NEW ISSUE RATING [1]: Standard & Poor's Ratings Services "AA"(Build America Mutual), "A-" (Underlying)
BOOK-ENTRY-ONLY (See "BOND INSURANCE" and "RATING INFORMATION" herein)

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Village, the interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes and the Series 2014 Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" and "FORM OF APPROVING OPINION" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Series 2014 Bonds for certain Bondholders.

The Series 2014 Bonds have been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to Section 265(b)(3) of the Code.

$4,185,000
VILLAGE OF HOLLY
COUNTY OF OAKLAND, STATE OF MICHIGAN
WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2014

Dated Date ---- April 15, 2014
Principal Due ---- October 1, as shown below
Denomination ---- $5,000 or any integral multiple thereof not exceeding the amount of any single maturity
Registration ---- Book-Entry-Only
Interest ---- Payable October 1, 2014 and semi-annually thereafter
Transfer Agent ---- U.S. Bank National Association, Detroit, Michigan

The Wastewater System Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds") are being issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), Ordinance Nos. 368 and 423, adopted by the Village Council (the "Ordinances") of the Village of Holly, County of Oakland, State of Michigan (the "Village") and a duly authorized Sale Order, for the purpose of refunding all of the Village's Wastewater System Revenue Bonds, Series 2004, dated September 1, 2004, (the "Series 2004 Bonds") maturing on October 1, in the years 2015 through 2025, inclusive (the "Bonds to be Refunded"), and to pay cost of issuance incurred with respect to the Series 2014 Bonds. The aggregate principal amount of the Bonds to be Refunded as of the date of this Official Statement is $4,450,000.

The Series 2014 Bonds are not a general obligation of the Village. The Series 2014 Bonds are payable solely from the net revenues of the Village's Wastewater System (the "System") and any additions thereto, and a statutory first lien on said revenues has been established by said Ordinances, which lien is equal in standing and priority with the Village's outstanding Wastewater System Revenue Bonds, Series 2004. The Village has covenanted and agreed to fix and maintain at all times while any of such Series 2014 Bonds shall be outstanding such rates for services furnished by the System as shall be sufficient to provide for payment of the necessary expenses of operation, maintenance and administration of the System, of the principal and interest on all of said Series 2014 Bonds when due, the Series 2004 Bonds, and any additional bonds of equal standing, to create and maintain a Bond Reserve Account therefor, and to provide for such other expenditures and funds for the System as are required by said Ordinances.

The rights or remedies of Bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY. See "BOND INSURANCE" and Appendix H herein.

MATURITY SCHEDULE

CUSIP [3]	Year	Amount	Interest Rate	Reoffering Rate	CUSIP [3]	Year	Amount	Interest Rate	Reoffering Rate	CUSIP [3]	Year	Amount	Interest Rate	Reoffering Rate
436093 AV0	2015	$360,000	2.000%	0.550%	436093 AZ1	2019	$380,000	2.500%	1.870%	436093 BD9	2023	$405,000	3.500%	3.170% [2]
436093 AW8	2016	355,000	2.000	0.720	436093 BA5	2020	375,000	3.000	2.270	436093 BE7	2024	450,000	4.000	3.310 [2]
436093 AX6	2017	350,000	2.000	1.100	436093 BB3	2021	370,000	3.250	2.670	436093 BF4	2025	440,000	4.000	3.450 [2]
436093 AY4	2018	340,000	2.250	1.530	436093 BC1	2022	360,000	3.500	3.000					

Certain Series 2014 Bonds are subject to optional redemption prior to maturity. See "REDEMPTION PROVISIONS –Optional Redemption", herein.

This cover page contains certain information for quick reference only. It is not intended to be a summary of the terms of this bond issue. Investors are instructed to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2014 Bonds are offered when, as and if issued by the Village and accepted by the Underwriter, subject to the approving legal opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel, a copy of which opinion will be delivered with the Series 2014 Bonds. The Village expects to have the Series 2014 Bonds ready for delivery through The Depository Trust Company in New York, New York, on April 15, 2014.

Underwriter:
COMERICA SECURITIES, INC.

The date of this Official Statement is March 19, 2014

[1] As of Date of Delivery
[2] Reoffering Rate to October 1, 2022, first call date.

The Series 2014 Bonds have not been registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, or registered in any state and will not be listed on any stock or other securities exchange. Neither the SEC nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2014 Bonds for sale, except as disclosed herein.

No dealer, salesman or any other person has been authorized to give any information or to make any representation, other than the information and representations contained herein, in connection with the offering of the Series 2014 Bonds and, if given or made, such information or representations must not be relied upon.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to whom it is unlawful to make such offer or solicitation. The information set forth herein has been provided by the Village, The Depository Trust Company, Build America Mutual Assurance Company ("BAM") and other sources which are believed to be reliable. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information (except for the information under section captioned "UNDERWRITING" which was obtained from the Underwriter). No representation, warranty or guaranty is made by the Underwriter as to the accuracy or completeness of any information in this Official Statement, and nothing contained in this Official Statement shall be relied upon as a promise or representation by the Underwriter. The Transfer Agent has not participated in the preparation of this Official Statement and assumes no responsibility for this Official Statement.

BAM makes no representation regarding the Series 2014 Bonds or the advisability of investing in the Series 2014 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and Appendix H- Specimen Municipal Bond Insurance Policy.

All summaries contained in this Official Statement are subject in all respects to the complete statute, regulation, rule, court decision or report. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor the sale made hereunder shall under any circumstance create any implication that there has been no change in the affairs of the Village since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2014 BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE VILLAGE 'S FINANCIAL RECORDS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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THE SERIES 2014 BONDS

$4,185,000
VILLAGE OF HOLLY
COUNTY OF OAKLAND, STATE OF MICHIGAN
WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2014

INTRODUCTION

The purpose of this Official Statement is to set forth information concerning the Village of Holly, County of Oakland, State of Michigan (the "Village"), and the Village's Wastewater System Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds") in connection with the sale of the Series 2014 Bonds by the Village. Information describing the Series 2014 Bonds, summarized on the cover, is part of the Official Statement.

The Series 2014 Bonds are being issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), Ordinance Nos. 368 and 423 adopted by the Village Council (the "Ordinances") and a duly authorized Sale Order.

THE FINANCING

PURPOSE OF THE SERIES 2014 BONDS

The Series 2014 Bonds are being issued for the purpose of refunding all of the Village's Wastewater System Revenue Bonds, Series 2004, dated September 1, 2004 (the "Series 2004 Bonds") maturing on October 1, in the years 2015 through 2025, inclusive (the "Bonds to be Refunded"), and to pay cost of issuance incurred with respect to the Series 2014 Bonds. The aggregate principal amount of the Bonds to be Refunded as of the date of this Official Statement is $4,450,000. The refunding is being undertaken to lower interest costs and to reduce the Village's annual debt service requirements. Proceeds of the Series 2004 Bonds were used to pay the costs of certain improvements to the Village's wastewater system (the "System").

PLAN OF REFUNDING

The Series 2014 Bonds are being issued for the purpose of refunding the Bonds to be refunded and to pay the cost of issuance of the Series 2014 Bonds. Certain proceeds of the Series 2014 Bonds, together with other monies transferred by the Village at the time of delivery of the Series 2014 Bonds, after the payment of the issuance cost, shall be deposited with U.S. Bank National Association, Detroit, Michigan (the "Escrow Agent"), in a fund separate from all other funds (the "Escrow Fund"). The Escrow Fund will consist of cash and non-callable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the "Government Obligations"). The Escrow Fund, pursuant to an escrow agreement (the "Escrow Agreement"), will be used to provide for the payment of the principal of and interest on the Bonds to be Refunded upon call for redemption on October 1, 2014. The Escrow Fund will be such that the cash and the Government Obligations will be sufficient, without reinvestment, to pay the principal of and interest on the Bonds to be Refunded at the first call for redemption. Any remaining balance in the Escrow Fund shall be transferred to the Series 2014 Bond and Interest Redemption Fund and held solely for payment of current debt service on the Series 2014Bonds.

Verification of mathematical computations relating to adequacy of the Escrow Fund will be provided by Robert Thomas CPA, LLP, Shawnee Mission, Kansas, independent certified public accountants. See "VERIFICATION", herein.

PRINCIPAL OF AND INTEREST ON THE BONDS TO BE REFUNDED TO BE PAID FROM THE ESCROW FUND

Date	Principal to Escrow	Interest To Escrow	Debt Service to Escrow
October 1, 2014	$ 4,450,000.00	$ 100,262.50	$ 4,550,262.50
Total	**$ 4,450,000.00**	**$ 100,262.50**	**$ 4,550,262.50**

SOURCES AND USES OF FUNDS

Sources of Funds	
Par Amount of Bonds	$4,185,000.00
Original Issue Premium	146,554.30
Contribution from 2004 Bonds, Bond and Interest Redemption Fund (1)	7,798.19
Contribution from 2004 Bond Reserve Account	323,557.00
Total Sources of Funds	$4,662,909.49
Uses of Funds	
Deposit to Escrow Fund	$4,548,998.75
Underwriter's Discount (.875%)	36,618.75
Costs of Issuance (2)	77,291.99
Total Uses of Funds	$4,662,909.49

[1] The Village will contribute the interest due on the Bonds to be Refunded on the day of closing for the Series 2014 Bonds.
[2] Includes, but is not limited to, financial, legal, bond insurance and rating fee.

DESCRIPTION AND FORM OF THE SERIES 2014 BONDS

The Series 2014 Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of $5,000 or any integral multiple thereof. The Series 2014 Bonds will be dated April 15, 2014 and will bear interest from that date. Interest on the Series 2014 Bonds shall be payable on October 1, 2014 and semiannually each April 1 and October 1 thereafter prior to maturity or optional redemption. Interest on the Series 2014 Bonds shall be computed using a 360-day year with twelve 30-day months, and the Series 2014 Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

U.S. Bank National Association, Detroit, Michigan, or its successor will serve as paying agent (the "Transfer Agent") and also as bond registrar and transfer agent if the Series 2014 Bonds cease to be held in book-entry-only form. For a description of payment of principal and interest, transfers and exchanges and notice of redemption on the Series 2014 Bonds which are held in the book-entry-only system, see "*Book-Entry-Only System*" below. In the event the Series 2014 Bonds cease to be held in the book-entry-only system, then interest on the Series 2014 Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date, the registered owner of record, at the owner's registered address. See "*Transfer Outside Book-Entry-Only System*" herein.

REDEMPTION PROVISIONS

OPTIONAL REDEMPTION

Series 2014 Bonds maturing in the years 2015 to 2022, inclusive, shall not be subject to optional redemption prior to maturity.

Series 2014 Bonds or portions thereof in multiples of $5,000, maturing in the years 2023 through final maturity, inclusive, shall be subject to redemption prior to maturity, at the option of the Village, in any order of maturity and within any maturity by lot, on any date on or after October 1, 2022, at par and accrued interest to the date fixed for redemption.

NOTICE OF EFFECT AND REDEMPTION

If any Series 2014 Bonds are called for redemption, the Transfer Agent, on behalf of the Village, shall give notice of such redemption at least 30 days prior to the date fixed for redemption. As described herein under "Book-Entry-Only System", as long as the Series 2014 Bonds are registered in the name of DTC or its nominee, redemption notices will be given to DTC only. Conveyance of notices by DTC to DTC Participants and Indirect Participants and, in turn, by the DTC Participants and Indirect Participants to Beneficial Owners (as defined in "Book-Entry-Only System") will be governed by arrangements among them. No further interest on the Series 2014 Bonds called for redemption shall accrue after the date fixed for redemption, whether the Series 2014 Bonds are presented for redemption or not, provided the Village has money available for such redemption.

BOOK-ENTRY-ONLY SYSTEM

The information in this section has been furnished by The Depository Trust Company, New York, New York ("DTC"). No representation is made by the Village, the Transfer Agent or the Underwriter as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the Village, the Transfer Agent or the Underwriter to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Village nor the Transfer Agent will have any responsibility or obligation to DTC Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Series 2014 Bonds, or for any principal, premium, if any, or interest payment thereof.

DTC will act as securities depository for the Series 2014 Bonds. The Series 2014 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Series 2014 Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2014 Bonds, except in the event that use of the book-entry system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2014 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2014 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of the Series 2014 Bonds may wish to ascertain that the nominee holding the Series 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Series 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Series 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Transfer Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Transfer Agent, or Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Village or Transfer Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the Village or the Transfer Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to the Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

TRANSFER OUTSIDE BOOK-ENTRY-ONLY SYSTEM

In the event that the book-entry-only system is discontinued, the following provisions would apply to the Series 2014 Bonds. The Transfer Agent shall keep the registration books for the Series 2014 Bonds (the "Bond Register") at its corporate trust office. Subject to the further conditions contained in the Ordinances, the Series 2014 Bonds may be transferred or exchanged for one or more Series 2014 Bonds in different authorized denominations upon surrender thereof at the corporate trust office of the Transfer Agent by the registered owners or their duly authorized attorneys; upon surrender of any Series 2014 Bonds to be transferred or exchanged, the Transfer Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations; the Village and the Transfer Agent shall be entitled to treat the registered owners of the Series 2014 Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owners of such Series 2014 Bonds for all purposes under the Ordinances. No transfer or exchange made other than as described above and in the Ordinances shall be valid or effective for any purposes under the Ordinances.

AUTHORITY

The Series 2014 Bonds are being issued pursuant to the provisions of Act 94 and the Ordinances.

MUNICIPAL FINANCE QUALIFYING STATEMENT

The Village has filed a Qualifying Statement for the fiscal year ended June 30, 2013. The Michigan Department of Treasury has determined that the Village is in material compliance with the criteria identified in Section 303 (3) of Act 34. Therefore, the Village may proceed to issue the Series 2014 Bonds without any further approval of the Michigan Department of Treasury.

SECURITY

PLEDGE OF NET REVENUES

The Series 2014 Bonds and the interest thereon are payable solely from the Net Revenue of the System and to secure such payment, the Village has established a statutory first lien upon the whole of the Net Revenue of equal standing and priority with the statutory lien established in the Ordinances for the benefit of the Series 2004 Bonds, to continue until payment in full of the principal of and interest on the Series 2014 Bonds. See APPENDIX A "ORDINANCE NOS. 368 and 423" herein.

The Series 2014 Bonds are not a general obligation of the Village, and do not constitute indebtedness of the Village within the meaning of any constitutional, statutory or charter limitation. Neither the full faith and credit nor the taxing power of the Village is pledged to the payment of the principal of or interest on the Series 2014 Bonds.

BONDHOLDERS' RIGHTS; RECEIVER

The holder or holders of the Series 2014 Bonds representing in the aggregate not less than 20% of the entire principal amount thereof then outstanding, may, by suit, action, mandamus, or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Village, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the net revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

The holder or holders of the Series 2014 Bonds shall have all other rights and remedies given by Act 94 and law for the payment and enforcement of the Series 2014 Bonds and security therefor.

CONTINUING RATE COVENANT

The rates presently in effect in the Village are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Series 2014 Bonds as the same become due and payable, and to provide for all other obligations, expenditures and funds for the System required by law and the Ordinances. In addition, the Village has covenanted that the rates shall be set from time to time so that there shall be produced each fiscal year, Net Revenues in an amount equal to 110% of the principal of and interest on the Series 2014 Bonds and any additional bonds of equal standing and priority coming due in such fiscal year. The rates shall be reviewed not less than once a year and shall be fixed and revised from time to time as may be necessary to produce these amounts, and the Village has covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Bond Reserve Account

The Village has established a separate account known as the BOND RESERVE ACCOUNT (the "Bond Reserve Account"). Upon delivery of the Series 2014 Bonds, there shall be deposited from the proceeds of the Series 2014 Bonds an amount equal to the lesser of (i) the maximum annual principal and interest requirements on the Series 2014 Bonds, (ii) 125% of the average annual debt service on the Series 2014 Bonds, or (iii) 10% of the principal amount of the Series 2014 Bonds (the "Reserve Amount"). Interest on the Bond Reserve Account must be transferred into the Redemption Fund once the Reserve Amount has been reached.

Except as provided in the Ordinances, the moneys credited to the Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums (if any) and interest on the Series 2014 Bonds as to which there would otherwise be a default. If at any time it shall be necessary to use moneys credited to the Bond Reserve Account for such payment, then the moneys so used shall be replaced from the Net Revenues first received thereafter which are not required for current principal and interest requirements until the amount on deposit equals the Reserve Amount.

For a complete description of the funds and accounts and flow of funds, reference is made to the Ordinances. See APPENDIX A – ORDINANCE NOS. 368 AND 423.

ADDITIONAL BONDS

The Village has reserved the right to issue additional Bonds payable from the revenues of the System of equal standing and priority of lien as to the net revenues with the Series 2014 Bonds but only for the following purposes and under the following terms and conditions:

(a) For repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part of any Bonds then outstanding or for both purposes, and for paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. Bonds for such purposes shall not be issued pursuant to this subparagraph (a) unless the average Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve- month operating year, if the same shall be lower than the average, shall be equal to at least one hundred twenty percent (120%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Bonds and on the additional Bonds then being issued. If the additional Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the additional Bonds. For purposes of this subparagraph (a) the Village may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Bonds. Determination by the Village as to existence of conditions permitting the issuance of additional Bonds shall be conclusive. No additional Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the Village shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

(b) For refunding the outstanding Bonds and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. No additional Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.

NO FREE SERVICE

No free service or use of the System, or service or use of the System at less than the reasonable cost and value thereof, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Village.

THE ORDINANCE

For a more complete statement of the general covenants and provisions pursuant to which the Series 2014 Bonds are issued, see APPENDIX A – ORDINANCE NOS. 368 AND 423.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Series 2014 Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Series 2014 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2014 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 1 World Financial Center, 27th Floor, 200 Liberty Street, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2014 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2014 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Series 2014 Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Series 2014 Bonds, nor does it guarantee that the rating on the Series 2014 Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2013 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $486.5 million, $17.5 million and $469.0 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2014 Bonds or the advisability of investing in the Series 2014 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/.

Obligor Disclosure Briefs. Subsequent to closing, BAM posts an Obligor Disclosure Brief on every issue insured by BAM, including the Bonds. BAM Obligor Disclosure Briefs provide information about the gross par insured by CUSIP, maturity and coupon; sector designation (e.g. general obligation, sales tax); a summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. The Obligor Disclosure Briefs are also easily accessible on BAM's website at buildamerica.com/obligor/.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM and have not been reviewed or approved by the issuer of or the underwriter for the Series 2014 Bonds, and they assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Series 2014 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Series 2014 Bonds, whether at the initial offering or otherwise.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village has designated the Series 2014 Bonds as "qualified tax-exempt obligations" for purposes of deduction of interest expenses by certain financial institutions under Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

TAX MATTERS

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, the interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that, under existing law, the Series 2014 Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2014 Bonds and the interest thereon.

The opinion on federal tax matters is based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Village contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2014 Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. The Village has covenanted to take the actions required of it for the interest on the Series 2014 Bonds to be and to remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinion assumes the accuracy of the Village's certifications and representations and the continuing compliance with the Village's covenants. Noncompliance with these covenants by the Village may cause the interest on the Series 2014 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2014 Bonds. After the date of issuance of the Series 2014 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2014 Bonds or the market prices of the Series 2014 Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Series 2014 Bonds from gross income for federal income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Series 2014 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2014 Bonds. Bond Counsel will express no opinion regarding any such consequences.

TAX TREATMENT OF ACCRUALS ON ORIGINAL ISSUE DISCOUNT BONDS

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Bond is less than the stated redemption price of such Bonds at maturity, then such Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

AMORTIZABLE BOND PREMIUM

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

MARKET DISCOUNT

The "market discount rules" of the Code apply to the Series 2014 Bonds. Accordingly, holders acquiring their Series 2014 Bonds subsequent to the initial issuance of the Series 2014 Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Series 2014 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Series 2014 Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2014 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

FUTURE DEVELOPMENTS

Bond Counsel's engagement with respect to the Series 2014 Bonds ends with the issuance of the Series 2014 Bonds and, unless separately engaged, bond counsel is not obligated to defend the Village in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2014 Bonds, under current IRS procedures, the IRS will treat the Village as the taxpayer and the beneficial owners of the Series 2014 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE SERIES 2014 BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE SERIES 2014 BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE SERIES 2014 BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE REFUNDING BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE SERIES 2014 BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2014 BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2014 Bonds are subject to the approving legal opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan ("Bond Counsel"). The opinion of Bond Counsel will be substantially in the form as set forth in Appendix F.

Bond Counsel is currently representing Comerica Securities, Inc. in certain matters unrelated to the issuance of the Series 2014 Bonds. Both the Village and Comerica Securities, Inc. have consented to these unrelated representations.

REGISTERED MUNICIPAL ADVISOR TO THE VILLAGE

Bendzinski & Co., Municipal Finance Advisors, Detroit, Michigan, (the "Municipal Advisor") is a Registered Municipal Advisor in accordance with the Municipal Securities Rule Making Board ("MSRB"). The Municipal Advisor has been retained by the Village to provide certain financial advisory services including, among other things, preparation of the deemed "final" Preliminary Official Statement and the final Official Statement (the "Official Statements"). The information contained in the Official Statement was prepared in form by the Municipal Advisor and is based on information supplied by various officials from records, statements and reports required by various local, county or state agencies of the State of Michigan in accordance with constitutional or statutory requirements.

To the best of the Municipal Advisor's knowledge, all of the information contained in the Official Statements, which it assisted in preparing, while it may be summarized is (i) complete and accurate; (ii) does not contain any untrue statement of a material fact and; (iii) does not omit any material fact, or make any statement which would be misleading in light of the circumstances under which these statements are being made. However, the Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisors duties, responsibilities and fees arise solely as Municipal Advisor to the Village and they have no secondary obligation or other responsibility. The Municipal Advisors fees are expected to be paid from the Series 2014 Bonds proceeds.

RATING INFORMATION

Standard & Poor's Ratings Services, a Standard and Poor's Financial Services, LLC business, has assigned its rating of "AA" to the Series 2014 Bonds based solely on the municipal bond insurance policy to be issued by BAM concurrently with the delivery of the Series 2014 Bonds. See "BOND INSURANCE" and Appendix H herein.

Standard & Poor's Rating Services has also assigned its underlying municipal bond rating of "A-" to the Series 2014 Bonds without respect to the municipal bond insurance policy.

The assigned ratings reflects the independent judgment of the rating agency and there is no assurance that said ratings will continue for any period of time or that it will not be revised or withdrawn by the rating agency. A revision or withdrawal of said ratings may have an effect on the market price of the securities.

THE ESCROW AGREEMENT

Pending use of the amounts required to effect the refunding of the Bonds to be Refunded as described under the subsection entitled "*Plan of Refunding*" under the section entitled "THE FINANCING", the moneys and Government Obligations to be used therefor will be deposited irrevocably with the Escrow Agent for the security and benefit of the holders of the Bonds to be Refunded.

The Escrow Agreement provides for payments out of moneys and the principal of and interest on the Government Obligations held in the Escrow Fund by the Escrow Agent to the transfer agent for the Bonds to be Refunded sufficient, without reinvestment, to pay the principal of and interest on, the Bonds to be Refunded in accordance with the refunding program described herein. (See "THE FINANCING" herein). **Upon deposit of the moneys and Government Obligations**

with the Escrow Agent in accordance with the Escrow Agreement, the Escrow Agent is irrevocably instructed to redeem the Bonds to be Refunded in the principal amounts and on the redemption dates, whether at or prior to maturity, as provided for in the Escrow Agreement, without modification of such principal amounts or redemption dates.

The Escrow Agreement permits substitution of certain other Government Obligations for the Government Obligations originally held by the Escrow Agent only if (a) such substitution is made in accordance with the provisions of the Escrow Agreement, (b) the acquired securities and moneys remaining after such substitutions are sufficient to make the payment specified herein, and (c) such reinvestment may be accomplished without contravention of the yield restrictions imposed by Section 148 of the Code and applicable regulations thereunder.

CONTINUING DISCLOSURE

Prior to delivery of the Series 2014 Bonds, the Village will execute a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the Beneficial Owners (as defined in the Undertaking) of the Series 2014 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") electronically through MSRB's Electronic Municipal Market Access System ("EMMA"), pursuant to the requirements of section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, are set forth in Appendix G - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" to this Official Statement.

A failure by the Village to comply with the Undertaking will not constitute an event of default under the Ordinance and Beneficial Owners of the Series 2014 Bonds are limited to the remedies described in the Undertaking.

The Village failed to comply with the requirements as described in section (b)(5) of the Rule for the fiscal years ended June 30, 2010 to 2011. The Village has since made the required filings and has covenanted to comply with the Rule going forward.

A failure by the Village to comply with the Undertaking must be reported by the Village in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2014 Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Series 2014 Bonds and their market price.

ABSENCE OF CERTAIN LITIGATION

According to Village Attorney Michael J. Gildner, of Simen, Figura & Parker, P.L.C., there is no litigation to his knowledge, pending or threatened, in any court (either state or federal) which seeks to restrain or enjoin the issuance or delivery of the Series 2014 Bonds, which questions (i) the proceedings under which the Series 2014 Bonds are to be issued, (ii) the validity of the Series 2014 Bonds, (iii) the legal existence of the Village or the title to the office of the present officials of the Village, or (iv) the ability of the Village to operate or any other matter which may materially affect the financial condition of the Village.

VERIFICATION

Robert Thomas CPA, LLP, Shawnee Mission, Kansas, independent certified public accountants will deliver to the Village its verification report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Village, its representatives and the Underwriter. Included in the scope of its examination will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of, and interest on, the Government Obligations deposited in the Escrow Fund to pay, when due, maturing principal of and interest on the Bonds to be Refunded; and (b) the mathematical computations of the yield on the Series 2014 Bonds and on the Government Obligations held in the Escrow Fund purchased with the proceeds of the Series 2014 Bonds, supporting the conclusion of Bond Counsel that the interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes as described under the caption "TAX MATTERS" herein.

UNDERWRITING

Comerica Securities, Inc., (the "Underwriter") has agreed to purchase the Series 2014 Bonds from the Village pursuant to a bond purchase agreement (the "Bond Purchase Agreement"), at an aggregate purchase price of $4,294,935.55 (the principal amount of the Series 2014 Bonds plus an original issue premium of $146,554.30, less the Underwriter's

Discount of $36,618.75). The Underwriter is committed to take and pay for all of the Series 2014 Bonds if any are taken. The Series 2014 Bonds are being offered for sale to the public at the price shown on the cover of this Official Statement. The Series 2014 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices. After purchase of the Series 2014 Bonds by the Underwriter, prices on the Series 2014 Bonds may be changed, from time to time, by the Underwriter.

The Bond Purchase Agreement provides that the obligation of the Underwriter is subject to certain conditions, including, among other things, (i) no event has occurred which impairs or threatens to impair the status of the Series 2014 Bonds or interest thereon as exempt from taxation by the State of Michigan (except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof) and the interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes, and (ii) proceedings relating to the Series 2014 Bonds are not pending or threatened by the Securities and Exchange Commission or any other governmental agency having jurisdiction over the subject matter.

OTHER MATTERS

All information contained in this Official Statement, other than that provided by the Village, is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of such information. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

This Official Statement has been duly approved, executed and delivered by the Village on the date as set forth on the front cover of this Official Statement.

VILLAGE OF HOLLY

By: /s/ Cathrene Behrens
Clerk and Treasurer

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ORDINANCE NOS. 368 AND 423

ORDINANCE NO. 368

AN ORDINANCE TO PROVIDE FOR THE CONSTRUCTION, INSTALLATION, AND EQUIPPING OF ADDITIONS TO THE VILLAGE'S WASTEWATER SYSTEM; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS TO PAY THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE AN ADEQUATE RESERVE FUND FOR THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE VILLAGE OF HOLLY ORDAINS:

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

(a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.

(b) "Adjusted Net Revenues" means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and payments to the Issuer in lieu of taxes, to which may be made the following adjustments.

(i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the 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.

(ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System.

The adjustment of revenues and expenses by the factors set forth in (i) and (ii) above shall be reported upon by professional engineers or certified public accountants or other experts not in the regular employment of the Issuer.

(c) "Bonds" mean the Series 2004 Bonds, together with any additional Bonds of equal standing hereafter issued.

(d) "Issuer" means the Village of Holly, County of Oakland, State of Michigan.

(e) "Project" means the additions, extensions and improvements to the System together with appurtenances and attachments thereto.

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

(g) "Series 2004 Bonds" means the Wastewater System Revenue Bonds, Series 2004, of the Issuer in the principal amount of $6,500,000 authorized by this Ordinance.

(h) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the

Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

(i) "System" means the Village's Wastewater System, including such facilities thereof as are now existing, are acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the Capital Consultants, consulting engineers of Lansing, Michigan, which plans and specifications are hereby approved.

Section 3. Costs; Useful Life. The total cost of the Project is estimated to be not less than Six Million Five Hundred Thousand Dollars ($6,500,000) including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than forty (40) years.

Section 4. Payment of Cost; Bonds Authorized. To pay the cost of acquiring and constructing the Project, including payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2004 Bonds, the Issuer shall borrow the sum of Six Million Five Hundred Thousand Dollars ($6,500,000) and issue the

Series 2004 Bonds therefor pursuant to the provisions of Act 94. The remaining cost of the Project, if any shall be defrayed from Issuer funds and legally available for such use.

Section 5. Bond Details, Issuance in Series, Registration and Execution. The Series 2004 Bonds hereby authorized shall be designated WASTEWATER REVENUE BONDS, SERIES 2004, shall be payable out of the Net Revenues, as set forth more fully in Section 7 hereof, shall consist of bonds of the denomination of $5,000, or integral multiples of $5,000 not exceeding in any one year the amount maturing in that year, dated as of October 1, 2004, numbered in order of registration, and shall mature on October 1st in the years and amounts as follows:

Amount	Year
$200,000	2007 and 2008
250,000	2009, 2010, and 2011
300,000	2012, 2013, and 2014
350,000	2015 through 2018
400,000	2019 through 2022
450,000	2023
500,000	2024 and 2025

The Series 2004 Bonds shall bear interest at a rate or rates to be determined on public sale thereof, but in any event not exceeding the lesser of 8% per annum, or the maximum rate permitted by law, payable on April 1 and October 1 of each year, commencing April 1, 2005, by check or draft mailed by the transfer agent selected by the Issuer to the person or entity which is, as of the 15th day of the month preceding the interest payment date, the registered owner at the registered address as shown on the registration books of the Issuer maintained by the transfer agent. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. The principal of the Series 2004 Bonds shall be payable at the bank or trust company designated by the Issuer as registrar and transfer agent for this issue. The Series 2004 Bonds shall be sold at not less than 98.5% of their par value.

The Series 2004 Bonds may be issued as book-entry-only forms through The Depository Trust Company of New York, New York.

The Series 2004 Bonds or portions thereof maturing on or after October 1, 2014, may be subject to redemption prior to maturity at the times and prices and in the manner and with notice as set forth in the form of the Series 2004 Bonds in Section 18 of this Ordinance. In case less than the full amount of an outstanding Bond is called for redemption, the transfer agent upon presentation of the Bond called in part for redemption shall register, authenticate and deliver to the registered owner a new bond in the principal amount of the portion of the original bond not called for redemption. Notice of redemption shall be given in the manner specified in the form of the Series 2004 Bonds contained in Section 18 of this Ordinance.

The Series 2004 Bonds shall be executed in the name of the Issuer with the facsimile signatures of the Village President and Clerk and shall have the Issuer's seal printed on them. No Bond shall be valid until authenticated by an authorized signer of the transfer agent. The Bonds shall be delivered to the transfer agent for authentication and be delivered by the transfer agent to the purchaser in accordance with instructions from the Treasurer of the Issuer upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the transfer agent for safekeeping.

Section 6. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2004 Bonds contained in Section 18 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The Issuer shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

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

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

Section 7. Payment of Bonds. The Series 2004 Bonds and the interest thereon shall be payable solely from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations,

as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance.

Section 8. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

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

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

Section 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring of the Project shall continue to be under the supervision and control of the Village Council. The Village Council may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The Village Council may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 10. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 11. No Free Service or Use. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 12. Fixing and Revising Rates; Rate Covenant. The rates now in effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts and shall be maintained in such amounts so that Net Revenues annually shall be equal to no less than 110% of the average annual debt service on the Bonds, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 13. Funds and Accounts; Flow of Funds. Commencing on the effective date of this Ordinance (the "Effective Date"), all funds belonging to the System shall be transferred as herein indicated and all Revenues of the System shall be set aside as collected and credited to a fund to be designated WASTEWATER SYSTEM RECEIVING FUND (the "Receiving Fund"). In addition, on the Effective Date all Revenues in any accounts of the System shall be transferred to the Receiving Fund and credited to the funds and accounts as provided in this section. The Revenues credited to the Receiving Fund are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times and in the order of priority hereinafter specified:

A. OPERATION AND MAINTENANCE FUND:

Out of the Revenues credited to the Receiving Fund there shall be first set aside in, or credited to, a fund designated OPERATION AND MAINTENANCE FUND (the "Operation and Maintenance Fund"), monthly a sum sufficient to provide for the payment of the next month's expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

A budget, showing in detail the estimated costs of administration, operation and maintenance of the System for the next ensuing operating year, shall be prepared by the Village Council at least 30 days prior to the commencement of each ensuing operating year. No payments shall be made to the Issuer from moneys credited to the Operation and Maintenance Fund except for services directly rendered to the System by the Issuer or its personnel.

B. <u>BOND AND INTEREST REDEMPTION FUND</u>:

There shall be established and maintained a separate depositary fund designated BOND AND INTEREST REDEMPTION FUND (the "Redemption Fund"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Bonds. The moneys in the Redemption Fund (including the Bond Reserve Account) shall be kept on deposit with the bank or trust company where the principal of and interest on the Bonds, or any series thereof, are payable.

Out of the Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Fund, there shall be set aside each month commencing on the Effective Date in the Redemption Fund a sum proportionately sufficient to provide for the payment when due of the current principal of and interest on the Bonds, less any amount in the Redemption Fund representing accrued interest on the Bonds or investment income on amounts on deposit in the Redemption Fund, (including investment income on amounts held as part of the Bond Reserve Account). Commencing on the Effective Date, the amount set aside each month for interest on the Bonds shall be a fraction of the total amount of interest on the Bonds next coming due determined by the number of months from the Effective Date to April 1, 2005. Commencing April 1, 2005, the amount set aside each month for interest on the Bonds shall be 1/6 of the total amount of interest on the Bonds next coming due. The amount set aside each month for principal, commencing October 1, 2006, shall be an amount equal to 1/12 of the amount of principal next coming due by maturity. If there is any deficiency in the amount previously set aside, that

deficiency shall be added to the next succeeding monthly requirements. The amount to be set aside for the payment of principal and interest on any date shall not exceed the amount which, when added to the money on deposit in the Redemption Fund, including investment income thereon and on the Bond Reserve Account, is necessary to pay principal and interest due on the Bonds on the next succeeding October 1.

There is established a separate account in the Redemption Fund to be known as the BOND RESERVE ACCOUNT (the "Bond Reserve Account"). There shall be deposited in the Bond Reserve Account on or before the delivery of the Bonds an amount equal to the "Reserve Amount" is accumulated in the Bond Reserve Account. The Reserve Amount shall be the lesser of (1) the maximum annual debt service due in the current or any future year, (2) 125% of the average annual debt service or (3) 10% of the principal amount of the bonds. Interest on the Bond Reserve Account must be transferred into the Redemption Fund once the Reserve Amount has been reached.

Except as otherwise provided in this Section, the moneys credited to the Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums (if any) and interest on the Bonds as to which there would otherwise be a default. If at any time it shall be necessary to use moneys credited to the Bond Reserve Account for such payment, then the moneys so used shall be replaced from the Net Revenues first received thereafter which are not required for current principal and interest requirements until the amount on deposit equals the Reserve Amount. If additional Bonds are issued, each Ordinance authorizing the additional Bonds shall provide for additional deposits to the Bond Reserve Account to be made from the proceeds of the additional Bonds or Issuer funds on hand and legally available for such use in an amount that will result in the Bond Reserve Account being equal to the maximum annual principal and interest requirements on the Bonds outstanding after issuance of the additional Bonds, or such lesser amount as may be necessary to maintain the tax-exempt status of the Bonds. If on any October 1 the amount in the Bond Reserve Account exceeds the Reserve Amount, the excess shall be transferred to the Redemption Fund for payment of principal and interest on the Bonds due on that date.

C. REPLACEMENT FUND:

There shall next be established and maintained a fund, separate depositary account, designated REPLACEMENT FUND (the "Replacement Fund"), the money credited thereto to be used solely for the purpose of making repairs and replacements to the System. Out of the Revenues and moneys of the System remaining in the Receiving Fund each month after provision has been made for the deposit of moneys in the Operation and Maintenance Fund and the Redemption Fund (including the Bond Reserve Account), there may be deposited in the Replacement Fund such additional funds as the Village Council may deem advisable. If at any time it shall be necessary to use moneys in the Replacement Fund for the purpose for which the Replacement Fund was established, the moneys so used shall be replaced from any moneys in the Receiving Fund which are not required by this Ordinance to be used for the Operation and Maintenance Fund or the Redemption Fund (including the Bond Reserve Account).

D. IMPROVEMENT FUND:

Out of the remaining Revenues in the Receiving Fund, after meeting the requirements of the Operation and Maintenance Fund, the Redemption Fund (including the Bond Reserve Account) and the Replacement Fund, there may be next set aside in or credited to a fund to be designated IMPROVEMENT FUND (the "Improvement Fund"), which Improvement Fund may have several subaccounts therein, such sums monthly as the Issuer may deem advisable to be used for additions, improvements, enlargements or extensions to the System, including the planning thereof.

E. SURPLUS MONEYS:

Thereafter, any Revenues in the Receiving Fund after satisfying all the foregoing requirements of this Section may, at the discretion of the Issuer, be used for any of the following purposes:

1. Transferred to the Replacement Fund, the Improvement Fund or both.

2. Transferred to the Redemption Fund and used for the purchase of Bonds on the open market at not more than the fair market value thereof or used to redeem Bonds prior to maturity pursuant to Section 5 of this Ordinance.

3. Any other use permitted by law.

Section 14. Priority of Funds. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Redemption Fund, any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Fund, and second to the Redemption Fund.

Section 15. Depositary and Funds on Hand. Moneys in the several funds and the accounts established pursuant to this Ordinance, except moneys in the Redemption Fund (including the Bond Reserve Account) and moneys derived from the proceeds of sale of the Bonds, may be kept in one or more bank accounts at a bank or banks designated by resolution of the Issuer, and if kept in one bank account the moneys shall be allocated on the books and records of the Issuer in the manner and at the times provided in this Ordinance.

Section 16. Investments. Moneys in the funds and accounts established herein and moneys derived from the proceeds of sale of the Bonds, may be invested by the Issuer in United States of America obligations or in obligations the principal of and interest on which is fully guaranteed by the United States of America and any investments hereafter permitted by law, and moneys derived from the proceeds of sale of the Bonds may also be invested in certificates of deposit of any bank whose deposits are insured by the Federal Deposit Insurance Corporation. Investment of moneys in the Redemption Fund being accumulated for payment of the next maturing principal or interest payment of the Bonds shall be limited to obligations bearing maturity dates prior to the date of the next maturing principal or interest payment on the Bonds. Investment of moneys in the Bond Reserve Account shall be limited to obligations bearing maturity dates or subject to redemption, at the option of the holder thereof, not later than five years from the date of the investment. In the event investments are made, any securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds or account from which the purchase was made. Profit realized or interest income earned on investment of funds in the Receiving Fund, Operation and Maintenance Fund and Improvement Fund shall be deposited in or credited to the Receiving Fund at the end of

each fiscal year. Profit realized on interest income earned on investment of moneys in the Redemption Fund including income derived from the Bond Reserve Account shall be credited as received to the Redemption Fund.

Section 17. Bond Proceeds. From the proceeds of the sale of the Bonds there shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on the delivery of the Bonds and a sum equal to the Reserve Amount shall be deposited in the Bond Reserve Account. The balance of the proceeds of the sale of the Bonds shall be deposited in a bank or banks, designated by the Village Council, qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94, in an account designated CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project, including any engineering, legal and other expenses incident thereto and to the financing thereof. Payments for construction, either on account or otherwise, shall not be made unless the registered engineer in charge of such work shall file with the Village Council a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor; that it was done pursuant to and in accordance with the contract therefor (including properly authorized change orders), that such work is satisfactory and that such work has not been previously paid for.

Any unexpended balance of the proceeds of sale of the Bonds remaining after completion of the Project in the Construction Fund may, at the discretion of the Issuer, be used for further improvements, enlargements and extension to the System, if, at the time of such expenditures, such use is approved by the Michigan Department of Treasury, if such permission is then required by law. Any remaining balance after such expenditure shall be paid to the Redemption Fund and may be used for the purpose of purchasing Bonds on the open market at not more than the fair market value thereof, but not more than the price at which the Bonds may next be called for redemption, or used for the purpose of paying principal of the Bonds upon maturity or calling Bonds for redemption.

Section 18. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF OAKLAND

VILLAGE OF HOLLY

WASTEWATER REVENUE BOND

SERIES 2004

Interest Rate	Maturity Date	Date of Original Issue	CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The VILLAGE OF HOLLY, County of Oakland, State of Michigan (the "Issuer"), for value received, hereby promises to pay, but only out of the hereinafter described Net Revenue of the Issuer's Wastewater System (hereinafter defined) the Principal Amount shown above in lawful money of the United States of America to the Registered Owner shown above, or registered assigns, on the Maturity Date shown above, unless prepaid prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue shown above or such later date to which interest has been paid, until paid, at the Interest Rate per annum shown above, payable on April 1, 2005, and semiannually thereafter. Principal of this bond is payable upon surrender of this bond at the ______________ office of _________________________, in _______, Michigan or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than 60 days prior to the date of any change in transfer agent. Interest on this bond is payable by check or draft mailed by the transfer agent to the person or entity who is, as of the ____ day of the month preceding the interest payment date, the registered owner of record, at the registered address as shown on the registration books of the Issuer kept by the transfer agent. For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Wastewater System of the Issuer (the "System"), including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory first lien thereon is hereby recognized and created.

This bond is one of a series of bonds of even date of original issue aggregating the principal sum of $6,500,000, issued pursuant to Ordinance No. ___, duly adopted by the Village

Council of the Issuer, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying the cost of acquiring and constructing improvements and additions to the Issuer's Wastewater System.

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

Bonds of this issue maturing in the years 2007 to 2014, inclusive, are not subject to redemption prior to maturity. Bonds or portions of bonds in multiples of $5,000 maturing in the year 2015 and thereafter may be redeemed at the option of the Issuer, in such order as the Issuer shall determine and within any maturity by lot, on any interest payment date on or after October 1, 2014 at par and accrued interest to the date fixed for redemption.

Notice of redemption of any bond or portion thereof shall be given by the transfer agent at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the transfer agent. Bonds shall be called for redemption in multiples of $5,000 and any bond of a denomination of more than $5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by $5,000 and such bond may be redeemed in part. Notice of redemption for a bond redeemed in part shall state that upon surrender of the bond to be redeemed a new bond or bonds in aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof. No further interest on a bond or portion thereof called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the transfer agent to redeem the bond or portion thereof.

This bond is a self-liquidating bond and is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional, charter or statutory limitation, but is payable, both as to principal and interest, solely from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

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

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

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

This bond is not valid or obligatory for any purpose until the transfer agent's Certificate of Authentication on this bond has been executed by the transfer agent.

IN WITNESS WHEREOF, the Village of Holly, County of Oakland, State of Michigan, by its Village Council, has caused this bond to be executed with the facsimile signatures of its President and its Clerk and its corporate seal to be printed on this bond, all as of the Date of Original Issue.

VILLAGE OF HOLLY

By Peter K. Clemens
Peter K. Clemens, Village President

(Seal)

Countersigned:
Marsha A. Powers
Marsha A. Powers, Village Clerk-Treasurer

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Certificate of Authentication

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

____
Transfer Agent

By ____________________________
Authorized Signatory

Date of Registration:

<u>Section 19</u>. <u>Covenants</u>. The Issuer covenants and agrees with the holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest -

(a) The Issuer will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan, the Issuer's Charter and this Ordinance.

(b) The Issuer will keep proper books of record and account separate from all other records and accounts of the Issuer, in which shall be made full and correct entries of all transactions relating to the System. The Issuer shall have an annual audit of the books of record and account of the System for the preceding operating year made each year by an independent certified public accountant, and a copy of the audit shall be mailed to the manager of each syndicate or account originally purchasing any issue of the Bonds. The auditor shall comment on the manner in which the Issuer is complying with the requirements of the Ordinance with respect to setting aside and investing moneys and meeting the requirements for acquiring and maintaining insurance. The audit shall be completed and so made available not later than four (4) months after the close of each operating year.

(c) The Issuer will maintain and carry, for the benefit of the holders of the Bonds, insurance on all physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by municipalities engaged in the operation of sewage disposal systems, including self-insurance. All moneys received for losses under any 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 purpose of redeeming or purchasing Bonds.

(d) The Issuer will not sell, lease or dispose of the System, or any substantial part, until all of the Bonds have been paid in full, both as to principal and interest or provision made thereof as herein provided. The Issuer will operate the System as economically as possible, will make all repairs and replacements necessary to keep the System in good repair and working order, and will not do or suffer to be done any act which would affect the System in such a way as to have a material adverse effect on the security for the Bonds.

(e) The Issuer will not grant any franchise or other rights to any person, firm or corporation to operate a System that will compete with the System and the Issuer will not operate a system that will compete with the System.

(f) The Issuer will cause the Project to be acquired and constructed promptly and in accordance with the plans and specification therefor.

Section 20. Additional Bonds. Except as hereinafter provided, the Issuer shall not issue additional Bonds of equal or prior standing with the Series 2004 Bonds.

The right is reserved in accordance with the provisions of Act 94, to issue additional Bonds payable from the Revenues of the System which shall be of equal standing and priority of lien on the Net Revenues of the System with the Bonds but only for the following purposes and under the following terms and conditions:

(a) To complete the Project in accordance with the plans and specifications therefor. Such bonds shall not be authorized unless the engineers in charge of

construction shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the Issuer, it shall be the duty of the Issuer to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.

(b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part of any Bonds then outstanding and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve- month operating year, if the same shall be lower than the average, shall be equal to at least one hundred twenty percent (120%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Bonds and on the additional Bonds then being issued. If the additional Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the additional Bonds.

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

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

Section 21. Sale of Bonds; Designation of Transfer Agent; Insurance. The Issuer shall receive bids for the Series 2004 Bonds in accordance with the notice of sale approved by the Village Council, award sale of the Series 2004 Bonds to the successful bidder determined in accordance with Act 94 and this Ordinance, and take all further necessary steps to issue and deliver the Series 2004 Bonds.

Section 22. Covenant Regarding Tax Exempt Status of the Bonds; Qualified Tax Exempt Status. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, (the "Code") including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds, and to prevent the Bonds from being or becoming "private activity bonds" as that term is used in Section 141 of the Code. The Issuer hereby designates the Series 2004 Bonds as "qualified tax exempt obligations" for purposes of deduction of interest by financial institutions.".

Section 23. Defeasance. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier options redemption, the principal of, premium, if any, and interest on the bonds, shall be deposited in trust, this Ordinance shall be defeased and the owners of the bonds shall have no further rights under this Ordinance except to receive payment of the principal of, premium, if any, and interest on the bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

Section 24. Repeal, Savings Clause. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 25. Severability; Paragraph Headings, and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 26. Publication and Recordation.

This Ordinance shall be published in full in the Community Voice, a newspaper of general circulation in the Issuer qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the President and Clerk.

Section 27. Effective Date. This Ordinance shall be effective upon its adoption.

Adopted and signed this 13th day of July, 2004.

Signed Peter K. Clemens
Peter K. Clemens, Village President

Signed Marsha A Powers
Marsha A. Powers, Village Clerk-Treasurer

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the Village Council of the Village of Holly, County of Oakland, Michigan, at a Regular Meeting held on the 13th day of July, 2004, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting: Peter K. Clemens, Reisa Hamilton, Pauline Kenner, Donald Winglemire, Jim Scherman, William P. Kuyk, Sr.and that the following Members were absent: Shirley Campbell.

I further certify that Member Winglemire moved adoption of said Ordinance, and that said motion was supported by Member Kenner.

I further certify that the following Members voted for adoption of said Ordinance: Kenner, Clemens, Winglemire, Kuyk, Hamilton, Scherman and that the following Members voted against adoption of said Ordinance: None.

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

Marsha A Powers
Marsha A. Powers, Village Clerk-Treasurer

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VILLAGE OF HOLLY

ORDINANCE NO. 423

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF WASTEWATER SYSTEM REVENUE REFUNDING BONDS TO PAY THE COST OF REFUNDING ALL OR PART OF THE VILLAGE OF HOLLY WASTEWATER SYSTEM REVENUE BONDS, SERIES 2004 AND TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND CERTAIN OUTSTANDING BONDS OF THE SYSTEM; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE SYSTEM AND THE BONDS OF THE SYSTEM.

THE VILLAGE OF HOLLY ORDAINS:

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

(a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.

(b) "Authorized Officers" mean the Village Manager and Clerk/Treasurer, each individually.

(c) "Bonds" mean the Series 2012 Bonds and any additional Bonds of equal standing hereafter issued.

(d) "Bond Purchase Agreement" means the Bond Purchase Agreement relating to the purchase of the Series 2012 Bonds by and between the Village and the Underwriter.

(e) "Escrow Agent" means a bank or trust company selected by an Authorized Officer to serve as escrow agent for the Series 2012 Bonds.

(f) "Issuer" or "Village" means the Village of Holly, County of Oakland, Michigan.

(g) "Outstanding Ordinances" means Ordinance No. 368 of the Village.

(h) "Refunded Bonds" means all or a portion of the Series 2004 Bonds as shall be finally determined pursuant to the Sale Order referred to herein.

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

(j) "Sale Order" means the Sales Order to be executed by an Authorized Officer of the Issuer respecting the sale of the Series 2012 Bonds.

(k) "Series 2012 Bonds" means Wastewater System Revenue Refunding Bonds of the Village authorized pursuant to this Ordinance.

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

(m) "System" means the entire Wastewater System of the Village as defined in the Outstanding Ordinances.

(n) "Transfer Agent" means a bank or trust company selected by an Authorized Officer to serve as bond registrar, paying and transfer agent for the Series 2012 Bonds.

(o) "Underwriter" means Comerica Securities as the purchaser of the Series 2012 Bonds.

Section 2. Necessity; Public Purpose; Estimated Cost. It is hereby determined to be a necessary public purpose of the Issuer to refund all or part of the Refunded Bonds. The estimated cost of refunding the Refunded Bonds, including legal and financing expenses, in an amount of not to exceed Four Million Eight Hundred Fifty Thousand Dollars ($4,850,000), is hereby approved.

Section 3. Payment of Cost; Bonds Authorized. To pay the costs associated with the refunding of the Refunded Bonds, including legal, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2012 Bonds, the Issuer shall borrow the sum of not to exceed Four Million Eight Hundred Fifty Thousand Dollars ($4,850,000), as finally determined in the Sale Order and issue the Series 2012 Bonds therefor pursuant to the provisions of Act 94. The remaining costs, if any, shall be defrayed from System funds on hand and legally available for such use, including moneys in the bond and interest redemption fund established for the Refunded Bonds.

Section 4. Bond Details. The Series 2012 Bonds shall be designated WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2012, shall be payable solely from the Net Revenues, as set forth more fully herein, shall consist of bonds of the denomination of $5,000, or integral multiples of $5,000 not exceeding in any one year the amount maturing in that year, dated as of the date of delivery or such other date as shall be determined in the Sale Order, numbered in order of authentication, and shall mature on October 1, annually through and including 2025, in such amounts or as otherwise may be provided in the Sale Order.

The Series 2012 Bonds shall bear interest at a rate or rates determined on the sale thereof, but in any event not exceeding 5.00% per annum, payable on April 1 and October 1 of each year, with the first interest payment date determined in the Sale Order, by check by check or draft mailed by the Transfer Agent to the person or entity which is, as of the 15th day of the month preceding the interest payment date, the registered owner at the registered address as shown on the registration books of the Issuer maintained by the Transfer Agent. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. The principal of the Series 2012 Bonds shall be payable at the principal corporate trust office of the Transfer Agent. The Authorized Officers are each hereby authorized to appoint a bank or trust company eligible to serve as Transfer Agent for the Series 2012 Bonds.

The Series 2012 Bonds may be subject to optional or mandatory redemption prior to maturity as determined in the Sale Order.

Section 5. Execution of Bonds. The Series 2012 Bonds shall be executed in the name of the Issuer with the manual or facsimile signatures of the President and the Village Clerk and shall have the Issuer's seal impressed or printed thereon. No Bond signed by facsimile signature shall be valid until authenticated by an authorized signer of the Transfer Agent. The Series 2012 Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser thereof in accordance with instructions from an Authorized Officer upon payment of the purchase price for the Series 2012 Bonds in accordance with the bid therefor when accepted. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

Section 6. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid

with respect to the transfer. The Transfer Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained herein and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part.

The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Series 2012 Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Transfer Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

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

The Series 2012 Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York ("DTC") and any Authorized Officer of the Issuer is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Series 2012 Bonds in book-entry-only form and to make such changes in the Bond form with the parameters of this ordinance as may be required to accomplish the foregoing.

Section 7. Payment of Series 2012 Bonds. The Series 2012 Bonds and the interest thereon shall be payable solely from the Net Revenues, and to secure such payment, there is hereby recognized a statutory lien upon the whole of the Net Revenues which shall be a first lien, to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance.

Section 8. Bondholders' Rights; Receiver. The holder or holders of the Series 2012 Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Series 2012 Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Series 2012 Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Series 2012 Bonds and the security therefor.

Section 9. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date hereof, as the same shall be increased from time to time.

Section 10. No Free Service or Use. No free service or use of the System, or service or use of the System at less than the reasonable cost and value thereof, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 11. Fixing and Revising Rates; Rate Covenant. The rates presently in effect in the Issuer are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Series 2012 Bonds as the same become due and payable, and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. In addition, it is agreed that the rates shall be set from time to time so that there shall be produced each fiscal year, Net Revenues in an amount equal to 110% of the principal of and interest on the Bonds coming due in such fiscal year. The rates shall be reviewed not less than once a year and shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 12. Funds and Accounts; Flow of Funds; Bond Reserve Fund. The funds and accounts established by the Outstanding Ordinances are herby continued, the flow of fund established by the Outstanding Ordinances is hereby continued, and the applicable sections of the Outstanding Ordinances relating to funds and accounts and flow of funds are incorporated herein by reference as if fully set forth.

The Bond Reserve Account in the Bond and Interest Redemption Fund, as established by the Outstanding Ordinances shall be adjusted in such amounts, so that upon issuance of the Series 2012 Bonds, the Bond Reserve Account shall equal the lesser of (a) the maximum annual principal and interest requirements on the Bonds outstanding after issuance of the additional Bonds, (b) 125% of the average annual debt service on the Bonds after issuance of the additional Bonds, or (c) an amount equal to 10% of the principal amount of the Bonds. Interest on the Bond Reserve Account must be transferred into the Redemption Fund once the Reserve Amount has been reached.

Section 13. Bond Proceeds; Escrow Fund. From the proceeds of the sale of the Series 2012 Bonds there shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on the delivery of the Series 2012 Bonds. Certain of the proceeds of the Series 2012 Bonds along with moneys on hand in the Bond and Interest Redemption Fund for the Refunded Bonds, if any, shall be deposited in an escrow fund or funds (the "Escrow Fund") consisting of cash and investments in direct obligations of or obligations of the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing not redeemable at the option of the Issuer in amounts fully sufficient to pay the principal and interest on the Refunded Bonds upon call for redemption. The Escrow Fund shall be held by the Escrow Agent pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Escrow Agent to take all necessary steps to pay the principal of and interest on the Refunded Bonds when due and to call the Refunded Bonds for redemption on the first call date, as specified by the Issuer. The amounts held in the Escrow Fund shall be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal of and interest on the Refunded Bonds when due at maturity or by call for redemption as required by the Sale Order. The remaining proceeds of the Series 2012 Bonds shall be used to pay the costs of issuance of the Series 2012 Bonds. Any proceeds in excess of the proceeds deposited in the Escrow Fund or required to pay costs of issuance shall be deposited in the Bond and Interest Redemption Fund and used to pay interest on the Series 2012 Bonds on the next available interest payment date. The Authorized Officers are each authorized to appoint a bank or trust company eligible to serve as Escrow Agent for the Series 2012 Bonds and to negotiate and enter into an Escrow Agreement on behalf of the Issuer.

Section 14. Bond Form. The Series 2012 Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND

VILLAGE OF HOLLY

WASTEWATER SYSTEM REVENUE REFUNDING BOND, SERIES 2012

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
	________ 1, ____	__________, 2012	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The Village of Holly, County of Oakland, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received, hereby promises to pay, primarily out of the hereinafter described Net Revenues of the Issuer's Wastewater System (hereinafter defined) the Principal Amount shown above in lawful money of the United States of America to the Registered Owner shown above, or registered assigns, on the Maturity Date shown above, [unless prepaid prior thereto as hereinafter provided,] with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue shown above or such later date to which interest has been paid, until paid, at the Interest Rate per annum shown above, payable on ________ 1, 201_, and semiannually thereafter. Principal of this bond is payable upon surrender of this bond at the corporate trust office of __________________, Michigan (the "Transfer Agent") or such other Transfer Agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than 60 days prior to any interest payment date. Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is, as of the 15th day of the month preceding the interest payment date, the registered owner of record, at the registered address as shown on the registration books of the Issuer kept by the Transfer Agent. For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Wastewater System of the Issuer (the "System"), including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory first lien thereon is hereby recognized and created.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of $________, issued pursuant to Ordinances Nos. 368 and ___ of the Issuer, duly adopted by the Village Council of the Issuer (together, the "Ordinances"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying the cost of refunding certain of the Issuer's outstanding Wastewater System Revenue Bonds, Series 2004.

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

[Insert redemption provisions.]

This bond is a self-liquidating bond and is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional, charter or statutory debt limitation of the Issuer but is payable solely and only, both as to principal and interest, from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

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

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

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

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the Issuer, by its Village Council, has caused this bond to be executed with the facsimile signatures of its President and its Village Clerk and a facsimile of its corporate seal to be printed on this bond, all as of the Date of Original Issue.

VILLAGE OF HOLLY
COUNTY OF OAKLAND
STATE OF MICHIGAN

By: ______________________
President

(Seal)

Countersigned:

By: ______________________
Village Clerk

Certificate of Authentication

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

____

___________, Michigan
Transfer Agent

By: ________________________
Authorized Signatory

Date of Registration: ________________

Section 15. Adjustment of Bond Terms. The Authorized Officers are each hereby authorized to adjust the final bond details as set forth herein to the extent necessary or convenient to complete the sale of the Series 2012 Bonds and in pursuance of the forgoing is each authorized to exercise the authority and make the determinations pursuant to Sections 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, date of issuance, interest payment dates, redemption rights, designation as qualified tax-exempt obligations and other matters within the parameters established by this Ordinance.

Section 16. Bond Purchase Agreement and Award; Authorization for Negotiated Sale. The Authorized Officers are each hereby authorized on behalf of the Issuer to negotiate and execute a bond purchase agreement with the Underwriter, to execute a Sale Order evidencing the final terms for the Series 2012 Bonds, and to take all other necessary actions required to effectuate the sale, issuance and delivery of the Series 2012 Bonds within the parameters authorized in this Ordinance, provided that a net present value savings of at least $175,000 is achieved from the refunding.

The Issuer has considered the option of selling the Series 2012 Bonds through a competitive sale and a negotiated sale and determines that a negotiated sale of the Series 2012 Bonds will allow more flexibility in accessing the municipal bond market, and to price and sell the Series 2012 Bonds at the time that is expected to best achieve the most advantageous interest rates and costs to the Issuer, and will provide the Issuer with greater flexibility in structuring bond maturities and adjust terms for the Series 2012 Bonds.

Section 17. Tax Covenant; Qualified Tax Exempt Obligations. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Series 2012 Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Series 2012 Bonds proceeds and moneys deemed to be Series 2012 Bonds proceeds. The Issuer hereby designates the Series 2012 Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

Section 18. Continuing Disclosure. The Issuer covenants to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Series 2012 Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the Authorized Officers are each hereby authorized to execute such undertaking prior to delivery of the Series 2012 Bonds.

Section 19. Other Matters. The Authorized Officers are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Series 2012 Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; (b) solicit bids for and approve the purchase of a municipal bond insurance policy for the Series 2012 Bonds; (c) apply for ratings on the Series 2012 Bonds; and (d) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Series 2012 Bonds.

Section 20. Approval of Bond Counsel. The representation of the Issuer by Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel is hereby approved, notwithstanding the periodic representation by Miller Canfield of the Underwriter in unrelated matters.

Section 21. Appointment of Financial Advisor. The Issuer hereby appoints Bendzinski & Co. Municipal Finance Advisors, as its registered municipal advisor with respect to the Series 2012 Bonds.

Section 22. Savings Clause. The Outstanding Ordinances shall continue in effect, except as specifically supplemented or altered herein.

Section 23. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 24. Publication and Recordation. This Ordinance shall be published in full in the _______________, a newspaper of general circulation in the Issuer, qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the President and Village Clerk.

Section 25. Effective Date. Pursuant to the provisions of Section 6 of Act 94, this Ordinance shall be approved on the date of first reading and accordingly this Ordinance shall immediately be effective upon its adoption.

Adopted and signed this 4th day of December, 2012.

Signed: ______________________
President

Signed: ______________________
Village Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the Village Council of the Village of Holly, County of Oakland, Michigan, at a regular meeting held on the 4th day of December, 2012, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

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

Village President Jason M. Hughes, Council Member Robert Allsop, Council Member, Ryan Bladzik, Council Member Jackie Campbell, Council Member Thomas Clark, Council Member George Kullis, Council Member Debra Musgrave

and that the following Members were absent: *None*

I further certify that *Member Kullis* moved adoption of said Ordinance, and that said motion was supported by *Member Campbell.*

I further certify that the following Members voted for adoption of said Ordinance:

Council Members Thomas Clark, Debra Musgrave, Robert Allsop, Ryan Bladzik, Jackie Campbell, George Kullis and Village President Jason M. Hughes.

and that the following Members voted against adoption of said Ordinance: *None*

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

____
Village Clerk

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APPENDIX B

THE SYSTEM

VILLAGE OF HOLLY WASTEWATER SYSTEM

SERVICE AREA AND CUSTOMERS

The Village of Holly Wastewater System (the "System") has one treatment plant which serves a 2.5 square mile area of Oakland County.

HISTORY OF WASTEWATER FLOW TREATED *

Fiscal Year Ended June 30	Wastewater Flow Treated	Average Daily Use
2013	313.9	0.86
2012	317.6	0.87
2011	295.7	0.81
2010	248.2	0.68
2009	339.5	0.93

* In million gallons
Source: Village of Holly

MAJOR USERS

The following sets for the 10 largest System customers for the fiscal year ended June 30, 2013

Customer	Volume of Water Used *	% of Total	Revenue **	% of Total
New Holly Manor, LLC ***	4,007	2.74%	$134,054	11.79%
Presbyterian Village Holly ***	4,006	2.74%	125,307	11.02%
Pulte Homes ***	3,217	2.20%	56,186	4.94%
Holly Plating	1,973	1.35%	19,478	1.71%
Letavis Enterprise	1,578	1.08%	29,143	2.56%
Grange Oaks Properties ***	1,447	0.99%	50,635	4.45%
Holly Oaks Apts., LLC	1,173	0.80%	19,080	1.68%
K & J Kelly Holdings, LLC	878	0.60%	15,480	1.36%
Holly Coin Laundry	857	0.59%	15,086	1.33%
Holly High School	775	0.53%	13,557	1.19%

* In 100 cubic feet
** Sewer billing is based on volume of water used.
*** Multiple addresses
Source: Village of Holly

CURRENT RATES IN EFFECT

Each customer of the System pays charges based upon a base rate of $24.75 per month. In addition to the base rate, each customer of the System pays a consumption charge per 1,000 gallons used. The current consumption charge is $8.96 per 1,000 gallons.

Source: Village of Holly

HISTORY OF RATE ADJUSTMENTS

Date	Consumption Charge per 1,000 gallons used	Base Rate	Billing Cycle
September-99	$ 2.58	$ 59.00	Quarterly
February-05	2.58	59.00	Quarterly
May-05	2.58	59.00	Quarterly
March-06	2.58	59.00	Quarterly
July-07	2.58	59.00	Quarterly
July-08	6.56	59.00	Quarterly
November-08	6.56	5.00	Monthly
July-09	6.56	5.00	Monthly
February-10	8.70	10.00	Monthly
July-11	8.96	28.01	Monthly
Apr-12	8.96	24.75	Monthly

BILLING AND COLLECTION PROCEDURES

The Village reads water meters for billings each month. Bills are due by the last Tuesday of the following month. If bills remain unpaid for more than 24 hours following the due date, a 10% penalty is added to the previous bill. Once the 10% penalty is added to the previous bill, shut off notices are printed and mailed to the user. Following the shut off notice, users have 10 days to pay or make payment arrangements with the Village prior their service being shut off. Customers whose service has been shut off must pay their delinquent bill including any penalties plus an additional $40.00 fee to have services restored. All delinquent accounts which are six months or more past due are certified by the Village Treasurer to the Village Assessor on an annual basis and are added to the July 1 tax bills.

HISTORICAL REVENUES AND EXPENDITURES

Fiscal Year Ended June 30	Operating Revenues	Plus: Interest Earned	Less: Operating Expenses *	Net Revenues
2013	$1,208,573	$2,148	$886,823	$323,898
2012	1,288,066	736	858,065	430,737
2011	1,277,832	69	758,962	518,939
2010	1,189,617	190	752,060	437,747
2009	1,046,778	9,674	953,029	103,423

* Does not include depreciation
Source: Village of Holly audited Financial Statements

SCHEDULE OF ANTICIPATED REVENUES, EXPENDITURES DEBT SERVICE REQUIREMENTS AND COVERAGE

See Appendix C, "SCHEDULE OF ANTICIPATED REVENUES, EXPENDITURES, DEBT SERVICE REQUIREMENTS AND COVERAGE".

WASTEWATER SYSTEM NET ASSETS

The System's Net Assets for the last five (5) years has been as follows.

Fiscal Year Ended June 30	Net Assets
2013	$13,293,912
2012	13,153,264
2011	12,979,595
2010	13,282,607
2009	13,765,263

Source: Village of Holly audited Financial Statements.

APPENDIX C

SCHEDULE OF ANTICIPATED REVENUES, EXPENDITURES, DEBT SERVICE REQUIREMENTS AND COVERAGE

Fiscal Year Beginning 1-Jul	Operating Revenues [(1)]	Operating Expenses [(1)]	Net Operating Income or (Loss)	Wastewater System Revenue Refunding Bonds, Series 2014 [(1), (2)] Annual Debt Service Requirements	Annual Coverage	Balance	2006 General Obligation Limited Tax Bonds Annual Debt Service Requirements	Annual Coverage
2014	$ 2,109,000	$ 1,113,107	$ 995,893	$ 538,905	1.8480	$ 456,988	$ 466,250	0.9801
2015	2,151,180	1,135,369	1,015,811	480,500	2.1141	535,311	454,250	1.1784
2016	2,194,204	1,158,077	1,036,127	468,350	2.2123	567,777	442,250	1.2838
2017	2,238,088	1,181,238	1,056,850	456,300	2.3161	600,550	430,250	1.3958
2018	2,282,849	1,204,863	1,077,987	438,975	2.4557	639,012	467,250	1.3676
2019	2,328,506	1,228,960	1,099,546	470,400	2.3375	629,146	453,250	1.3881
2020	2,375,077	1,253,539	1,121,537	455,025	2.4648	666,512	439,250	1.5174
2021	2,422,578	1,278,610	1,143,968	438,388	2.6095	705,581	424,813	1.6609
2022	2,471,030	1,304,182	1,166,847	416,075	2.8044	750,772	409,938	1.8314
2023	2,520,450	1,330,266	1,190,184	447,688	2.6585	742,497	443,750	1.6732
2024	2,570,859	1,356,871	1,213,988	476,600	2.5472	737,388	426,250	1.7299
2025	2,622,276	1,384,009	1,238,268	448,800	2.7591	789,468	408,750	1.9314
				$ 5,536,005			$ 5,266,250	

Assumptions:

(1) Based on the Village of Holly proposed budget for the Fiscal Year Ending June 30, 2015 and then increased by two percent (2%) thereafter. Deprecation and interest earnings are not included.

(2) Includes outstanding 1991 Water Supply and Sewage Disposal System Revenue Bonds, Unrefunded Portion of the Series 2004 Bonds and the Series 2014 Bonds described herein.

The amounts shown in the table above are based upon various assumptions provided by the Village of Holly, including assumptions referred to in the footnotes of the table. As with any estimates, the actual results will vary from the estimates shown.

APPENDIX D

VILLAGE OF HOLLY
GENERAL DESCRIPTION AND ECONOMIC INFORMATION

The Series 2014 Bonds are payable solely from the Net Revenues of the System. The materials contained in this Appendix are for informational purposes only.

VILLAGE OF HOLLY

LOCATION AND DESCRIPTION

The Village of Holly (the “Village”) is located in the northwest portion of Oakland County in Michigan’s Lower Peninsula, encompassing approximately 2.5 square miles adjacent to the Township of Holly.

FORM OF GOVERNMENT

The Village operates under the Council - Manager form of government. The Manager is appointed by the Council and serves at their pleasure. The Manager is responsible for the administration and daily operation of the Village. The Council consists of a President who is elected for a two year term and six council members are elected for four year overlapping terms.

POPULATION

2010 U.S. Census	6,086
2000 U.S. Census	6,135
1990 U.S. Census	5,595

FISCAL YEAR

July 1 to June 30

PROPERTY VALUATIONS

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Since 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year minus any losses, multiplied by the less of 1.05% or the inflation rate, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

REAL PROPERTY TAX ASSESSMENTS

Responsibility for assessing taxable real property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, the local Board of Review and ultimately to the Michigan Tax Tribunal.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the County's Department of Equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Real property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in this Official Statement. Property granted tax abatements under the Michigan Plant Rehabilitation and Industrial Development District Act, Act 198, Public Acts of Michigan, 1974, as amended ("Act 198") are recorded on separate tax rolls while subject to tax abatement. The valuation of tax abated property is based upon SEV but is not included in either the SEV or Taxable Value data in this Official Statement except as noted.

MICHIGAN PERSONAL PROPERTY TAX REFORM

On December 20, 2012, Governor Snyder signed into law a package of bills reforming personal property tax in Michigan. The legislation exempts commercial and industrial personal property of each owner with a combined true cash value in a local taxing unit of less than $80,000 from ad valorem taxes beginning in 2014. All eligible manufacturing personal property purchased or put into service beginning in 2013 and used more than 50% of the time in industrial processing or direct integrated support becomes exempt beginning in 2016. The legislation extends certain personal property tax exemptions and tax abatements for technology parks, industrial facilities and enterprise zones that were to expire after 2012, until the newly enacted personal property tax exemptions take effect. The legislation authorizes local units to specially assess commercial and industrial real property to replace revenue lost due to the personal property tax exemptions for police, fire, ambulance and jail operations. The legislation also includes a formula to reimburse certain local governments for a portion of lost personal property tax revenue from use tax moneys to the extent the local unit has a reduction in taxable value of more than 2.3% as a result of the personal property tax exemption. For such reimbursement provisions to become effective, however voters would need to approve a change in the state distribution of use tax in the August 2014 primary election. If voters approve the redistribution, a portion of the use tax would be directed to a newly created statewide Metropolitan Areas Metropolitan Authority which would redistribute that revenue to qualifying local units. If voters fail to approve the use tax redistribution, the above personal property tax reform acts will be repealed and the local reimbursement act and the special assessment act will not go into effect. The final impact of this legislation cannot be determined at this time.

The ultimate nature, extent and impact of any other future amendments to Michigan's property tax laws on the Village's finances cannot be predicted. Purchasers of the Series 2014 Bonds should consult with their legal counsel and financial advisors as to the consequences of any such legislation on the market price or marketability of the Series 2014 Bonds and the operations of the Village.

APPEAL OF PROPERTY ASSESSMENTS

Property taxpayers may appeal their assessments to the Michigan Tax Tribunal. Unless otherwise ordered by the Tax Tribunal, before the Tax Tribunal renders a decision on an assessment appeal, the taxpayer must have paid the tax bill. The Village has several tax appeals pending before the Tax Tribunal (including personal property appeals), none of which are expected to have a significant impact on the Village's State Equalized Valuation, Taxable Value or the resulting taxes.

INDUSTRIAL FACILITIES TAX

The Michigan Plant Rehabilitation and Industrial Development District Act (Act 198, Public Acts of Michigan, 1974, as amended) ("Act 198") provides significant property tax incentives to industry to renovate and expand aging industrial facilities and to build new industrial facilities in Michigan. Under the provisions of Act 198, qualifying cities, villages and townships may establish districts in which industrial firms are offered certain property tax incentives to encourage restoration or replacement of obsolete industrial facilities and to attract new industrial facilities.

Property owners situated in such districts pay an Industrial Facilities Tax ("IFT") in lieu of ad valorem property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the IFT is determined by calculating the product of the taxable value of the replacement facility in the year before the effective date of the abatement certificate multiplied by the total mills levied by all taxing units in the current year. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one-half the total mills levied by all taxing units, except for mills levied for local school district operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for local school district operating purposes in 1993. For new facility abatements granted after 1993, new plant and equipment is taxed at one-half of the total mills levied as ad valorem taxes by all taxing units, except mills levied under the State Education Tax Act, plus the number of mills levied under the State Education Tax Act. For new facility abatements granted after 1993, the State Treasurer may permit abatement of all, none or one-half of the mills levied under the State Education Tax Act. It must be emphasized, however, that ad valorem property taxes on land and inventory are not reduced in any way since both land and inventory are specifically excluded under Act 198.

The Village does not have any IFT exemption certificates currently outstanding.

HISTORY OF PROPERTY VALUATIONS

Year	STATE EQUALIZED VALUATION	TAXABLE VALUE
2013	$100,737,980	$98,923,560
2012	100,894,370	99,063,820
2011	106,682,010	103,429,450
2010	119,933,980	113,334,150
2009	146,950,120	132,071,480
2008	171,799,760	143,655,300
2007	179,404,900	151,415,980
2006	171,739,750	145,286,700
2005	164,392,350	135,003,280
2004	158,537,900	128,574,710

REAL ESTATE MARKET DEVELOPMENTS

There has been a broad-based decline in the market prices of residential real estate in the United States since the beginning of calendar year 2006, resulting in a slowing in appreciation and declines in residential and other real property assessed valuations. A decline in assessed market valuation of any individual residential or non-residential real property will result in a reduction in the individual SEV for that property. If the SEV of an individual parcel of real property falls below the Taxable Value for that real property for the same year, the reduced SEV will become the Taxable Value for that real property. All such individual reductions will, in the aggregate, negatively affect the Village's total SEV and total Taxable Value, as reflected in the table above. Each mill, then, that the Village levies against the reduced Taxable Value will produce less property tax receipts than the same mill levied the prior year. The Village is aware of the consequences of this trend in real estate valuations and is making changes to the Village's current and future fiscal year budgets to adjust Village's expenditures as property tax receipts are reduced as a result of the downturn in the real estate market.

An analysis of **State Equalized Valuation** is as follows:

	BY CLASS		
	2013	2012	2011
Real Property	$93,761,290	$94,025,910	$99,804,280
Personal Property	6,976,690	6,868,460	6,877,730
TOTAL	$100,737,980	$100,894,370	$106,682,010

	BY USE		
	2013	2012	2011
Residential	$65,071,200	$64,089,380	$68,155,900
Commercial	25,686,830	26,743,240	27,978,050
Industrial	3,003,260	3,193,290	3,670,330
Personal Property	6,976,690	6,868,460	6,877,730
TOTAL	$100,737,980	$100,894,370	$106,682,010

An analysis of **Taxable Value** is as follows:

	BY CLASS 2013	2012	2011
Real Property	$91,881,850	$92,200,820	$96,548,210
Personal Property	7,041,710	6,863,000	6,881,240
TOTAL	$98,923,560	$99,063,820	$103,429,450

	BY USE 2013	2012	2011
Residential	$64,311,380	$63,697,320	$67,525,290
Commercial	24,633,780	25,408,400	25,694,970
Industrial	2,936,690	3,095,100	3,327,950
Personal Property	7,041,710	6,863,000	6,881,240
TOTAL	$98,923,560	$99,063,820	$103,429,450

Source: Oakland County Equalization Department

MAJOR TAXPAYERS

According to Village officials, the 2013 State Equalized Valuation and the 2013 Taxable Value of each of the Village's major taxpayers is as follows:

Name of Taxpayer	2013 State Equalized Value	2013 Taxable Value
Consumers Energy	$1,995,260	$1,994,480
Holly Enterprises, LLC	1,973,370	1,973,370
Presbyterian Village - Holly *	1,212,280	1,462,190
Presbyterian Village - Michigan *	1,163,040	1,366,740
Delta Tube & Manufacturing	1,253,640	1,253,640
Hawaiian Gardens	1,113,420	1,113,420
New Holly Manor, LLC	1,161,290	972,790
Holly Mobile Homes Villages	867,300	867,300
Phyle Holly, LLC	670,540	670,540
Wolverine Machine Products	458,420	458,420

* These properties are Senior and Disabled Non-Profit Housing under Michigan Complied Laws 211.7d, as amended by Michigan Public Act 8 of 2010. For these properties the calculation of the assessed value is calculated in the same manner as the assessed value is calculated for all ad valorem property. The taxable value for exempt property is to remain at the 2008 taxable value or the taxable value for the first year the exemption is valid. The property remains on the ad valorem assessment roll.
Source: Village of Holly

TAX RATES *

(Per $1,000 of Taxable Value)

		2013		2012		2011	
		Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence
Village of Holly							
	Operating	$13.5244	$13.5244	$13.5244	$13.5244	$13.5244	$13.5244
Township of Holly		2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
County of Oakland		4.4315	4.4315	4.4315	4.4315	4.4315	4.4315
Holly School District							
	Local	0.0000	18.0000	0.0000	18.0000	0.0000	18.0000
	Debt	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000
State Education Tax (SET)		6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
Oakland County ISD		3.3690	3.3690	3.3690	3.3690	3.3690	3.3690
Oakland Community College		1.5844	1.5844	1.5844	1.5844	1.5844	1.5844
Zoo Authority		0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Art Authority		0.2000	0.2000	0.2000	0.2000	0.0000	0.0000
Huron Clinton Metro Authority		0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Total		38.9239	56.9239	38.9239	56.9239	38.7239	56.7239

*Principal residence includes qualified agricultural property, qualified forest property and industrial personal property, which is excluded from taxes levied for school operating purposes. Moreover, commercial personal property is exempt from a portion of taxes levied for school operating purposes. Non Principal Residence is property not included in the above definition.

Source: Village of Holly

TAX RATE LIMITATIONS

The Village is authorized pursuant to the Village Charter to levy the following tax rates:

Purpose	Maximum Millage Authorized	Maximum Millage to be Levied	Expiration Date of Millage
General Operating	$20.0000	$13.5244	In perpetuity

In addition, Article IX, Section 6, permits the levy of millage in excess of the above for:

1. All debt service on tax supported bonds issued prior to December 23, 1978 or tax supported issues which have been approved by the voters for which the issuer has pledged its full faith and credit.
2. Operating purposes for a specified period of time provided that said increase is approved by a majority of the qualified electors of the local unit.
3. Payment of valid judgments levied in accordance with State law.

CONSTITUTIONAL MILLAGE ROLL-BACK

Article IX, Section 31 of the Michigan Constitution requires that if the total value of existing taxable property in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be permanently reduced through a Millage Reduction Fraction unless reversed by a vote of the electorate of the local taxing unit.

TAX LEVIES AND COLLECTIONS

Tax Year	Fiscal Year Ended June 30	Tax Levy	Collections to March 1 of Following Year	
2012	2013	$1,255,397	$1,142,020	90.97%
2011	2012	1,309,051	1,180,361	90.17%
2010	2011	1,412,764	1,287,113	91.11%
2009	2010	1,668,441	1,521,954	91.22%
2008	2009	1,825,472	1,628,888	89.23%
2007	2008	1,903,092	1,861,974	97.84%
2006	2007	1,769,834	1,628,819	92.03%
2005	2006	1,715,309	1,608,930	93.80%
2004	2005	1,549,854	1,453,125	93.76%
2003	2004	1,474,309	1,394,577	94.59%

Source: Village of Holly

The Village's taxes are due and payable and a lien created upon the assessed property on July 1, each year. Taxes remaining unpaid on the following March 1st are turned over to the County Treasurer for collection.

The General Property Tax Act was amended by Act 123 of Public Acts, Michigan, 1999 ("Act 123") which made extensive revisions to the procedures for collection of delinquent real property taxes. In general, for real property taxes levied after December 31, 1998, all property returned for delinquent taxes is subject to forfeiture, foreclosure and sale for the delinquent taxes in lieu of the tax lien sale held heretofore by the County Treasurer on the second Monday in May (which followed by twenty six (26) months the return of the delinquent taxes). Act 123 has the effect of shortening the process for collection of delinquent real property taxes from approximately six years (including statutory redemption periods) to approximately four years. Act 123 will not affect the obligation or authority of the Village to levy any taxes necessary for payment of debt service on general obligation limited tax bonds of the Village, including the Series 2014 Bonds offered herein.

Oakland County has established a Delinquent Tax Revolving Fund which pays all real property taxes returned delinquent to the County Treasurer as of March 1st of each year. Said fund pays all local units, school districts, villages, townships and the County general fund for the full amount of taxes levied against real property. If feasible, it is anticipated that the County will continue to reimburse the Village for any uncollected taxes, but there is no assurance that this will be the case since the County is not obligated to continue this fund in future years. Uncollected personal property taxes must be collected by the local treasurer and are negligible.

REVENUES FROM THE STATE OF MICHIGAN

The Village receives revenue sharing payments from the State of Michigan under the State Constitution and the State Revenue Sharing Act of 1971, as amended. The revenue sharing payments are composed of two components – a constitutional distribution and a statutory distribution.

The constitutional distribution is mandated by the State Constitution and distributed on a per capita basis to townships, cities and villages. The amount of the constitutionally mandated revenue sharing component distributed to the Village can vary depending on the population of the Village and the receipt of sales tax revenues by the State.

The statutory distribution is authorized by legislative action and distribution is subject to annual State appropriation by the State Legislature. Statutory distributions may be reduced or delayed by Executive Order during any State fiscal year in which the Governor, with the approval of the State Legislature's appropriations committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

On June 13, 2013, Governor Snyder signed into law the budget for fiscal year 2014. Similar to fiscal year 2013, the budget replaces the statutory distribution for cities, villages and townships with an incentive-based revenue sharing program known as the Economic Vitality Incentive Program ("EVIP"), that will be distributed to municipalities that comply with "best practices" such as increasing transparency and consolidating services. The fiscal year 2014 budget does not alter the constitutional component, and includes an increased constitutional revenue sharing distribution to cities, villages and townships of approximately $737,000,000 from the fiscal year 2013 distribution of $722,000,000. Under the EVIP program, an eligible municipality such as the Village can receive (i) one-third of the money it is eligible for if it meets requirements for accountability and transparency, including making a citizen's guide to its finances, a performance dashboard and a debt service report available for public viewing; (ii) another third if it develops plans to increase its existing level of cooperation, collaboration and consolidation, both internally and with neighboring jurisdictions; and (iii) a final third if it develops and certifies an unfunded accrued liability plan. The unfunded accrued liability plan, which replaced the requirement in fiscal year 2013 to modify employee compensation plans, must be certified by June 1, 2014 for the Village to receive all of the money that it is eligible for from the final component described in clause (iii) above. Any portion of the EVIP that the Village would be eligible to receive would be subject to certain benchmarks that the Village would need to meet, and there can be no assurance of what amount, if any, the Village would receive under the proposed EVIP program. The Village received EVIP payments totaling $94,704 for its fiscal year 2013, and anticipates meeting the requirements for all of the clauses to receive fiscal year 2014 payments.

The following table sets forth the annual revenue sharing payments and other moneys received by the Village for the State of Michigan fiscal years ended September 30, 2009 through September 30, 2013, and the currently anticipated revenue sharing payments to be received in the State of Michigan fiscal year ending September 30, 2014.

State of Michigan Fiscal Year Ending September 30,	Constitutional Payments	Statutory Payments	EVIP Payments	Total
2014	$455,407	$0	$99,264	$554,671
2013	446,080	0	94,704	540,784
2012	437,032	0	88,389	525,421
2011	410,592	112,200	0	522,792
2010	392,494	130,298	0	522,792
2009	404,898	182,905	0	587,803

Source: State of Michigan Treasury - Web site https://treas-secure.state.mi.us/apps/findrevshareinfo.asp

LABOR AGREEMENTS

The Village has three (3) employee bargaining units which have negotiated comprehensive salary, wage, fringe benefit and working conditions contracts with the Village. The duration of these agreements are as follows:

Employee Group	Number of Employees	Expiration Date of Contract
Teamsters	9	June 30, 2016
Police Officers Labor Council (Officer/Dispatch)	11	June 30, 2016
Police Officers Labor Council (Sergeant)	11	June 30, 2016

Source: Village of Holly

RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

The Village participates in the Michigan Municipal Employees' Retirement System (the "System"), an agent multiple-employer defined benefit pension plan that covers all employees of the Village. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. The obligation to contribute to and maintain the System for these employees was established by negotiation with the Village's competitive bargaining units and requires no contribution from employees.

For the fiscal year ended June 30, 2013, the Village's annual pension cost of $347,307 for the plan was equal to the Village's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2010.

Three year trend information:

	Fiscal Year Ended June 30		
	2013	2012	2011
Annual pension cost (APC)	$347,307	$293,775	$269,286
% of APC Contributed	100.0%	100.0%	100.0%
Unfunded AAL (UAAL)	$ ---	$ ---	$ ---

	Actuarial Valuation as of December 31		
	2012	2011	2010
Actuarial value of assets	$7,194,568	$7,385,644	$7,532,241
Actuarial accrued liability (AAL)	12,280,556	12,187,273	11,836,411
Unfunded AAL (UAAL)	5,085,988	4,801,629	4,304,170
Funded ratio	58.6%	60.6%	63.6%
Covered payroll	918,677	970,678	954,753
UAAL as a % of covered payroll	553.6%	494.7%	450.8%

DEFINED CONTRIBUTION PENSION PLAN

The Village offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, no employer contribution are required.

The Village provides pension benefits for all employees at least 18 years of age, with starting dates on or after July 1, 2006, as well as the Village Manager. Payroll costs of all employees and plan participants amounted to $455,988 in fiscal year 2013. During the current year, the General Fund, Building Inspections Fund and DDA General Fund contributed the Village's portion of the pension cost, amount to $26,185, which is 5 to 10 percent of eligible wages. Employees made required and voluntary contributions to the plan during the current year.

The deferred compensation is not available to the employees until termination, retirement, death or unforeseen emergency.

OTHER POST EMPLOYMENT BENEFITS

The Village provides retiree healthcare benefits to eligible pre-Medicare retired employees and their spouses with a 35% contribution required from the retirees. Currently the plan has five members including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits.

This is a single employer defined benefit plan administered by the Village. The benefits are provided under collective bargaining agreements.

The collective bargaining agreements require a contribution of 35% per month of the premium from all retired employees or their spouses currently participating in the plan. In current year, the Village contributed $0 into a prefunded retiree healthcare.

The Village's other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer. The following table shows the components of the Village's annual OPEB cost for the three fiscal years, the amount actually contributed to the plan, and the changes in the net OPEB asset:

	Fiscal Year Ended June 30,		
	2013	2012	2011
Annual required contribution	$127,110	$31,183	$0
Interest on the prior year's net OPEB obligation	5,199	(2,486)	(3,069)
Less adjustment to annual required contribution	(6,513)	2,721	0
Annual OPEB cost (expense)	125,796	31,418	(3,069)
Amounts contributed:			
Payments of current premiums	0	0	0
Adjustment to the net OPEB obligation	125,551	0	0
Decrease in net OPEB asset	251,347	31,418	(3,069)
OPEB asset - beginning of year	(10,010)	(41,428)	(38,359)
Net OPEB obligation - end of year	$241,337	($10,010)	($41,428)

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Over-Funded) Accrued Liability (UAAL)	Funded Ratio AAL	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2007	$582,694	$478,775	($103,919)	121.7%	$1,319,010	0%
6/30/2012	535,592	1,113,409	(577,817)	48.1%	1,351,769	-42.7%
6/30/2013	441,561	946,750	(505,189)	46.6%	1,329,519	-38.0%

GENERAL FUND-FUND BALANCE

The Village's General Fund fund balance for the last five years has been as follows:

Fiscal Year Ended June 30	Fund Balance
2013	$787,416
2012	678,450
2011	712,952
2010	1,018,598 *
2009	677,143

* As restated
Source: Village of Holly Audited Financial Statements

DEBT STATEMENT

(As of April 15, 2014, including the Series 2014 Bonds described herein)

DIRECT DEBT			
General Obligation Bonds			
02/01/2006	Capital Improvment, LT		$4,150,000
Revenue Bonds			
10/17/1991	Water, Michigan Bond Bank	$110,000	
06/24/1999	Water, Michigan Bond Bank	510,000	
09/01/2004	Wastewater	300,000	
03/01/2006	Water	4,775,000	
04/15/2014	Wastewater Refunding Bonds, Series 2014	4,185,000	9,880,000
TOTAL DIRECT DEBT			$14,030,000
Less:	Revenue Bonds		9,880,000
NET DIRECT DEBT			$4,150,000
OVERLAPPING DEBT			
41.57%	Holly Township	$0	$0
0.01%	Rose Township	0	0
14.48%	Holly School District	61,685,085	8,932,000
0.22%	Oakland County @ Large	461,667,743	1,015,669
0.22%	Oakland Intermediate School District	56,670,000	124,674
0.22%	Oakland Community College	3,075,000	6,765
TOTAL OVERLAPPING DEBT			$10,079,108
NET DIRECT AND OVERLAPPING DEBT			$14,229,108

Source: Municipal Advisory Council of Michigan

DEBT RATIOS:

Per Capita 2013 State Equalized Valuation	$16,552.42
Per Capita 2013 True Cash Value	$33,104.82
Per Capita Net Direct Debt	$681.89
Per Capita Combined Net Direct and Overlapping Debt	$2,338.01
Percent of Net Direct Debt of 2013 State Equalized Valuation	4.12%
Percent of Net Direct and Overlapping Debt of 2013 State Equalized Valuation	14.12%
Percent of Net Direct Debt of 2013 True Cash Value	2.06%
Percent of Net Direct and Overlapping Debt of 2013 True Cash Value	7.06%

SCHEDULE OF BOND MATURITIES

(As of April 15, 2014, including the Series 2014 Bonds described herein)

Year	General Obligation Bonds	Water Revenue Bonds	Wastewater Revenue Bonds
2014	$300,000	$440,000	$300,000
2015	300,000	355,000	360,000
2016	300,000	385,000	355,000
2017	300,000	385,000	350,000
2018	350,000	390,000	340,000
2019	350,000	440,000	380,000
2020	350,000	350,000	375,000
2021	350,000	400,000	370,000
2022	350,000	400,000	360,000
2023	400,000	425,000	405,000
2024	400,000	450,000	450,000
2025	400,000	475,000	440,000
2026	0	500,000	0
	$4,150,000	$5,395,000	$4,485,000

DEBT HISTORY: There is no record of default.
FUTURE BONDING: The Village does not anticipate the issuance of additional Bonds or Notes within the next 6 months.

STATEMENT OF LEGAL DEBT MARGIN

(As of April 15, 2014, including the Series 2014 Bonds described herein)

2013 State Equalized Valuation			$100,737,980
Plus Assessed Value Equivalent 2013 SEV of Act 198 exemptions			0
Total Valuation			$100,737,980
Debt Limited 10% of Assessed Valuation (1)			$10,073,798
Amount of Outstanding Debt		$14,030,000	
Less:	(2-c) Revenue Bonds	9,880,000	4,150,000
LEGAL DEBT MARGIN			$5,923,798

(1) Act 278, Public Acts of Michigan, 1909, as amended, provides that the net indebtedness of the Village shall not exceed 10% of all assessed real and personal property in the Village.

(2) Bonds which are not included in the computation of legal debt margin according to said Act 3 are:

(a) Special Assessment Bonds;

(b) Mortgage Bonds;

(c) Michigan Transportation Fund Bonds and Notes;

(d) Revenue Bonds;

(e) Bonds issued, or contract or assessment obligations incurred, to comply with an order of the former water resources commission, the department of environmental quality, or a court of competent jurisdiction;

(f) Bonds issued, or contract or assessment obligations incurred for water supply, sewerage, drainage or refuse disposal projects necessary to protect the public health by abating pollution.

(g) Bonds issued, or contract or assessment obligations incurred, for the construction, improvement or replacement of a combined sewer overflow abatement facility;

(h) Bonds issued to pay premiums or establish self-insurance contracts in accordance with Act 34, Public Acts of Michigan, 2001, as amended.

MAJOR EMPLOYERS

Major employers in the Village of Holly are as follows:

Firm Name	Product/Service	Approximate Number of Employees	
Holly Convalescent Center	Care providers	65	*
McDonalds	Restaurant	48	*
Holly Foods	Grocery	47	*
Holly Hotel	Restaurant	42	*
Delta Tube & Fabricating Corp.	Steel fabrication	50	**
Dee Creamer, Inc.	Sheet metal fabrication	200	**
Wolverine Machine	Precision machine parts and CNC machine part	30	**
Villagers Restaurant	Restaurant	28	*
AST, Inc.	Electronic contract manufacturing	70	**
Acument Global Technologies, Inc.	Fasteners	205	**
Grand Blanc Processing, LLC	Steel processing	40	**
Holly Distribution Center	Distribution of fasteners	100	**
Inalfa Roof Systems, Inc.	Automotive sunroof modules	250	**
Magna - E - Car Systems	Components for electric & hybred vehicles	95	**
Magna Electronic Technology, Inc.	Printed circuit boards	350	**
TMI	Air filtraction systems	100	**

In addition to the above listed employers, according to the Michigan Manufacturers Directory, 2013 Edition the Village also has:

Number of Employers **	Number of Employees**
15	1 - 10
10	11 - 35

Source: * Village of Holly
** Michigan Manufacturers Directory, 2013 Edition

LABOR CHARACTERISTICS

The U.S. Census 2008 – 2012 American Economic Characteristics lists the labor force characteristics for the Village, for employed persons 16 years and over, as follows:

By Occupation	Number of Employees
Management, business, science, and arts occupations	773
Service occupations	742
Sales and office occupations	835
Natural resources, construction, and maintenance occupations	173
Production, transportation, and material moving occupations	402
Total	2,925

By Industry	
Agriculture, forestry, fishing and hunting, and mining	0
Construction	144
Manufacturing	356
Wholesale trade	24
Retail trade	441
Transportation and warehousing, and utilities information	57
Information	36
Finance, insurance, real estate, and rental and leasing	184
Professional, scientific, management, administrative, and waste management services	233
Educational, health and social services	642
Arts, entertainment, recreation, accomodation and food services	529
Other services (except professional administration)	160
Public administration	119
Total	2,925

RESIDENTIAL CHARACTERISTICS

There are 2,703 housing units located within the Village according to the 2010 U.S. Census of Population and Housing, of which 99.7% are year-round homes; 73.5% are owner-occupied. A breakdown of the dwelling units according to the U.S. Census 2008 – 2012 American Economic Characteristics is as follows:

Single Family	61.4%
Multi Family	22.0%
Mobile Home	16.6%

According to the U.S. Census 2008 – 2012 American Economic Characteristics, the median value of an owner-occupied residence in the Village is $100,200.

INCOME CHARACTERISTICS

There were 2,338 households in the Village according to the U.S. Census 2008 – 2012 American Economic Characteristics, which had a median household income of $55,734. A breakdown of the income for the Village's households is as follows:

Income of Household	Number of Households
Less than $10,000	41
$10,000 to $14,999	127
$15,000 to $24,999	385
$25,000 to $34,999	86
$35,000 to $49,999	333
$50,000 to $74,999	696
$75,000 to $99,999	370
$100,000 to $149,999	224
$150,000 or more	76

The per capita income for the Village according to the U.S. Census 2008 – 2012 American Economic Characteristics was $24,067.

AGE STATISTICS

Age groups for the Village's residents, according to the U.S. Census 2007 – 2011 American Economic Characteristics, are as follows:

	2000 US Census Percentage	2010 US Census Percentage
Under 5 Years	8.3%	7.1%
5 to 19 Years	21.0%	20.8%
20 to 24 Years	6.1%	5.8%
25 to 44 Years	35.6%	28.8%
45 to 64 Years	17.8%	24.9%
Over 65 Years	11.3%	12.6%

EDUCATIONAL CHARACTERISTICS

The primary and secondary educational needs of the residents of the Village are adequately handled by the Holly public school district which serves the Village. Higher educational opportunities are available at the following institutions, which are located within driving distance of the Village's residents:

Baker College of Flint	Davenport University	Kettering University
Mott Community College		University of Michigan, Fling

According to the U.S. Census 2008 – 2012 American Economic Characteristics, the educational characteristics for the Village are as follows:

Years of School Completed	Persons 25 and Over
Less than 9th grade	1.5%
9th to 12th grade no diploma	10.5%
High School graduate	39.7%
Some college, no degree	25.3%
Associate degree	8.4%
Bachelor's degree	11.5%
Graduate or professional degree	3.1%

UTILITIES

The Village's water source comes from three (3) wells and sewage treatment is through the Village's wastewater treatment plant. Electric service and natural gas is provided by Consumers Energy.

TRANSPORTATION

The Village is easily accessible via Interstate Highway 75 to the west. Bus service is provided by Greyhound. General aviation air service is available at Bishop International Airport, which is approximately sixteen (16) miles northwest of the Village.

BANKING

The banking needs of the Village's residents can be adequately served by Bank of America, Citizens Bank and the State Bank.

Source: Village of Holly

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APPENDIX E

VILLAGE OF HOLLY
GENERAL FUND FINANCIAL STATEMENTS AND UTILITIES FUND STATEMENTS FOR FISCAL YEARS ENDED JUNE 30, 2013, 2012 AND 2011

FINANCIAL INFORMATION

The following financial information has been compiled from information provided in the Village of Holly audited Annual Financial Reports for the fiscal years ended June 30, 2013, 2012, and 2011. These audited Annual Financial Reports were prepared in accordance with the Generally Accepted Accounting Principles. The Village's auditors have not been asked to consent to the use of information from such audited Annual Financial Reports in the Preliminary Official Statement nor the final Official Statement and have not conducted any subsequent review of such audited Annual Financial Reports or of the information presented in this Appendix.

Copies of audited Annual Financial Reports of the Village may be obtained from the State of Michigan - Department of Treasury.

Michigan Department of Treasury
Local Audit and Finance Division
Lansing, MI 48922
Telephone: (517) 373-3227
Website: www.michigan.gov/treasury

Beginning July 1, 2009, municipal bond issuers, obligors or their designated agents must provide continuing disclosure documents and related information to the MSRB for posting on the EMMA website. These continuing disclosure documents, which include annual financial statements and events notices, will be posted on the EMMA website generally within an hour of receipt.

By Mail:MSRB	By Phone:	(703) 797-6600
1900 Duke St., Suite 600	By Fax:	(703) 797-6700
Alexandria, VA 22313	Professional Qualifications:	(703) 797-6702
www.msrb.org	Accounting:	(703) 797-6703
	Municipal Securities Information Library:	(703) 797-6704
	Transaction Report:	(703) 797-6703
	www.emma.msrb.org	

VILLAGE OF HOLLY
GENERAL FUND - BALANCE SHEET *
FOR YEARS ENDED JUNE 30

ASSETS	2013	2012	2011
Cash and cash equivalents	$614,267	$614,796	$725,699
Receivables:			
Delinquent taxes	82	82	1,769
Special assessments receivable	12,493	15,524	15,133
Other	16,254	21,498	17,447
Due from other govermental units	99,081	85,461	172,773
Due from other funds	7,024	7,550	1,305
Prepaid expenses and other assets	0	44,378	0
Due from fiduciary fund - Retiree Health	107,365	0	0
TOTAL ASSETS	$856,566	$789,289	$934,126
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$35,229	$54,662	$85,872
Due to other governmental units	0	0	0
Due to other funds	0	0	0
Accrued payroll and related liabilities	21,428	40,653	21,912
Deferred revenue	12,493	15,524	113,390
TOTAL LIABILITIES	69,150	110,839	221,174
Fund Balance			
Nonspendable - Prepaids	0	44,378	7,185
Committed - Cemetery Care	149,283	175,441	182,010
Assigned			
Tri party	34,779	34,779	34,779
Sidewalks	141,689	138,658	126,081
Mill pond	100,000	100,000	100,000
Capital improvements	172,018	185,194	73,754
Cemetery care	0	0	32,644
Unassigned	189,647	0	156,499
TOTAL FUND EQUITY	787,416	678,450	712,952
TOTAL LIABILITIES AND FUND EQUITY	$856,566	$789,289	$934,126

Source: Financial Statements of the Village of Holly

*The Series 2014 Bonds are payable solely from the Net Revenues of the System. These materials are for informational purposes only.

VILLAGE OF HOLLY
GENERAL FUND *
STATEMENT OF REVENUES AND EXPENDITURES
FOR YEARS ENDED JUNE 30

	2013	2012	2011
REVENUES:			
Property taxes	$1,267,639	$1,311,017	$1,448,953
Licenses and permits	78,524	83,635	105,903
Federal grants	95,475		98,645
State shared revenue and grants	547,325	626,832	520,789
Charges for services	547,852	773,648	559,726
Fines and forfeits	37,867	29,142	51,677
Investment income	2,922	4,685	4,420
Other revenue			
Special assessments	0	0	22,655
NSP program income	11,000	0	0
Other miscellaneous income	56,249	34,656	7,046
TOTAL REVENUE	2,644,853	2,863,615	2,819,814
EXPENDITURES:			
Current:			
General government:			
Village Council	6,455	6,304	7,256
Village Manager	65,604	215,674	70,707
Clerk Treasurer	85,211	155,046	139,553
Buildings and grounds	133,698	125,181	159,746
Attorney	37,242	26,982	39,184
Data processing	11,964	3,066	3,526
Other	176,639	248,220	162,234
Public safety:			
Police	1,109,597	1,169,794	1,193,976
Dispatch	292,919	327,104	258,341
Fire	263,616	257,773	247,329
Building inspections and related	22,792	76,778	69,824
Public works:			
Streets	0	0	952
Other public works activities	247,536	244,018	474,290
Cemetery	15,578	31,065	62,826
Community and economic development:			
Redevelopment and housing	1,158	6,569	0
Planning, zoning, and related	8,768	4,844	3,818
Parks and recreation	17,225	44,518	68,440
Capital outlay	12,009	31,373	114,981
Debt service	27,876	0	0
TOTAL EXPENDITURES	2,535,887	2,974,309	3,076,983

* The Series 2014 Bonds are payable solely from the Net Revenues of the System. These materials are for informational purposes only.

VILLAGE OF HOLLY
GENERAL FUND *
STATEMENT OF REVENUES AND EXPENDITURES
FOR YEARS ENDED JUNE 30

Continued

	2013	2012	2011
EXCESS OF REVENUE (UNDER) OVER EXPENDITURES	108,966	(110,694)	(257,169)
OTHER FINANCING SOURCES (USES)			
Transfer in	0	76,192	0
Transfers out	0	0	(48,477)
TOTAL OTHER FINANCING SOURCES (USES)	0	76,192	(48,477)
NET CHANGE IN FUND BALANCES	108,966	(34,502)	(305,646)
FUND BALANCES - BEGINNING OF YEAR	678,450	712,952	1,018,598
FUND BALANCE - END OF YEAR	$787,416	$678,450	$712,952

Source: Financial Statements of the Village of Holly

* The Series 2014 Bonds are payable solely from the Net Revenues of the System. These materials are for informational purposes only.

VILLAGE OF HOLLY
SEWER FUND - STATEMENT OF NET ASSETS
FOR YEARS ENDED JUNE 30

Assets	2013	2012	2011
Current assets:			
Cash and cash equivalents	$28,117	$78,417	$0
Receivables	398,573	355,122	260,628
Inventory	38,297	30,434	31,551
Prepaid expenses and other assets	0	10,988	0
TOTAL CURRENT ASSETS	464,987	474,961	292,179
Noncurrent assets:			
Restricted assets	783,057	558,099	558,080
OPEB asset	0	1,634	3,833
Capital assets			
Assets not subject to depreciation	50,000	0	0
Assets subject to depreciation	21,746,252	22,427,813	23,098,350
TOTAL NONCURRENT ASSETS	22,579,309	22,987,546	23,660,263
TOTAL ASSETS	23,044,296	23,462,507	23,952,442
Liabilities			
Current liabilities:			
Accounts payable	502	6,139	1,419
Accrued liabilities and other:			
Accrued salaries and wages	4,490	2,035	1,873
Accrued interest payable	104,921	114,372	118,018
Customer deposits	0	0	0
Compensated absences	11,840	11,845	9,633
Capital leases - Due within one year	33,570	32,083	30,622
Current portion of long-term debt -	603,397	553,398	500,000
TOTAL CURRENT LIABILITIES	758,720	719,872	661,565
Noncurrent assets:			
Net OPEB obligation	34,605	0	0
Capital leases - Due in more than one year	112,887	146,457	178,580
Long-term debt - Due in more than one year	8,844,172	9,442,914	9,984,862
Advances from other funds	0	0	147,840
TOTAL NONCURRENT LIABILITIES	8,991,664	9,589,371	10,311,282
TOTAL LIABILITIES	9,750,384	10,309,243	10,972,847
Net Assets			
Invested in capital assets - Net of related debt	12,202,226	12,252,961	12,404,286
Restricted for bond reserve	783,057	558,099	558,080
Unrestricted	308,629	342,204	17,229
TOTAL NET ASSETS	$13,293,912	$13,153,264	$12,979,595

Source: Financial Statements of the Village of Holly

VILLAGE OF HOLLY
SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR YEARS ENDED JUNE 30

	2013	2012	2011
OPERATING REVENUE			
Sewage disposal charges	$1,137,322	$1,220,619	$1,235,926
Other sales to customers	9,440	12,400	0
Interest and penalty charges	61,811	55,047	41,906
TOTAL OPERATING REVENUE	1,208,573	1,288,066	1,277,832
OPERATING EXPENSES			
Wastewater treatment	624,176	433,023	504,037
Water collection system	207,358	370,892	204,555
Billing and administrative costs	55,289	54,150	50,370
Depreciation	678,124	685,662	685,917
TOTAL OPERTING EXPENDITURES	1,564,947	1,543,727	1,444,879
OPERATING (LOSS) INCOME	(356,374)	(255,661)	(167,047)
NONOPERATING REVENUE (EXPENSES)			
Investment income	2,148	736	69
Interest expense	(421,721)	(448,797)	(471,022)
Debt service charges	916,595	877,391	327,078
TOTAL NONOPERATIANG REVENUE (EXPENSES)	497,022	429,330	(143,875)
(LOSS) INCOME - Before contributions	140,648	173,669	(310,922)
Capital Contribution - Other	0	0	7,910
CHANGES IN NET ASSETS	140,648	173,669	(303,012)
FUND BALANCES - BEGINNING OF YEAR	13,153,264	12,979,595	13,282,607
FUND BALANCE - END OF YEAR	$13,293,912	$13,153,264	$12,979,595

Source: Financial Statements of the Village of Holly

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APPENDIX F

FORM OF APPROVING OPINION

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing • Troy
FLORIDA: Tampa
ILLINOIS: Chicago
NEW YORK: New York
OHIO: Cincinnati
CANADA: Toronto • Windsor
CHINA: Shanghai
MEXICO: Monterrey
POLAND: Gdynia
Warsaw • Wrocław

FORM OF APPROVING OPINION

Village of Holly
County of Oakland
State of Michigan

We have acted as bond counsel to the Village of Holly, County of Oakland, State of Michigan (the "Issuer"), in connection with the issuance by the Issuer of bonds in the aggregate principal sum of $_________, designated Wastewater System Revenue Refunding Bonds, Series 2014 (the "Bonds"). In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to Act 94, Public Acts of Michigan, 1933, as amended (the "Act"), Ordinance No. 423 of the Issuer (the "Ordinance"), and Ordinance No. 368 previously adopted by the Issuer (together with the Ordinance, the "Ordinances"). Under the Ordinances, the Issuer has pledged certain revenues for the payment of the principal of and interest on the Bonds when due.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of ________, 2014, payable as to principal and interest as provided in the Bonds, with the option of redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds. The Issuer has designated the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions.

As to questions of fact material to our opinion, we have relied on the representations of the Issuer contained in the Ordinances and in the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds are valid and binding obligations of the Issuer, according to their tenor, payable solely and only from and secured by a statutory first lien on the revenues of the Issuer's Wastewater System (the "System"), after payment of the expenses of administration, operation and maintenance thereof (the "Net Revenues"), and are entitled to the benefits of the Ordinances and the Act.

2. The Bonds are of equal standing and priority of lien as to the Net Revenues of the System and are equally secured with the Issuer's Wastewater System Revenue Bonds, Series 2004 (the "Outstanding Bonds"). The Issuer has reserved the right to issue additional bonds of equal standing and priority of lien as to the Net Revenues of the System with the Bonds and the Outstanding Bonds on conditions stated in the Ordinances.

3. The Issuer is obligated to charge and collect rates from every user of the service supplied by the System sufficient to provide adequate revenues for the payment of the expenses of administration, operation and maintenance of the System and for the payment of the principal of and interest on the Bonds and all other bonds payable from the revenues of the System and to provide for such other expenditures and funds for the Bonds and the System as are required by the Ordinances.

4. The interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes), the interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds.

5. The Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

Except as stated in paragraphs 4 and 5 above, we express no opinion regarding other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

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FORM OF CONTINUING DISCLOSURE UNDERTAKING

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the Village of Holly, County of Oakland, State of Michigan (the "Issuer") in connection with the issuance of its Wastewater System Revenue Refunding Bonds, Series 2014 (the "Bonds"). The Issuer covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions*. The following terms used herein shall have the following meanings:

"Audited Financial Statements" means the annual audited financial statement pertaining to the Issuer prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

"Bondholders" shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access System or such other system, Internet Web Site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended.

"SEC" means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The Issuer hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA on or before the last day of the sixth month after the end of its fiscal year the following annual financial information and operating data, commencing with the fiscal year ending June 30, 2014 in an electronic format as prescribed by the MSRB:

(1) Updates of the numerical financial information and operating data included in the official statement of the Issuer relating to the Bonds (the "Official Statement") appearing in the tables or under the headings in the Official Statement as described below:

a. History of Wastewater Flow Treated – current year;
b. Major Users;
c. Current Rates in Effect;
d. Historical Revenues and Expenditures – current year;
e. Wastewater System Net Assets – current year;
f. Labor Agreements;
g. Retirement Plans;
h. Other Post Employment Benefits;
i. Debt Statement;
j. Schedule of Bond Maturities; and
k. Statement of Legal Debt Margin.

(2) Audited Financial Statements, or in the event audited financial statements are not available, the Issuer agrees to provide unaudited financial statements and to provide audited financial statements immediately after they become available.

(3) Such additional financial information or operating data as may be determined by the Issuer and its advisors as desirable or necessary to comply with the Rule.

Such annual financial information and operating data described above are expected to be provided directly by the Issuer by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the Issuer is changed, the Issuer shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose*. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the Issuer to provide the annual financial information with respect to the Issuer described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The Issuer agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of holders of the Bonds, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) *Materiality Determined Under Federal Securities Laws*. The Issuer agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Termination of Reporting Obligation*. The Issuer reserves the right to terminate their obligation to provide annual financial information and notices of material events, as set forth above, if and when the Issuer is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(g) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(h) *Benefit of Bondholders*. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Section is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder and any failure by the Issuer to comply with the provisions of this undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking*. Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the Issuer, provided that the Issuer agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the Issuer (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the Issuer in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

(j) *Municipal Advisory Council of the State of Michigan*. The Issuer shall also file by electronic or other means any information or notice required to be filed with the MSRB through EMMA pursuant to this Undertaking in a timely manner with the Municipal Advisory Council of the State of Michigan.

VILLAGE OF HOLLY
County of Oakland
State of Michigan

By____

Dated: April 15, 2014

APPENDIX H

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
 claims@buildamerica.com
Address:
 1 World Financial Center, 27th floor
 200 Liberty Street
 New York, New York 10281
Telecopy:
 212-962-1524 (attention: Claims)

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The following have participated in the planning and development of this Bond issue:

VILLAGE OF HOLLY

VILLAGE COUNCIL

RYAN BLADZIK
Village President

ROBERT ALLSOP	JACKIE CAMPBELL	GEORGE KULLIS
DEBRA MUSGRAVE President Pro-Tem		CHRIS RANKIN

ADMINISTRATION

JERRY WALKER
Village Manager

CATHRENE BEHRENS
Clerk and Treasurer

PROFESSIONAL SERVICES

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UNDERWRITER	COMERICA SECURITIES, INC. Detroit, Michigan
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