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Transcript of Documents in Connection with the Transfer of Bond-Financed Facilities by the City of Pontiac (the "City") to the County of Oakland (the "County") and the City of Pontiac Wastewater Treatment Facility Drainage District (the "Drainage District") and Approval Thereof by the Michigan Finance Authority (the "Authority") and the Michigan Department of Environmental Quality ("DEQ")

Dated: December 21, 2012

- A. \$3,425,000 Water Supply System Revenue Bond, Series 2010
 - 1. Supplemental Agreement among the County, the Authority and the DEQ
 - 2. County Certificate
 - 3. Legal Opinion
- B. \$15,775,000 Sewage Disposal System Revenue Bond, Series 2010
 - 4. Supplemental Agreement among the County, the Drainage District, the Authority and the DEQ
 - 5. Drainage District Certificate
 - 6. County Certificate
 - 7. Legal Opinion
- C. ✓ \$9,230,000 Sewage Disposal System Revenue Bond, Series 2011
 - 8. Supplemental Agreement among the Drainage District, the Authority and the DEQ
 - 9. Drainage District Certificate
 - 10. Legal Opinion
- D. ✓ \$495,000 Sewage Disposal System Revenue Bond, Series 2011A
 - 11. Supplemental Agreement among the County, the Authority and the DEQ
 - 12. County Certificate

- 13. Legal Opinion
- E. ✓ \$1,060,000 Sewage Disposal System Revenue Bond, Series 2011B
 - 14. Supplemental Agreement among the County, the Authority and the DEQ
 - 15. County Certificate
- F. Miscellaneous
 - 16. Certificate of Emergency Financial Manager
 - 17. Authority and DEQ Approval Re: Sewage Disposal System Revenue Bonds
 - 18. Authority and DEQ Approval Re: Water Supply System Revenue Bond

Tab 4

State Revolving Fund Program

Supplemental Agreement
Regarding

\$15,775,000

City of Pontiac, Oakland County, Michigan
Sewage Disposal System Revenue Bond, Series 2010
(the "Bond")

This Agreement is made as of December 21, 2012, among the County of Oakland, Michigan (the "County"), the City of Pontiac Wastewater Treatment Facility Drainage District (the "Drainage District"), the Michigan Finance Authority (the "Authority"), and the State of Michigan acting through the Department of Environmental Quality (the "DEQ"), in consideration for the purchase of the above-captioned Bond by the Authority.

PREMISES:

Executive Order No. 2010-2 (the "Executive Order") created the Authority as an autonomous public body corporate and politic within the Michigan Department of Treasury and transferred powers, duties, obligations, and functions from various entities (including those of the Michigan Municipal Bond Authority established under 1985 PA 227, as amended ("Act 227")) to the Authority and the Authority is empowered, among other things, to purchase obligations from Governmental Units within the State of Michigan such as the City of Pontiac (the "City"), the County and the Drainage District. Pursuant to the terms of the ordinance authorizing the issuance of the Bond, the City issued the Bond on January 22, 2010, and undertook a project as described in Exhibit B attached to this Supplemental Agreement (the "Project") which Project is a sewage treatment works or nonpoint source project, or both, as defined in Part 53, Clean Water Assistance of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994 ("Part 53"). In order to provide assistance to the City to finance the Project, the Authority purchased the Bond upon certain conditions including receipt by the Authority of an order of approval (the "Order") issued by the DEQ pursuant to the provisions of Part 53. All words and terms defined in Act 227 or Part 53 and not otherwise defined in this Agreement shall have the meanings as defined in those Acts.

The City and the County entered into the City of Pontiac Sewage Disposal System Contract dated as of April 19, 2012 (the "Act 342 Contract"), which contract provides for transfer of the City's right, title and interest in the portion of the Project that is part of the "City of Pontiac Sewage Disposal System Facilities" as described in the Act 342 Contract (the "Collection Facilities"). The Act 342 Contract further provides authorization for the County to establish rates, charges and assessments in amounts necessary for the payment of the portion of the Bond pertaining to the Collection Facilities (the "County Obligation") and for the County to covenant to the holders of the County Obligation to make payments of debt service on the County Obligation in the event such amounts are not sufficient.

The City also transferred its right, title and interest in and to the portion of the Project that is part of wastewater treatment plant facilities (the "Treatment Facilities") to the Pontiac Clinton River #2 Drain Drainage District (the "Clinton Drainage District") pursuant to the City of Pontiac Wastewater Treatment Facility Restructuring Agreement dated as of April 19, 2012 (the "Restructuring Agreement"). The Clinton Drainage District's right, title and interest in and to the Restructuring Agreement were assigned to the Drainage District pursuant to the Assignment Agreement dated as of April 19, 2012 (the "Assignment Agreement"). The Restructuring Agreement and the Assignment Agreement also provide for the Drainage District to covenant to the holders of the portion of the Bond pertaining to the Treatment Facilities (the "Drainage District Obligation") to make payments of debt service on the Drainage District Obligation in the event that payments made for the Drainage District Obligation by the City pursuant to the Restructuring Agreement are not sufficient.

In consideration of these premises and their mutual agreements, the County, the Drainage District, the Authority, and the DEQ agree as follows:

Section 1. General Covenants. The County and the Drainage District (sometimes referred to herein jointly as the "Obligors" and individually as an "Obligor") represent, warrant and covenant to the DEQ and the Authority as of the date hereof as follows:

a. Rates and charges for the services of the Project will be established, levied or collected in amounts sufficient to pay the expenses of administration, operation and maintenance of the Project and to pay the principal and interest requirements on all bonds payable from revenues of the Project, including the Bond. The County covenants to make timely payments of the principal of and interest on the County Obligation in the event that such amounts are not sufficient. The Drainage District covenants to make timely payments of the principal of and interest on the Drainage District Obligation in the event that such amounts are not sufficient.

b. The Obligors agree that the Project shall proceed in a timely fashion and will exercise their best efforts to complete the Project in accordance with the estimated Project schedule as set forth in the City's application and to provide from fiscal resources all moneys in excess of Bond proceeds necessary to complete the Project.

c. Neither the County nor the Drainage District will voluntarily sell, lease, abandon, dispose of or transfer its title to the Project or any part thereof, including lands and interest in lands, by sale, mortgage, lease or other encumbrances, without an effective assignment of obligations and the prior written approval of the Authority and the DEQ.

d. To the extent permitted by law, the Obligors shall take all actions within their control and shall not fail to take any action as may be necessary to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

e. The Obligors will take no action which would cause the Bond to be a private activity bond pursuant to Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The Obligors will make no use of Bond proceeds which would make the Bond federally

guaranteed as provided in Section 149(b) of the Code. The Obligors will keep records of the expenditure and investment of Bond proceeds as required under the Code and the regulations thereunder.

f. The Obligors will operate and maintain the Project in good repair, working order and operating condition.

g. The Obligors will maintain complete books and records relating to the construction, operation and financial affairs of the Project in accordance with generally accepted accounting principles (GAAP) and generally accepted government auditing standards (GAGAS). At the conclusion of the Project or upon notification by the DEQ, the Obligors will submit a final Project cost summary with necessary supporting documentation as required by the DEQ. The Obligors will include in their contracts for the Project notice that the contractor and any subcontractors may be subject to a financial audit as part of an overall Project audit and requirements that the contractor and subcontractors shall comply with generally accepted auditing standards.

h. Each Obligor will have an audit of its entire operations prepared by a recognized independent certified public accountant for each year in which such Obligor expended \$500,000 or more in federal assistance. The audit shall be prepared in conformance with the requirements of the Single Audit Act of 1984, as amended (31 USC section 7501 *et. seq.*) and Office of Management and Budget Circular No. A-133. Such Obligor will mail a copy of such audit and its annual financial audit to the Local Audit and Finance Division of the Michigan Department of Treasury and the Authority. The provision of federal assistance detailed in this Supplemental Agreement can be traced to Catalog of Federal Domestic Assistance (CFDA) Program No. 66.458: Capitalization Grants for Clean Water State Revolving Funds. In addition, each Obligor agrees to provide the Authority in a timely manner with all information and documents regarding such Obligor that the Authority, or its bond underwriters need to meet any Securities and Exchange Commission regulation, any industry standard or other federal or state regulation which imposes a disclosure requirement or continuing disclosure requirement relating to any Authority bond issue which was used or is needed to provide monies to the fund used to purchase the Bond. Each Obligor also agrees to provide the Authority in a timely manner with all information and documents regarding such Obligor that the Authority or its bond underwriters need to meet any Securities and Exchange Commission regulation, any industry standard or other federal or state regulation which imposes a disclosure requirement or continuing disclosure requirement relating to any other Authority bond issue which was used by the Authority to purchase an obligation of such Obligor. In furtherance of the above each Obligor also agrees that upon the request of the Authority it will promptly execute and deliver a continuing disclosure undertaking in form and substance determined by the Authority to be necessary or desirable to assist the Authority or its underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

i. The Obligors will maintain and carry insurance on all physical properties of the Project, of the kinds and in the amounts normally carried by municipalities engaged in the operation of similar 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 or for repayment of the Bond.

j. Each Obligor will notify the DEQ and the Authority within 30 days of the occurrence of any event which, in the judgment of such Obligor, will cause a material adverse change in the financial condition of the Project, or, if such Obligor has knowledge, of the system of which the Project is a part or which affects the prospects for timely completion of the Project.

k. Each Obligor agrees to comply with the disadvantaged business participation provisions of Executive Order 11625 (October 13, 1971) and Executive Order 12138 (May 18, 1979), as amended by Executive Order 12608 (September 9, 1987), whereby such Obligor will employ the six affirmative steps in its procurement efforts and assure its first tier contractors also employ these steps (40 CFR 33.301), maintain a bidders list (40 CFR 33.501), and report on its efforts to utilize Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs) (40 CFR 33.502-503), on the forms and in the manner prescribed by the DEQ, all consistent with the provisions set forth in 40 CFR Part 33.

l. The attached Exhibit A is a summary of the estimated cost of the Project, which the Obligors certify is a reasonable and accurate estimate.

m. The Obligors have has the legal, managerial, institutional, and financial capability to build, operate and maintain the Project.

n. The Obligors have, or will have prior to the start of construction, all applicable state and federal permits required for construction of the Project and will comply with the conditions set forth in such permits.

o. No undisclosed fact or event, or pending litigation, will materially or adversely affect the Project, the prospects for its completion, or the County's ability to make timely repayments on the County Obligation or the Drainage District's ability to make timely repayments on the Drainage District Obligation.

p. Each Obligor will, upon request, provide the DEQ, the United States Environmental Protection Agency (the "USEPA") and the Authority with access to the physical plant of the Project and all operational or financial records of the Project, and each Obligor will require similar authorizations from all contractors, consultants, or agents with which such Obligor negotiates an agreement.

q. All pertinent records shall be retained and available to the DEQ, the USEPA and the Authority for a minimum of 3 years after actual initiation of the operation of the Project and if litigation, a claim, an appeal, or an audit is begun before the end of the 3 year period, records shall be retained and available until the 3 years have passed or until the action is completed and resolved, whichever is longer.

r. If the Project is segmented as provided in Section 5309 of Part 53, each Obligor agrees that the remaining segments shall be completed with or without additional financial assistance from the Michigan Water Pollution Control Revolving Loan Fund.

s. If the Project involves construction or property acquisition in a special flood hazard area, each Obligor agrees to comply with the flood insurance purchase requirements of the Flood Disaster Protection Act of 1973 (Pub.L. 93-234) whereby such Obligor will purchase

flood insurance in conformance with the National Flood Insurance Program (42 USC section 4001-4128).

t. The Obligors will comply with the procurement prohibitions of Section 306 of the Clean Air Act Amendments of 1970 (42 USC section 7606) and Section 508 of the Federal Water Pollution Control Act Amendments of 1972 (33 USC section 1368), as implemented by Executive Order 11738 (September 10, 1973) whereby the Obligors certify that goods, services, and materials for the Project will not be procured from a supplier on the List of Violating Facilities published by the U.S. Environmental Protection Agency.

u. The Obligors agree to comply with the anti-discrimination provisions of Section 602, Title VI of the Civil Rights Act of 1964 (42 USC section 2000d), Section 13 of the Federal Water Pollution Control Act Amendments of 1972 (Pub.L. 92-500), Section 504 of the Rehabilitation Act of 1973 (29 USC section 794), and Section 303, Title III of the Age Discrimination Act of 1975 (42 USC section 6102) whereby the Obligors will not discriminate on the basis of race, color, national origin, sex, handicap, or age in any activity related to the Project.

v. If the Project involves the acquisition of an interest in real property or the displacement of any person, business, or farm operation, the Obligors agree to comply with the land acquisition and relocation assistance requirements of the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970 (42 USC section 4601 *et. seq.*) whereby the Obligors will follow procedures set forth in 49 CFR Part 24.

w. The Obligors agree to comply with the Hatch Act (5 USC section 1501 *et. seq.*) whereby the Obligors will ensure that employees whose principal employment activities are funded in whole or in part with moneys from the Michigan Water Pollution Control Revolving Loan Fund comply with the prohibitions set forth in 5 CFR Part 151. The Obligors also agree to comply with provisions of 40 CFR Part 34, New Restrictions on Lobbying, and understand, in accordance with the Byrd Anti-Lobbying Amendment, making a prohibited expenditure under 40 CFR Part 34 or failing to file the required certification or lobbying forms shall subject the Obligors to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

x. The Obligors agree to comply with the Davis-Bacon Act and related Acts (40 USC section 276a; 29 CFR Parts 1, 3, 5, 6 and 7). These Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public building or public works.

y. The Obligors agree to comply with Subpart C of 40 CFR Part 32, entitled "Responsibilities of Participants Regarding Transactions." The Obligors are responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 40 CFR Part 32, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. The Obligors are responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. The Obligors acknowledge that failing to disclose the information required under 40 CFR 32.335 may result in the delay or

negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.

z. The Obligors agree to comply with the equal employment opportunity provisions of Executive Order 11246 (September 24, 1965), as amended by Executive Order 11375 (October 13, 1967), and supplemented by United States Department of Labor regulations (41 CFR Part 60).

aa. If historic or archeological artifacts or remains are discovered during Project construction, the Obligors agree to immediately contact the State Historic Preservation Officer and the DEQ. The Obligors further agree to discontinue work in the vicinity of the discovery until the State Historic Preservation Officer has determined the general limits and potential significance of the site. If human remains are discovered during the Project construction, the Obligors agree to immediately contact the State Police.

bb. The Obligors will provide written notification to the DEQ identifying the actual initiation of operation of the Project within 30 days of its occurrence. The actual initiation of operation is the date when the Project becomes capable of operation for the purposes for which it was planned, designed and built.

cc. The Obligors agree to construct and operate the Project in compliance with all other applicable state and federal laws, executive orders, regulations, policies, and procedures and the covenants, assurances and certifications contained in its application for financial assistance relating to the Project. Also the Obligors will comply with all applicable requirements of all other state and federal laws, executive orders, policies, and regulations governing the program pursuant to which the Order was issued.

Section 2. Further Covenants. The Obligors agree to the covenants, if any, set forth in Exhibit C attached to this Agreement. The Obligors also agree to comply with the requirements relating to the American Recovery and Reinvestment Act of 2009 ("ARRA") as set forth in Exhibit D to the Order and to take such action as necessary to maintain the principal forgiveness with respect to the Bond as provided under ARRA.

Section 3. Statutory Compliance of Project. Based on the information supplied to the DEQ by the Obligors, the DEQ hereby certifies that the Project complies with the statutory requirements established by Part 53 for a project eligible for assistance.

Section 4. Advancement of Funds. Upon receipt by the DEQ from the County on behalf of the Obligors of a Disbursement Request in the form to be provided by the DEQ, the DEQ shall, after processing such Disbursement Request, notify the Authority of the amount of the Disbursement Request. The Authority shall withdraw from the Michigan Water Pollution Control Revolving Loan Fund established pursuant to Act 227 moneys necessary to purchase principal installments of the Bond from the Obligors in the amount processed by the DEQ.

In the event the Obligors receive disbursements for costs which, at the time of final disbursement or at the submission of final Project cost documentation or at any other time, are determined by the DEQ to be ineligible for financing from the Fund, the Obligors agree to repay the Fund all such amounts. The DEQ shall notify the Obligors in writing of any and all such

ineligible costs (the "Repayment Amount"). The Obligors agree to repay the Authority the Repayment Amount within 30 days following the receipt of written notice from the DEQ (the "Repayment Date"). If such amount is not received by the Authority by the Repayment Date, the Obligors agree that the Repayment Amount shall bear interest (the "Additional Interest") from the Repayment Date to the date of payment at the highest rate, as determined by the Authority, equal to (a) the rate of interest then earned by the common cash fund of the State of Michigan on its short term (30 day) investments, or (b) the interest rate on the Bond, or (c) the average interest rate at which the Authority's leveraged bond proceeds that funded the purchase of the Bond are invested, or such other rate as shall be determined by resolution of the Board of the Authority but in no event in excess of the maximum rate of interest permitted by law and as set forth in the notice from the DEQ to the Obligors. Such Additional Interest is in addition to the interest rate on the Bond. The Additional Interest shall continue to accrue until the Authority has been fully reimbursed for the Repayment Amount. Upon receipt by the Authority of the Repayment Amount, the Authority shall prepare a new payment schedule for the Bond which shall be effective upon receipt by the Obligors.

Section 5. Termination of Assistance. In the event the DEQ issues an order under Section 5312 or 5313 of Part 53 recommending that assistance to the Obligors be terminated for the Project, the Authority shall cease to advance funds to the Obligors pursuant to Section 4 of this Agreement. Any termination of assistance under this Agreement shall not excuse or otherwise affect the Obligors' obligation to repay principal installments of the Bond previously disbursed to the City or the Obligors or interest or premiums due thereon. If as a result of termination of assistance less than the principal amount of assistance approved by the DEQ is disbursed, the Authority shall prepare a new payment schedule, which maintains the existing level of principal installments but shortens the term of the Bond, which schedule shall be effective upon receipt by the Obligors. Any termination of assistance under this Agreement shall not relieve the Obligors of any requirements that may exist under state or federal law to construct the Project.

Section 6. Breach of Agreement. In regard to Section 1 and 2 of this Agreement, if any of the representations or warranties are untrue, or if the Obligors shall fail to perform or comply with any of the covenants of these Sections, it shall be a material breach of this Agreement.

No failure by the Authority or the DEQ to insist upon strict performance of any covenant, warranty or representation in these Sections, nor any failure on the part of the Authority or the DEQ to declare a breach, shall constitute a waiver of any such breach or a relinquishment for the future of the right to insist upon and to enforce by any appropriate legal remedy strict compliance with all of the covenants, warranties or representations, or of the right to exercise any such right or remedies, if any breach of the Obligors continue or is repeated.

Upon any such breach in addition to any other legal remedy the DEQ or the Authority may have, the DEQ can provide written notice to the Authority of such breach and the Authority shall cease to advance funds to the Obligors pursuant to Section 4 of this Agreement. Any termination of assistance under this Agreement shall not excuse or otherwise affect the Obligors' obligation to repay principal installments of the Bond previously disbursed to the City or the Obligors plus interest and premiums due thereon. If as a result of termination of assistance less


than the principal amount of assistance approved by the DEQ is disbursed, the Authority shall prepare a new payment schedule, which maintains the existing level of principal installments but shortens the term of the Bond, which schedule shall be effective upon receipt by the Obligors. Any termination of assistance under this Agreement shall not relieve the Obligors of any requirements that may exist under state or federal law to construct the Project.

Section 7. Applicable Law and Nonassignability. This Agreement shall be governed by the laws of the State of Michigan. This Agreement shall not be assigned by the Obligors.

Section 8. Severability. If any clause, provision or section of this Agreement be ruled invalid or unenforceable by any court or competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

Section 9. Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

COUNTY OF OAKLAND
(the "County")

By:  _____

John P. McCulloch

Its: Water Resources Commissioner

CITY OF PONTIAC WASTEWATER
TREATMENT FACILITY DRAINAGE
DISTRICT
(the "Drainage District")

By:  _____

John P. McCulloch

Its: Chairperson of the Drainage Board

MICHIGAN FINANCE AUTHORITY
(the "Authority")

By: _____

Its: Authorized Officer

DEPARTMENT OF ENVIRONMENTAL
QUALITY OF THE STATE OF
MICHIGAN (the "DEQ")

By: _____

Its: Authorized Officer

Supplemental Agreement
City of Pontiac, Oakland County, Michigan
Sewage Disposal System Revenue Bond, Series 2010

Section 9. Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

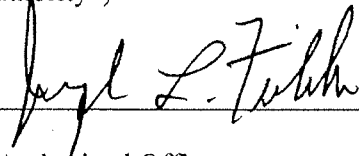
COUNTY OF OAKLAND
(the "County")

By: _____
John P. McCulloch
Its: Water Resources Commissioner

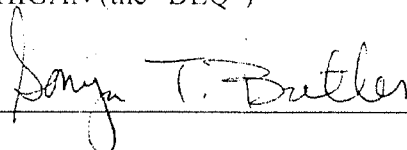
CITY OF PONTIAC WASTEWATER
TREATMENT FACILITY DRAINAGE
DISTRICT
(the "Drainage District")

By: _____
John P. McCulloch
Its: Chairperson of the Drainage Board

MICHIGAN FINANCE AUTHORITY
(the "Authority")

By: 
Its: Authorized Officer

DEPARTMENT OF ENVIRONMENTAL
QUALITY OF THE STATE OF
MICHIGAN (the "DEQ")

By: 
Its: Authorized Officer

Supplemental Agreement
City of Pontiac, Oakland County, Michigan
Sewage Disposal System Revenue Bond, Series 2010

State Revolving Fund

EXHIBIT A

Cost Summary identifying design, construction and administrative costs.

Planning Costs	\$477,118
User Charge System Development Costs	\$0
Design Engineering Cost	\$1,011,497
Legal/Financial Service Fees	\$29,500
Administrative Costs	\$0
Bond Counsel Fees	\$24,500
Bond Advertisement Fees	\$4,402
Bld Advertisement Costs	\$13,740
Capitalized Interest	\$0
Land Acquisition/Relocation Costs	\$0
Land Purchase Costs	\$0
Construction Engineering Costs	\$1,330,386
Construction Costs (bid contracts)	\$11,989,143
Construction Costs (force account)	\$0
Equipment Costs	\$0
Other Project Costs	\$0
Contingencies	\$894,714
LESS other Sources of Funding	(\$0)
TOTAL PROJECT COSTS APPROVED (rounded to nearest \$5,000)	\$15,775,000

State Revolving Fund

EXHIBIT B

Project description, referencing the permit required by 1994 PA 451, Part 41.

Permit Numbers: 1005397 Issued on October 20, 2009
 1005749 Issued on October 20, 2009
 1005778 Issued on October 21, 2009
 1005779 Issued on October 22, 2009
 1005795 Issued on October 21, 2009
 1005796 Issued on October 22, 2009
 1005798 Issued on October 20, 2009
 1005799 Issued on October 20, 2009
 1005800 Issued on October 21, 2009
 1005804 Issued on October 22, 2009
 1005806 Issued on October 23, 2009
 1005807 Issued on October 23, 2009
 1005808 Issued on October 23, 2009
 1005809 Issued on October 20, 2009

Project Description:

The project consists of fourteen contracts, which include repairs and improvements to both the Auburn and East Boulevard wastewater treatment plants (i.e., lagoon storage liner, primary clarifiers, aeration blowers, pumps, electrical, equipment, etc.), upgrades to pump stations, as well as collection system rehabilitation (i.e., manhole repairs, sewage relining, point repairs, sewer replacement, etc., for removal of infiltration and inflow) to address surcharges and overflows to the Clinton River during wet-weather periods.

State Revolving Fund
EXHIBIT C

Additional special conditions.

1. Financial assistance authorized by this Order of Approval is conditioned upon receipt by the Michigan Municipal Bond Authority (the "Authority") by January 11, 2010, or such other date approved by the Authority, of all documentation necessary to satisfy the Authority's municipal obligation purchase requirements as set forth in the Shared Credit Rating Act, 1985 PA 227, as amended.
2. Financial assistance authorized by this Order of Approval is conditioned upon issuance, by the applicant or owner, of a Notice to Proceed, to the successful bidder(s) on the project construction contract(s) on or before February 17, 2010.
3. Since the scope of the project is a segment of a "treatment works," the financial assistance authorized by this Order of Approval is awarded pursuant to Section 5309(b) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. The applicant agrees that all segments identified in the project plan approved by the Department of Environmental Quality shall be completed with or without additional financial assistance from the State Revolving Fund in accordance with the schedule contained in the project plan or as incorporated in applicable permits, order and agreements.
4. Financial assistance authorized by this Order of Approval is in part supported by funding from the American Recovery and Reinvestment Act of 2009 and includes loan principal forgiveness, not to exceed, the lesser of \$6,080,000 or 40 percent of final allowable project cost.

Tab 5

State Revolving Fund Program

CERTIFICATE FOR BONDS FINANCED
THROUGH THE STATE WATER POLLUTION CONTROL
REVOLVING FUND OF THE STATE OF MICHIGAN

This Certificate is delivered by the undersigned on behalf of the City of Pontiac Wastewater Treatment Facility Drainage District, County of Oakland, Michigan (the "Drainage District") in connection with the issuance by the City of Pontiac, Oakland County, Michigan (the "City") of its Sewage Disposal System Revenue Bond, Series 2010 (the "Bond") on January 22, 2010 and the sale of the Bond to the Michigan Finance Authority (the "Authority"). The project financed by the proceeds of the Bond (the "Project") has been certified by the Department of Environmental Quality (the "DEQ") as eligible for financing from the State Water Pollution Control Revolving Fund.

The City and the County of Oakland (the "County") entered into the City of Pontiac Sewage Disposal System Contract dated as of April 19, 2012 (the "Act 342 Contract"), which contract provides for transfer of the City's right, title and interest in the portion of the Project that is part of the "City of Pontiac Sewage Disposal System Facilities" as described in the Act 342 Contract (the "Collection Facilities"). The Act 342 Contract further provides authorization for the County to establish rates, charges and assessments in amounts necessary for the payment of the portion of the Bond pertaining to the Collection Facilities (the "County Obligation") and for the County to covenant to the holders of the County Obligation to make payments of debt service on the Bond in the event such amounts are not sufficient.

The City also transferred its right, title and interest in and to the portion of the Project that is part of wastewater treatment plant facilities (the "Treatment Facilities") to the Pontiac Clinton River #2 Drain Drainage District (the "Clinton Drainage District") pursuant to the City of Pontiac Wastewater Treatment Facility Restructuring Agreement dated as of April 19, 2012 (the "Restructuring Agreement"). The Clinton Drainage District's right, title and interest in and to the Restructuring Agreement were assigned to the Drainage District pursuant to the Assignment Agreement dated as of April 19, 2012 (the "Assignment Agreement"). The Restructuring Agreement and the Assignment Agreement also provide for the Drainage District to covenant to the holders of the portion of the Bond pertaining to the Treatment Facilities (the "Drainage District Obligation") to make payments of debt service on the Bond in the event that payments made for the Drainage District Obligation by the City pursuant to the Restructuring Agreement are not sufficient.

The Drainage District and warrants to, and agrees with, the Authority and the DEQ as of the date of this Certificate:

1. The Drainage District is duly organized and existing under the laws of the State of Michigan. The undersigned is on the date hereof the duly elected or appointed, acting and qualified incumbent of the office of the Drainage District set below his name.
2. The Drainage District has full legal right, power and authority to enter into the Assignment Agreement, and the Drainage District has duly authorized and approved the

execution and delivery of and the performance by the Drainage District of its obligations contained in the Assignment Agreement. The Drainage District hereby acknowledges the transfer of the City's right, title and interest in and to the Collection Facilities to the County District pursuant to the Act 342 Contract.

3. No further authorization or approval is required for the execution and delivery of the Assignment Agreement on behalf of the Drainage District by its governing body, and the Assignment Agreement constitutes a legal, valid and binding obligation of the Drainage District, enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought; and, except as may be required under the blue sky or securities laws of any state (as to which no representation or warranty is given) no further authorization or approval is required for the performance by the Drainage District of its obligations thereunder.

4. The Drainage District certifies: (i) if it is the owner or operator of an oceangoing vessel or a nonoceangoing vessel that it is in compliance with the requirements of §3103a of the NREPA, 1994 PA 451, as amended, MCL 324.3103a, and is on the applicable list prepared under MCL 324.3103a(4) and (ii) if it has contracts for the transportation of cargo with an oceangoing or nonoceangoing vessel operator that operator(s) is/are on an applicable list prepared under MCL 324.3103a(4).

5. Proceeds of the Bond will be applied to (i) the financing of the Project or a portion thereof as set forth in the ordinance authorizing the issuance of the Bond or (ii) to reimburse the City or the Drainage District for a portion of the cost of the Project which was incurred in anticipation of Bond proceeds and which is eligible for reimbursement in accordance with Treasury Regulation 1.150-2. The Drainage District will expend the proceeds of each disbursement of the Bond for the governmental purpose for which the Bond was issued within five banking days of receipt. Proceeds of the Bond shall not be used to refund (as defined in Treasury Regulation 1.150-1 (d)) other outstanding obligations without the prior written consent of the Authority.

6. To the extent permitted by law, the Drainage District shall take all actions within its control and shall not fail to take any action as may be necessary to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

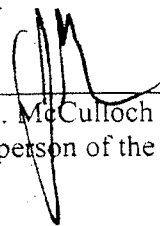
7. The Drainage District will take no action which would cause the Bond to be "private activity bond" within the meaning of Section 141(a) of the Internal Revenue Code of 1986 as amended and any other successor provision, act or statute and the regulations from time to time promulgated or proposed thereunder (the "Code"). The Drainage District will make no use of Bond proceeds which would make the Bond an obligation guaranteed by the United States of America, as provided in Section 149(b) of the Code.

8. The Drainage District hereby covenants and agrees for the benefit of the owners of the Bond that will comply with the applicable requirements of Section 149 of the Code.

IN WITNESS WHEREOF, I have signed this Certificate on December 21, 2012.

CITY OF PONTIAC WASTEWATER
TREATMENT FACILITY DRAINAGE
DISTRICT

By


John P. McCulloch

Its: Chairperson of the Drainage Board

Tab 6

State Revolving Fund Program

CERTIFICATE FOR BONDS FINANCED
THROUGH THE STATE WATER POLLUTION CONTROL
REVOLVING FUND OF THE STATE OF MICHIGAN

This Certificate is delivered by the undersigned on behalf of the County of Oakland, Michigan (the "County") in connection with the issuance by the City of Pontiac, Oakland County, Michigan (the "City") of its Sewage Disposal System Revenue Bond, Series 2010 (the "Bond") on January 22, 2010 and the sale of the Bond to the Michigan Finance Authority (the "Authority"). The project financed by the proceeds of the Bond (the "Project") has been certified by the Department of Environmental Quality (the "DEQ") as eligible for financing from the State Water Pollution Control Revolving Fund.

The City and the County entered into the City of Pontiac Sewage Disposal System Contract dated as of April 19, 2012 (the "Act 342 Contract"), which contract provides for transfer of the City's right, title and interest in the portion of the Project that is part of the "City of Pontiac Sewage Disposal System Facilities" as described in the Act 342 Contract (the "Collection Facilities"). The Act 342 Contract further provides authorization for the County to establish rates, charges and assessments in amounts necessary for the payment of the portion of the Bond pertaining to the Collection Facilities (the "County Obligation") and for the County to covenant to the holders of the County Obligation to make payments of debt service on the Bond in the event such amounts are not sufficient.

The City also transferred its right, title and interest in and to the portion of the Project that is part of wastewater treatment plant facilities (the "Treatment Facilities") to the Pontiac Clinton River #2 Drain Drainage District (the "Clinton Drainage District") pursuant to the City of Pontiac Wastewater Treatment Facility Restructuring Agreement dated as of April 19, 2012 (the "Restructuring Agreement"). The Clinton Drainage District's right, title and interest in and to the Restructuring Agreement were assigned to the City of Pontiac Wastewater Treatment Facility Drainage District (the "Drainage District") pursuant to the Assignment Agreement dated as of April 19, 2012 (the "Assignment Agreement"). The Restructuring Agreement and the Assignment Agreement also provide for the Drainage District to covenant to the holders of the portion of the Bond pertaining to the Treatment Facilities (the "Drainage District Obligation") to make payments of debt service on the Bond in the event that payments made for the Drainage District Obligation by the City pursuant to the Restructuring Agreement are not sufficient.

The County represents and warrants to, and agrees with, the Authority and the DEQ as of the date of this Certificate:

1. The County is duly organized and existing under the laws of the State of Michigan. The undersigned is on the date hereof the duly elected or appointed, acting and qualified incumbent of the office of the County set below his name.

2. The County has full legal right, power and authority to enter into the Act 342 Contract, and the County has duly authorized and approved the execution and delivery of and the performance by the County of its obligations contained in the Act 342 Contract. The County

hereby acknowledges the transfer of the City's right, title and interest in and to the Treatment Facilities to the Drainage District pursuant to the Restructuring Agreement and the Assignment Agreement.

3. No further authorization or approval is required for the execution and delivery of the Act 342 Contract on behalf of the County by its governing body, and the Act 342 Contract constitutes a legal, valid and binding obligation of the County, enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought; and, except as may be required under the blue sky or securities laws of any state (as to which no representation or warranty is given) no further authorization or approval is required for the performance by the County of its obligations thereunder.

4. The County certifies: (i) if it is the owner or operator of an oceangoing vessel or a nonoceangoing vessel that it is in compliance with the requirements of §3103a of the NREPA, 1994 PA 451, as amended, MCL 324.3103a, and is on the applicable list prepared under MCL 324.3103a(4) and (ii) if it has contracts for the transportation of cargo with an oceangoing or nonoceangoing vessel operator that operator(s) is/are on an applicable list prepared under MCL 324.3103a(4).

5. Proceeds of the Bond will be applied to (i) the financing of the Project or a portion thereof as set forth in the ordinance authorizing the issuance of the Bond or (ii) to reimburse the City or the County for a portion of the cost of the Project which was incurred in anticipation of Bond proceeds and which is eligible for reimbursement in accordance with Treasury Regulation 1.150-2. The County will expend the proceeds of each disbursement of the Bond for the governmental purpose for which the Bond was issued within five banking days of receipt. Proceeds of the Bond shall not be used to refund (as defined in Treasury Regulation 1.150-1 (d)) other outstanding obligations without the prior written consent of the Authority.

6. To the extent permitted by law, the County shall take all actions within its control and shall not fail to take any action as may be necessary to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

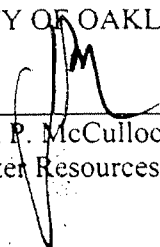
7. The County will take no action which would cause the Bond to be "private activity bond" within the meaning of Section 141(a) of the Internal Revenue Code of 1986 as amended and any other successor provision, act or statute and the regulations from time to time promulgated or proposed thereunder (the "Code"). The County will make no use of Bond proceeds which would make the Bond an obligation guaranteed by the United States of America, as provided in Section 149(b) of the Code.

8. The County hereby covenants and agrees for the benefit of the owners of the Bond that will comply with the applicable requirements of Section 149 of the Code.

IN WITNESS WHEREOF, I have signed this Certificate on December 21, 2012.

COUNTY OF OAKLAND

By


John P. McCulloch

Its: Water Resources Commissioner

Tab 7



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TROY, MI 48064-3312
TELEPHONE: (248) 433-7200
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<http://www.dickinsonwright.com>

December 21, 2012

Michigan Finance Authority
Lansing, Michigan

**Re: \$15,775,000 City of Pontiac Sewage Disposal System Revenue Bond,
Series 2010 (the "Bond")**

We are providing this opinion letter to you in connection with the transfer by the City of Pontiac (the "City") of its right, title and interest in and to (i) the sewage disposal collection facilities financed with the proceeds of the Bond (the "Collection Facilities") to the County of Oakland (the "County") pursuant to the City of Pontiac Sewage Disposal System Contract between the City and the County dated as of April 19, 2012 (the "Act 342 Contract") and (ii) the sewage disposal treatment facilities financed with the proceeds of the Bond (the "Treatment Facilities") to the City of Pontiac Wastewater Treatment Facility Drainage District (the "Drainage District") pursuant to the City of Pontiac Wastewater Treatment Facility Restructuring Agreement dated as of April 19, 2012 between the City and the Pontiac Clinton River #2 Drain Drainage District and the Assignment Agreement dated as of April 19, 2012 between the Pontiac Clinton River #2 Drain Drainage District and the Drainage District (collectively, the "Restructuring Documents"). The Bond was issued by the City and delivered to the Michigan Municipal Bond Authority on January 22, 2010 (the "Issuance Date"). The Drainage District issued its Drain Bonds, Series 2012A (Taxable) and its Drain Bonds, Series 2012B (Tax-Exempt) (collectively, the "Drain Bonds") on August 23, 2012 for the purpose of funding its acquisition of the Treatment Facilities from the City on the date thereof. The County has covenanted to make timely payments of the principal of and interest on that portion of the Bond relating to the Collection Facilities and the Drainage District has covenanted to make timely payments of the principal of and interest on that portion of the Bond relating to the Treatment Facilities, in certain circumstances, pursuant to the Supplemental Agreement dated as of December 21, 2012 among the County, the Drainage District, the Michigan Finance Authority and the State of Michigan acting through the Department of Environmental Quality (the "Supplemental Agreement").

In rendering this opinion, we have reviewed (i) the Act 342 Contract, (ii) the Restructuring Documents, (iii) the Supplemental Agreement and (iv) such other documents as we deem appropriate or necessary to enable us to render this opinion.

For purposes of this opinion, we have, with your permission, assumed, without investigation, verification or inquiry, the following:

Michigan Finance Authority
December 21, 2012
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(a) the legal capacity of all natural persons; the genuineness of all signatures; the authenticity and completeness of all documents submitted to us as originals; the conformity to original documents of all documents submitted to us as certified, telecopied, facsimile or photostatic copies; the authenticity and completeness of the originals of such copies; and the absence of any understandings, waivers, or amendments which would vary the terms of any of the documents which we have examined or which would have an effect on the opinions rendered herein;

(b) as of the Issuance Date, under existing statutes, regulations, rulings and judicial decisions, (i) the interest on the Bond was excluded from gross income for federal income tax purposes and (ii) the Bond and the interest thereon were exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof; and

(c) no facts, acts or changed circumstances (other than the transfer of ownership of the Collection Facilities to the County and the Treatment Facilities to the Drainage District, the issuance by the Drainage District of the Drain Bonds or the covenants of the County and the Drainage District to make timely payments of the principal of and interest on their respective portions of the Bond as described herein) have occurred since the Issuance Date which would adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes or the exemption of the Bond and the interest thereon from all taxation in the State of Michigan (except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof).

Based upon the foregoing and subject to the qualifications stated herein, it is our opinion that the transfer by the City of its right, title and interest in and to the Collection Facilities to the County pursuant to the Act 342 Contract and the Treatment Facilities to the Drainage District pursuant to the Restructuring Documents, the issuance by the Drainage District of the Drain Bonds and the covenants by the County and the Drainage District to make timely payments of the principal of and interest on their respective portions of the Bond as described herein pursuant to the Supplemental Agreement do not, in and of themselves, adversely affect (i) the exclusion of the interest on the Bond from the gross income of the holders thereof for federal income tax purposes or (ii) the exemption of the Bond and the interest thereon from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. We express no opinion whether, as of this date, the interest on the Bond is excluded from the gross income of the holders thereof for federal income tax purposes or the Bond and the interest thereon are exempt from taxation in the State of Michigan.

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December 21, 2012
Page 3

DICKINSON WRIGHT PLLC

This letter is intended for the information solely of the party to whom it is addressed and is not to be quoted in whole or part or otherwise referred to in any document or to be filed with any governmental or other administrative agency or other person for any purpose without the prior written consent of the undersigned, except as required by law or regulatory authority.

Very truly yours

Dickinson Wright PLLC

BLOOMFIELD 12840-357 1243920v1