System have been, and will continue to be, fixed by ordinance in an amount sufficient to pay the costs of administration, operation and maintenance of the System, to pay the principal of and interest on the Bonds and the Prior Bonds and to meet the requirements for repair, replacement, reconstruction and improvement and all other requirements provided herein, and otherwise comply with the covenants herein provided. The Issuer hereby covenants and agrees to fix and maintain at all times, while any of the Bonds or Prior Bonds shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for the foregoing expenses, requirements and covenants, and to create a Bond and Interest Redemption Account (including a Bond Reserve Account) for all such Bonds and Prior Bonds. The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into consideration the cost and value of the System and the cost of maintaining, repairing, and operating the same and the amounts necessary for the retirement of all the Bonds and Prior Bonds, the Outstanding Bonds and accruing interest on all of the Bonds and Prior Bonds, and there shall be charged such rates and charges as shall be adequate to meet the requirements of this Section, and as otherwise required by this Ordinance.

**Section 13. Rates, Billing and Enforcement.** Except as provided in Section 12 above, the rates charged for the services of the System, and the billing, enforcement, and collection of charges for such services, as well as the general management of the System, shall be as in effect in the Issuer's jurisdiction as of the date of the issuance of the Bonds, and as adjusted from time to time by the Issuer, provided by the ordinances and resolutions of the Issuer.

**Section 14. Custodian of Funds; Funds and Accounts.** An Authorized Officer shall be custodian of all funds belonging to or associated with the System. An Authorized Officer is hereby directed to create and maintain the following funds and accounts into which the proceeds of the Bonds and the Revenues from the System shall be deposited in the manner and at the times provided in this Ordinance, which funds and accounts shall be established and maintained, except as otherwise provided, so long as the Bonds and the Prior Bonds remain outstanding and unpaid.

**A. Water System Receiving Account.** Upon and after the effective date of this Ordinance, the Revenues of the System shall be set aside into a separate account to be designated the WATER SYSTEM RECEIVING ACCOUNT (the "Receiving Account"), and moneys so deposited therein shall be transferred, expended and used only in the manner and order as follows:

(1) **Operation and Maintenance Account.** There is hereby established a separate account to be designated the OPERATION AND MAINTENANCE ACCOUNT (the "Operation and Maintenance Account"). Revenues shall be transferred each quarter of the Fiscal Year, commencing upon the effective date of this Ordinance, from the Receiving Account to the Operation and Maintenance Account to pay the reasonable and necessary current expenses of administration, operation and maintenance of the System for the ensuing quarter.

(2) **Water System Revenue Bonds - Bond and Interest Redemption Account.** There is hereby established a separate account to be designated as the WATER SYSTEM PROJECT - BOND AND INTEREST REDEMPTION ACCOUNT (the "Bond and Interest Redemption Account"). After the transfer required in (1) above, Revenues shall be transferred

each quarter of the Fiscal Year, commencing July 1, 2018, from the Receiving Account, before any other expenditures or transfer therefrom, and deposited in the Bond and Interest Redemption Account for payment of principal of and interest on the Bonds and to fund the Bond Reserve Account.

Upon any delivery of an installment of the Bonds there shall be set aside at the time of delivery and on the first day of each quarter of the Fiscal Year thereafter to the next interest payment date an amount equal to that fraction of the amount of interest due on the next interest payment date on the installment so delivered, the numerator of which is 1 and the denominator of which is the number of full and partial Fiscal Year quarters from the date of the delivery to the next interest payment date. There shall be set aside each Fiscal Year quarter on or after July 1, 2018, an amount not less than  $\frac{1}{2}$  of the amount of interest due on the next interest payment date on all outstanding installments of the Bond not delivered during the then-current interest payment period.

Upon any delivery of an installment of the Bonds there shall be set aside at the time of such delivery and on the first day of each quarter of the Fiscal Year thereafter to the next principal payment date an amount equal to that fraction of the amount of principal due on the next principal payment date on the installment so delivered, the numerator of which is 1 and the denominator of which is the number of full and partial Fiscal Year quarters from the date of the delivery to the next principal payment date. There shall also be set aside each Fiscal Year quarter on or after July 1, 2018, an amount not less than  $\frac{1}{4}$  of the amount of principal due on the next principal payment date. Except as hereinafter provided, no further deposits shall be made into the Bond and Interest Redemption Account (excluding the Bond Reserve Account) once the aforesaid sums have been deposited therein. Any amount on deposit in the Bond and Interest Redemption Account (excluding the Bond Reserve Account) in excess of (a) the amount needed for payment of principal installments of the Bonds for the then current principal payment period, plus (b) interest on the Bonds for the then-current interest payment period, shall be used by the Issuer for redemption of principal installments of the Bonds in the manner set forth in this Ordinance, or if such use is impractical, shall be deposited in or credited to the Receiving Account.

If for any reason there is a failure to make the quarterly deposit in the amounts required, then the entire amount of the deficiency shall be set aside and deposited in the Bond and Interest 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 in the Bond and Interest Redemption Account, which amount shall be in addition to the regular quarterly deposit required during the succeeding quarter or quarters.

There is hereby established in the Bond and Interest Redemption Account a separate account to be designated the WATER SYSTEM PROJECT BOND RESERVE ACCOUNT (the "Bond Reserve Account"). Commencing July 1, 2018, there shall be made a separate withdrawal from the Receiving Account on the first day of each Fiscal Year, to be set aside in and transferred to the Bond Reserve Account, after provision has been made for the Operation and Maintenance Account and the current requirements of the Bond and Interest Redemption Account, the sum of not less than \$4,100 per year (\$3,700 allocated to the Series A Bonds, and \$400 allocated to the

Series B Bonds) until there is accumulated in the Bond Reserve Account the sum of \$41,000. Except as hereinafter provided, no further deposits shall be made into the Bond and Interest Redemption Account for the purposes of the Bond Reserve Account once the sum of \$41,000 has been deposited therein. The moneys in the Bond Reserve Account shall be used solely for the payment of the principal installments of and interest on the Bonds as to which there would otherwise be default; provided, however, that in the event the amount on deposit in the Bond Reserve Account exceeds the Reserve Amount, the moneys in excess of the Reserve Amount shall be used to pay principal installment of and interest on the Bonds on the next payment date.

If at any time it shall be necessary to use moneys in the Bond Reserve Account for the 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 for the Bonds.

No further payments need be made into the Bond and Interest Redemption Account after enough of the principal installments of the Bonds have been retired so that the amount then held in the Bond and Interest Redemption Account (including the Bond Reserve Account), is equal to the entire amount of principal and interest which will be payable at the time of maturity of all the principal installments of the Bonds then remaining outstanding.

(3) General Purpose Account. The balance of income and revenue after the transfers required in (1) and (2) above have been made, shall be deposited to a General Purpose Account, which Account shall be used and disbursed only for the purpose of paying the cost of repairing or replacing any damage to the System, which may be caused by an unforeseen catastrophe, for making extensions or improvements to the System, and, when necessary, for the purpose of making payments of principal and interest on the Bonds hereby authorized if the amount in the Redemption Fund Account and Bond Reserve Account is insufficient to meet such payments, then these funds shall be transferred to the Redemption Fund, The funds in the General Purpose Account may be invested in obligations of the United States or such other obligations as are permitted by law. Any such investment will be a part of the General Purpose Account.

(3) Repair, Replacement and Improvement Account. There is hereby established a separate account designated REPAIR, REPLACEMENT AND IMPROVEMENT ACCOUNT (the "RRI Account"). After the transfers required in (1) and (2) above, commencing July 1, 2018, through July 1, 2027, funds in the sum of at least \$9,868 per year, and thereafter, commencing July 1, 2028 until the Bonds have been fully paid and retired, funds in the sum of at least \$13,968 per year, shall be transferred on the first day of each Fiscal Year from the Receiving Account and deposited in the RRI Account in an amount to be approved by an Authorized Officer. Further, once the Bond Reserve Account is funded to the amount of \$41,000, as required by this Ordinance, funds that had been transferred annually to the Bond Reserve Account pursuant to this Ordinance shall thereafter be transferred to the RRI Account. Moneys in the RRI Account shall be used and disbursed only for the purpose of paying the cost of: (a) repairing any damage to and emergency maintenance of the System; (b) repairing or replacing obsolete, deteriorating, deteriorated or worn out portions of the System; (c) acquiring and constructing extensions and improvements to the System; and (d) when necessary, for the purpose of making payments of

principal and interest on the Bonds. If the amount in the Bond and Interest Redemption Account and the Bond Reserve Account is not sufficient to pay the principal of and interest on the Bonds when due, the moneys in the RRI Account shall be transferred to the Bond and Interest Redemption Account and used for that purpose.

(4) Reverse Flow Of Funds; Surplus Money. In the event the moneys in the Receiving Account are insufficient to provide for the current requirements of the Operating and Maintenance Account, the Bond and Interest Redemption Account (including the Bond Reserve Account) or the RRI Account, any moneys and/or securities in the funds of the System described by this Ordinance shall be transferred, first, to the Operation and Maintenance Account, second, the Bond and Interest Redemption Account, and third, to the RRI Account.

All moneys remaining in the Receiving Account at the end of any Fiscal Year after satisfying the above requirements for the deposit of moneys into the Operation and Maintenance Account, the Bond and Interest Redemption Account and the RRI Account may be transferred to the Bond and Interest Redemption Account and used to call Bonds or portions thereof for redemption, or at the option of the Issuer, transferred to the RRI Account and used for the purpose for which the funds were established; provided, however, that if there should be a deficit in the Operation and Maintenance Account, the Bond and Interest Redemption Account, the Bond Reserve Account or the RRI Account, on account of defaults in setting aside therein the amounts hereinbefore required, then transfers shall be made from such moneys remaining in the Receiving Account to such funds in the priority and order named in this Section, to the extent of such deficits.

**Section 15. No Free Service.** No free service shall be furnished by the System to any individual, firm or corporation, public or private, or to any public agency or instrumentality.

**Section 16. Covenants.** The Issuer covenants and agrees with the holder(s) of the Bonds that so long as any of the Bonds or the Prior Bonds remain outstanding and unpaid as to either principal or interest that it will keep and maintain each of the covenants and agreements as set forth in the Prior Bonds Authorizing Ordinance. Further:

- A. The Issuer covenants to operate the System and to fix rates and charges for the services of the System sufficient to provide Net Revenues equal to at least 100% of the debt service requirements of the Bonds and the Prior Bonds. Rates and charges for the services of the System shall be fixed in an amount sufficient to pay the costs of operating and maintaining the System, and to provide sufficient revenue for the payment of principal and interest on the Bonds and the Prior Bonds, debt service, reserve, replacement and improvement requirements, and all other requirements provided herein.
- B. The Issuer will comply with applicable State laws and regulations and continually operate and maintain the System in good condition.
- C. The Issuer will cause to be maintained and kept 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. The Village Council of the Issuer shall cause an annual audit of such books and records and account for the preceding



operating year to be made by a recognized independent certified public accountant. Such audit shall be completed and so made available not later than six (6) months after the close of each operating year.

- D. The Issuer will maintain and carry, for the benefit of the holders of the Bonds, insurance on all physical properties of the System of the kind and in the amounts normally carried by municipalities engaged in the operation of municipal sanitary sewer systems. All monies received from losses under such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purposes of calling Bonds.
- E. Any extensions to or improvements of the System shall be made according to sound engineering principles and plans.
- F. The Issuer will periodically review the System's rates and charges for services to ensure that same are adequate to pay the costs of operating and maintaining the System and to provide sufficient revenue for the payment of principal and interest on the Prior Bonds and Bonds, debt service, replacement and improvement requirements, and any other necessary and reasonable expenses and charges. If the System's rates and charges are found to be insufficient to pay the aforementioned expenses and costs, the Issuer shall adjust the System's rates and charges as necessary to comply with this provision. Said review of the System's rates and charges shall be conducted at least annually.

**Section 17. Additional Bonds.** Subject to the provisions in the Prior Bonds Ordinance, the Issuer may issue additional bonds of equal standing with the Bonds for the following purposes and on the following conditions:

- A. To complete the construction of the Project according to the plans described herein, bonds in the amount necessary may be issued.
- B. For the purposes of making reasonable repair, replacement, or extension to the System, additional bonds of equal standing may be issued if ~~the Net Revenues of the System for the fiscal year preceding the year in which such additional bonds are to be issued were one hundred percent (100%) of the average annual debt service requirements on all Bonds then outstanding and, together with projected net revenues,~~ together with projected net revenues, Net Revenues will equal or exceed one hundred percent (100%) of proposed new debt service on all bonds, including the additional bonds proposed to be issued.

The funds herein established shall be applied to all additional bonds issued pursuant to this Section as if said bonds were part of the original issuance of the Bonds, and all revenues from any such extension or replacement constructed with the proceeds of an additional bond issue shall be paid to the Receiving Account mentioned in this Ordinance.

Except as otherwise specifically provided herein, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the

revenues of the System shall be incurred or issued by the Village unless the same shall be junior and subordinate in all respect to the Bonds herein authorized.

**Section 18. Ordinance Shall Constitute Contract.** The provisions of this Ordinance shall constitute a contract between the Issuer and the bondholders, and after the issuance of the Bonds this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights and interests of the holders nor shall the Issuer adopt any law, ordinance or resolution in any way adversely affecting the rights of the holders so long as the Bonds or interest thereon remains unpaid.

**Section 19. Refunding of Bonds.** If at any time it shall appear to the Government that the Issuer is able to refund upon call for redemption or with consent of the Government the then outstanding Bonds by obtaining a loan for such purposes from responsible cooperative or private credit sources at reasonable rates and terms for loans for similar purposes and periods of time, the Issuer will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government and will take all such actions as may be required in connection with such loans.

**Section 20. Ordinance Subject to Michigan Law and Governmental Regulations.** The provisions of this Ordinance are subject to the laws of the State of Michigan and to the present and future regulations of the Government not inconsistent with the express provisions hereof and Michigan law.

**Section 21. Fiscal Year of System.** The fiscal year for operating the System shall be the Fiscal Year.

**Section 22. Issuer Subject to Loan Resolution.** As long as the Government is holder of any of the Bonds, the Issuer shall be subject to the loan resolution (RUS Bulletin 1780-27) and shall comply with all provisions thereof.

**Section 23. Covenant Not to Defease.** As long as the Government is the holder of any of the Bonds, the Issuer covenants that it will not defease any of the Bonds held by the Government.

**Section 24. Approval of Bond Details.** Each Authorized Officer is 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 each 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 and to so modify the terms of this Ordinance, provided that the principal amount of Bonds issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Bonds shall not exceed 2.75%, and the Bonds shall mature in not more than forty (40) annual installments, from 2019 through 2058, inclusive.

**Section 25. Prior Bonds Authorizing Ordinance.** The Prior Bonds Authorizing Ordinance is supplemented and amended to add the provisions of this Ordinance, and, except as otherwise provided by this Ordinance, all of the provisions and covenants of the Prior Bonds Authorizing Ordinance shall apply to the Bonds issued pursuant to this Ordinance the same as though each of those provisions and covenants were repeated in this Ordinance in detail. It is the purpose of this Ordinance to authorize the issuance of additional revenue bonds to acquire and construct improvements to the System, bonds for such purpose being authorized by the provisions of the Prior Bonds Authorizing Ordinance upon compliance with the conditions precedent to the issuance of bonds as therein specified.

**Section 26. Application to Department of Treasury and Other Governmental Agencies.** The Authorized Officers, Village Council members, staff, counsel and bond counsel for the Issuer, or any of them, are authorized on behalf of the Issuer to apply for such rulings, order and approvals and file or submit such elections or other documents to any governmental agency and execute all necessary documents on behalf of the Issuer in order that the Bonds may be validly issued and the interest thereon be exempt from federal income taxation and are further hereby authorized to execute, date and deliver such other certificates, documents, instruments, and opinions and other papers as may be required or as may be necessary or convenient to effectuate the sale and delivery of the Bonds.

**Section 27. Advance Payment of Project Costs.** The advance payment for the Project is hereby approved, and the monies are authorized to be advanced from the Issuer's funds on hand, which monies will be repaid with a like amount, plus interest from the date of withdrawal, from the proceeds of the Bonds when received. The Issuer shall reimburse itself not earlier than the date on which the costs and expenses are paid and not later than the later of:

- A. the date that is eighteen (18) months after the costs and expenses are paid; or
- B. the date the Project placed in service or abandoned, but in no event more than three (3) years after the costs and expenses are paid.


**Section 28. Bond Counsel.** Thrun Law Firm, P.C., is hereby appointed as bond counsel for the Issuer with reference to the issuance of the Bonds. Further, Thrun Law Firm, P.C., has informed the Village Council that it represents no other party in the issuance of the Bonds.

**Section 29. Conflict and Severability.** All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed, and each Section of this Ordinance and each subdivision of any Section hereof is hereby declared to be independent, and the finding or holding of any Section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other Section or subdivision of this Ordinance.

**Section 30. Paragraph Headings.** The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of this Ordinance.

**Section 32. Effective Date.** This Ordinance is hereby determined by the Village Council to be immediately necessary for the preservation of the peace, health and safety of the Issuer and shall be in full force and effect from and after its passage and publication as required by law.


**APPROVED AND ENACTED** by the Village Council of the Village of Port Sanilac, County of Sanilac, State of Michigan, on May 1, 2018.



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Raymond Mach, Village President  
Village of Port Sanilac

I, Debbie Clark, Village Clerk of the Village of Port Sanilac, hereby certify that the foregoing is a true copy of the original of Ordinance No. 2018-01, enacted by the Village of Port Sanilac Village Council at a regular meeting on May 1, 2018.



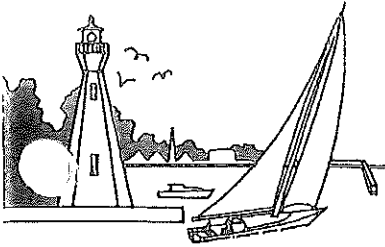
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Debbie Clark, Village Clerk  
Village of Port Sanilac

**TABLE VI: PROHIBIT MARIHUANA ESTABLISHMENTS**

<i>Ord. No.</i>	<i>Date Passed</i>	<i>Description</i>
2018-02	11-6-18	Prohibition of Marihuana Establishments





The Village of  
**Port Sanilac**

56 N. Ridge St. • Box 628 • Port Sanilac, MI 48469-0628 • Ph. (810) 622-9963 • Fax (810) 622-7801

ORDINANCE NO. 2018-02

**AN ORDINANCE TO PROHIBIT MARIHUANA ESTABLISHMENTS PURSUANT TO THE MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT, BALLOT PROPOSAL 1 OF 2018.**

The Village of Port Sanilac Ordains:

**ARTICLE I**

Section 1.01. Title: This Ordinance shall be known as the Prohibition of Marihuana Establishments.

**ARTICLE II**

Section 1.02. Purpose: This Ordinance is adopted pursuant to the proposed Ballot Initiative 1 of 2018, Michigan Regulation and Taxation of Marihuana Act, Section 6.1. The Act proposes to authorize and legalize possession, use and cultivation of marihuana/marijuana products by individuals who are at least 21 years of age and older through state-licensed retailers.

The Village of Port Sanilac, Michigan elects to prohibit marihuana/marijuana establishments and licensing within the Village of Port Sanilac boundaries. This Ordinance is adopted pursuant to the Ballot Initiative 1 of 2018, Michigan Regulation and Taxation of Marihuana Act, and pursuant to the General Law Village Act, Public Act 3 of 1895, MCL 61.1 *et seq* following its authority to regulate persons and property for the preservation of the public peace, health, safety and welfare.

**ARTICLE III**

Section 1.03. Effective Date: This Ordinance shall take effect the twentieth day after its passage or the date of publication, whichever occurs first.

**ARTICLE IV**

Section 1.04. Consistency and Repeal: All existing Ordinances or part of Ordinances are to be interpreted as consistent with this Ordinance and State of Michigan Law. Any Ordinances or parts of Ordinances in conflict with any of the provisions of this Ordinance are hereby repealed. Nothing in this Ordinance results in any prohibitions otherwise

allowed under the Michigan Regulation and Taxation of Marihuana Act, as adopted, or the Michigan Medical Marihuana Act, Initiated law 1 of 2008.

**ARTICLE V**

Section 1.05. Geographic Area: This Ordinance shall have the regulatory effect to prohibit marihuana establishments and licensing in all geographic areas of the Village of Port Sanilac, Michigan, to the fullest extent allowed by law.

**ARTICLE VI**

Section 1.06. Severability: The provisions of this Ordinance shall be deemed to be severable. The invalidity or unenforceability of any provision shall not affect the validity or enforceability of any other provision of this Ordinance.

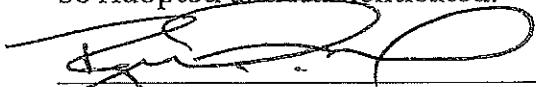
**ARTICLE VII**

Section 1.07. Code of Ordinances: A copy of this Ordinance shall be recorded in the Code of Ordinances-Table of Special Ordinances at Table VII. The Prohibition of Marihuana Establishments and available to the public during business hours at the Village Hall, 56 N. Ridge Street, P.O. Box 628, Port Sanilac, MI 48469.

ADOPTED this 6th day of November, 2018.

ATTEST AS TO ADOPTION BY THE VILLAGE OF PORT SANILAC, MICHIGAN

So Adopted and Authenticated:



Date 11/6/18

President, Raymond Mach



Date 11/6/18

Clerk, Debbie Clark

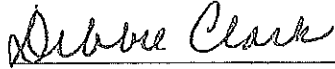
Motion to Adopt made by Council Member Ray Lange, Second by Council Member Jon Davis.

	Aye:	Nay:	Absent:
Raymond Mach, President	X	_____	_____
Marsha "Sue" Jacobs, President Pro Tem	X	_____	_____
Mike Balysh, Council Member	X	_____	_____
Sue Balysh, Council Member	X	_____	_____
Jon Davis, Council Member	X	_____	_____
Ray Lange, Council Member	X	_____	_____
Jim Southard, Council Member	X	_____	_____



Clerk, Debbie Clark, does hereby certify that the foregoing is a true and complete copy of the Ordinance adopted by a majority vote at a public meeting by the Village of Port Sanilac at a meeting held on the 6th day of November, 2018, which is on file in the Village offices located at 56 N. Ridge Street, P.O. Box 628, Port Sanilac, MI 48469.

Clerk, Debbie Clark, does hereby certify the Ordinance was published on November 14, 2018, in the Sanilac County News, a newspaper of general circulation within the Village of Port Sanilac; Michigan.



\_\_\_\_\_  
Clerk, Debbie Clark

