



The CITY of SALINE

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April 23, 2001

The following was taken from the minutes of the Regular Meeting of the Saline City Council held on April 16, 2001:

01-54 FIRST AMENDMENTS TO THE AMENDED AND RESTATED DEVELOPMENT
ADMIN PLAN AND TAX INCREMENT FINANCING PLAN FOR THE SAUK TRAIL
 BUSINESS PARK

MOVED Roberts SECONDED Smilde to acknowledge receipt of the April 10, 2001 memo from Finance Director Bourgojn regarding First Amendments to LDFA #2 (Sauk Trail Business Park) Amended and Restated Development Plan and Tax Increment Financing Plan.

AYES: Driskell, Girbach, Herbert, Martin, Roberts, Smilde

NAYS: None

ABSENT: Kuss

MOTION CARRIED.

Opportunity for Taxing Units to be heard: No Comments

MOVED Roberts SECONDED Martin to open the public hearing.

AYES: Driskell, Girbach, Herbert, Martin, Roberts, Smilde

NAYS: None

ABSENT: Kuss

MOTION CARRIED.

Public Comments:

Mary Hess, 600 Canterbury Drive - We were to be reimbursed \$300,000 if we attracted a certain number of jobs - where are we on meeting goal?

01-54 Continued

MOVED Roberts SECONDED Martin to close the public hearing.

AYES: Driskell

NAYS: None

ABSENT: Kuss

MOTION CARRIED.

MOVED Roberts SECONDED Martin to **approve and adopt** the Resolution Approving First Amendments to the Amended and Restated Development Plan and Tax Increment Financing Plan for the Sauk Trail Business Park (formerly known as the Philips Industrial Park).

AYES: Driskell, Girbach, Herbert, Martin, Roberts, Smilde

NAYS: None

ABSENT: Kuss

MOTION CARRIED.

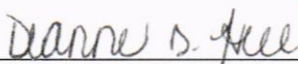
MOVED Girbach SECONDED Roberts to acknowledge receipt of the April 10, 2001 memo from Finance Director Bourgoin regarding Agreement Respecting Obligation to Make Payments from Tax Increment Revenues of LDFA District #2 (Sauk Trail Business Park); to **approve** the Agreement Respecting Obligation to Make Payments from Tax Increment Revenues and to **authorize** the Mayor and Clerk to execute said Agreement.

AYES: Driskell, Girbach, Herbert, Martin, Roberts, Smilde

NAYS: None

ABSENT: Kuss

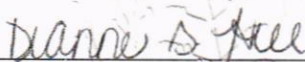
MOTION CARRIED.



Dianne S. Hill, City Clerk

CERTIFICATE

I hereby certify that the foregoing is a true and complete copy of Resolutions adopted by the City Council of the City of Saline, County of Washtenaw, State of Michigan, at a regular meeting held on April 16, 2001, 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.



Dianne S. Hill, City Clerk
City of Saline, Michigan

RESOLUTION APPROVING FIRST AMENDMENTS TO THE AMENDED AND
RESTATED DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN FOR
THE SAUK TRAIL BUSINESS PARK
(FORMERLY KNOWN AS THE PHILIPS INDUSTRIAL PARK)

Minutes of a regular meeting of the City Council of the City of Saline, County of Washtenaw, State of Michigan, held in the City Hall in said City on the 16th day of April, 2001, at 7:30 o'clock p.m., Eastern Daylight Time.

PRESENT: Members Gretchen Driskell, Charles Herbert, Dean Girbach,
Phyllis Martin, Karilyn Roberts, Alicia Smilde

ABSENT: Members Richard Kuss

The following preamble and resolution were offered by Member Roberts and supported by Member Martin:

WHEREAS, the City of Saline (the "City") pursuant to the provisions of Act 281, Public Acts of Michigan, 1986, as amended ("Act 281") has created the Local Development Finance Authority of the City of Saline (the "Authority"); and

WHEREAS, the Authority has the power to implement plans of development necessary to create jobs, eliminate the causes of unemployment and under-employment, and to promote economic development; and

WHEREAS, the Authority wishes to further develop the area known as Sauk Trail Business Park for the purposes approved by Act 281; and

WHEREAS, on April 12, 1990, following a public hearing on the question, the City Council of the City approved a Development Plan and Tax Increment Financing Plan (the "Plan"); and

WHEREAS, on May 14, 1990 following a public hearing on the question, the City Council of the City approved a Modified Plan; and

WHEREAS, on August 14, 1990 following a public hearing on the question, the City Council of the City approved an Amended Modified Plan; and

WHEREAS, on July 13, 1998 following a public hearing on the question, the City Council of the City approved an Amended and Restated Development Plan and Tax Increment Financing Plan; and

WHEREAS, the Authority has determined that, in order to further develop the Sauk Trail

Business Park, it is necessary to further invest in water, sewer, street and land preparation improvements to promote development in the Sauk Trail Business Park development district ; and

WHEREAS, in order to accomplish these improvements, the Authority has found it necessary to again amend the Plan, and to submit such First Amendments to the development plan and tax increment financing plan to the City Council for consideration following a public hearing to be called with respect to such proposed amendments; and

WHEREAS, a public hearing has been held on April 16, 2001 on the development plan and tax increment financing plan, with the proper notices having been made pursuant to the requirements of the statute.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City hereby determines that the First Amendments are reasonable and necessary for the achievement of the purposes of Act 281, that they constitute a public purpose, that they meet the requirements of the statutes, that the proposed method of financing is feasible, that they are in reasonable accord with the approved master plan of the City of Saline , and that public services will be adequate to service the development area.
2. The First Amendments are hereby approved and adopted.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members Driskell, Girbach, Herbert, Martin, Roberts, Smilde

NAYS: Members None

ABSENT: Members Kuss

RESOLUTION DECLARED ADOPTED.

Dianne S. Hill
Dianne S. Hill, Saline City Clerk

I hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Saline, County of Washtenaw, State of Michigan at a regular meeting held on April 16, 2001, 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.

Dianne S. Hill
Dianne S. Hill, Saline City Clerk

ATTACHMENT A

FIRST AMENDMENTS TO AMENDED AND RESTATED DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN FOR THE SAUK TRAIL BUSINESS PARK

The introduction on page three of the Plan is hereby amended by deleting in the paragraph before last the phrase "certification as a Certified Industrial Park" and inserting instead the phrase "Sauk Trail Business Park as a business development area, into which businesses and".

Section 15(2)(d) of the Development Plan is hereby amended to add the following paragraphs:

The City will also undertake street improvements, industrial park land preparation, water main improvements and sewer trunk line enlargement, paid for in part from tax increments derived from the Facilities. The System improvements are to meet the additional strains on these systems caused by the increase in usage from industrial users in the Sauk Trail Business Park.

These projects include Sauk Trail Court (both streets and water or sewer mains), a share of the US12/Bemis/Keveling Drive intersection project (both streets and water), a share of East Belt sewer trunk enlargement and land preparation on or near the industrial parcels. These projects will be completed by December, 2004.

Section 15(2)(e) of the Development Plan is hereby amended to add the following paragraphs:

Other projects to be completed are Sauk Trail Court (both streets and water or sewer mains), a share of the US12/Bemis/Keveling Drive intersection project (both streets and water), a share of East Belt sewer trunk enlargement and land preparation on the industrial parcels. These projects will be completed by December, 2004. Land preparation improvements to encourage industrial location in the industrial park will include public domain items such as water retention, roads, water, sanitary sewer, moving of soil, storm drains, and street lighting.

The total estimated cost for these other projects borne by the tax increment revenues derived from the Sauk Trail Business Park is estimated to be \$1,095,000. These improvements are expected to be completed by December 31, 2004.

Section 15(2)(f) of the Development Plan is hereby amended to add the following paragraphs:

- | | | |
|----|------------------------------------|---------------------------|
| 5. | Sauk Trail Court | July 2001 - November 2003 |
| 6. | US12/Bemis/Keveling Intersection | July 2001 - November 2003 |
| 7. | Industrial Park Land Preparation | July 2001 - December 2004 |
| 8. | East Belt, sewer trunk enlargement | July 2001 - December 2003 |

Section 15(2)(i) of the Development Plan is hereby amended to add the following:

The 1998 estimated costs of the public facilities planned at that time were \$3,500,000. But actual construction costs for those projects required this figure to be revised by 2001 to about \$4,300,000.

Beyond this, the estimated cost of additional public facilities is \$1,310,000 and the estimated cost of each of these additional facilities is as follows:

East Belt, sewer trunk enlargement	\$364,800 (cost share)
Sauk Trail Court, water and sewer	\$126,000
Intersection US12/Bemis/Keveling, water main	\$ 19,200 (cost share)
Intersection US12/Bemis/Keveling, street improvement	\$99,000 (cost share)
Industrial Land Preparation	\$500,000
Sauk Trail Court, street improvement	\$201,000

The proposed method of financing these additional public facilities is as follows:

1. The City is issuing bonds as described below, of which approximately \$810,000 are on behalf of the Authority and the City will construct the public facilities.
 - a. \$300,000 portion of \$3,000,000 for Street Projects as part of \$6,040,000 UTGO Bonds, dated as of February 1, 2001.
 - b. \$510,000 portion of \$1,500,000 for Water Supply and Sewage Disposal System Projects, as part of \$6,040,000 Bonds, dated as of February 1, 2001.
2. The Authority will enter into a contract with the City to acquire and construct the public facilities financed with the City's bonds and to repay the City the costs of the issuance of bonds on its behalf.
3. The land preparation improvements estimated to total \$500,000 will be paid directly from available funds including municipal advances and tax increment revenues, to encourage industrial location in the industrial park as opportunities may arise during the life of the plan.
4. The municipality may advance up to \$2,000,000 to LDFA #2 when needed, to provide partial funding to achieve the objectives of the plan. These advances will be repaid to the City from the LDFA #2 tax increment revenues, although no interest will be charged. Any advances not repaid to the City within a couple of years may be considered as long-term liabilities.

Section 12(2)(a) of the Tax Increment Financing Plan is hereby amended to add the following paragraph:

Improving the transportation, water and sewer servicing of Sauk Trail Business Park is necessary to encourage further location of industries in the industrial park. Land preparation activities are also needed to encourage further location of industries in the industrial park.

Section 12(2)(e) of the Tax Increment Financing Plan is hereby amended to read in its entirety as follows:

The maximum amount of bonded indebtedness (by the municipality on behalf of the Sauk Trail Business Park) for which the LDFA will use tax increment revenues is \$6,000,000. The tax increment revenues of the LDFA will not be solely responsible for debt service on bonded indebtedness; as described in Exhibits B and D, other sources will be used to pay that portion which was not borrowed on behalf of the Sauk Trail Business Park.

The ability of the Authority to finance the bond indebtedness for the planned projects is shown in Exhibits B-1A through B-3. An early initial estimate of financing through the City is shown in Exhibit D.

Section 12(2)(f) of the Tax Increment Financing Plan is hereby amended to add the following paragraph:

Beyond the initial construction cost borrowing for the public facilities in the industrial park (whose costs increased to about \$4,300,000 by 2001), it is planned that an additional \$300,000 of bond funds for streets and an additional \$510,000 of bond funds for water and sewer projects will be obtained by the City on behalf of the Authority in 2001. The facilities will also be built by the City on behalf of the Authority and the Authority will pay the debt service costs for this portion of the borrowing.

Exhibit B-1 and Exhibit E attached to the Amended and Restated Development Plan and Tax Increment Financing Plan are hereby amended to read in their entirety as follows (in the attached Exhibit B-1A, Exhibit B-1B and revised Exhibit E):

EXHIBIT B-1A

CAPTURED EQUIVALENT TAXABLE VALUES AND TAX INCREMENT REVENUES ESTIMATED FOR THE SAUK TRAIL BUSINESS PARK (LDFA DISTRICT #2) PLAN

YEAR	CAPTURED EQUIVALENT TAXABLE VALUE	CITY MILLS 9.6222	LIBRARY MILLS 0.8585	WASHTENAW COUNTY 5.4759	WASHTENAW COMMUNITY COLLEGE 3.4544	TOTAL TAX INCREMENT REVENUE 19.4110
1998/99	\$0	\$0	\$0	\$0	\$0	\$0
1999/00	\$795,300	\$7,647	\$688	\$4,390	\$2,769	\$15,494
2000/01	\$2,451,365	\$23,588	\$2,104	\$13,423	\$8,468	\$47,583
2001/02	\$11,056,915	\$106,392	\$9,492	\$60,547	\$38,195	\$214,626
2002/03	\$20,000,000	\$192,444	\$17,170	\$109,518	\$69,088	\$388,220
2003/04	\$28,000,000	\$269,422	\$24,038	\$153,325	\$96,723	\$543,508
2004/05	\$33,000,000	\$317,533	\$28,331	\$180,705	\$113,995	\$640,563
2005/06	\$35,000,000	\$336,777	\$30,048	\$191,657	\$120,904	\$679,385
2006/07	\$35,000,000	\$336,777	\$30,048	\$191,657	\$120,904	\$679,385
2007/08	\$35,000,000	\$336,777	\$30,048	\$191,657	\$120,904	\$679,385
2008/09	\$38,000,000	\$365,644	\$32,623	\$208,084	\$131,267	\$737,618
2009/10	\$38,000,000	\$365,644	\$32,623	\$208,084	\$131,267	\$737,618
2010/11	\$38,000,000	\$365,644	\$32,623	\$208,084	\$131,267	\$737,618
2011/12	\$40,000,000	\$384,888	\$34,340	\$219,036	\$138,176	\$776,440
2012/13	\$40,000,000	\$384,888	\$34,340	\$219,036	\$138,176	\$776,440
2013/14	\$40,000,000	\$384,888	\$34,340	\$219,036	\$138,176	\$776,440
2014/15	\$45,000,000	\$432,999	\$38,633	\$246,416	\$155,448	\$873,495
2015/16	\$45,000,000	\$432,999	\$38,633	\$246,416	\$155,448	\$873,495
2016/17	\$45,000,000	\$432,999	\$38,633	\$246,416	\$155,448	\$873,495
2017/18	\$45,000,000	\$432,999	\$38,633	\$246,416	\$155,448	\$873,495
2018/19	\$50,000,000	\$481,110	\$42,925	\$273,795	\$172,720	\$970,550
2019/20	\$50,000,000	\$481,110	\$42,925	\$273,795	\$172,720	\$970,550
2020/21	\$50,000,000	\$481,110	\$42,925	\$273,795	\$172,720	\$970,550

Note: The above taxable value "equivalents" result from using full valuation for ad valorem nonhomestead property and half values for IFT valuations to obtain a good estimate of the tax increment revenue. The captured millage rates for FY01 (7/1/00-6/30/01) shown in the above headings have been used from FY01 through FY21. In FY00 the millage rates used (for the FY00 calculations only) were 9.6153 mills for the City, 0.8654 mills for the Library, 5.5197 mills for the County and 3.4819 mills for the Community College for a total captured millage rate of 19.4823 in that year only.

EXHIBIT B-1B

ESTIMATED EXPENDITURES AND REMAINING TAX INCREMENT REVENUE FOR SAUK TRAIL BUSINESS PARK (LDFA DISTRICT #2)

FISCAL YEAR	CAPTURED TAX INCREMENT REVENUES	DEBT SERVICE 1998 STREETS RENAISS. \$250,000	DEBT SERVICE 1998 STREET BONDS \$1,075,000	DEBT SERVICE 73.5321% OF WTR/SWR \$2,335,000	DEBT SERVICE 2001 WTR/SWR \$510,000 SHARE	DEBT SERVICE 2001 STREETS \$300,000 SHARE	OPERATING AND PLANNING EXPEN- DITURES	REPAYMENT OF MUNICIPAL ADVANCES	REMAINING TAX INCREMENT REVENUES
1997/98	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$7,420	\$0
1998/99	\$0	\$0	\$50,025	\$80,947	\$0	\$0	\$25,000	-\$349,391	\$0
1999/00	\$15,494	\$9,535	\$57,570	\$111,461	\$0	\$0	\$25,000	-\$825,632	\$0
2000/01	\$47,583	\$38,149	\$56,870	\$115,137	\$0	\$0	\$45,000	-\$100,000	\$0
2001/02	\$214,626	\$38,149	\$61,465	\$117,085	\$33,030	\$19,429	\$50,000	-\$200,000	\$0
2002/03	\$388,220	\$38,149	\$65,850	\$115,184	\$38,553	\$22,678	\$60,000	\$47,806	\$0
2003/04	\$543,508	\$38,149	\$125,020	\$113,284	\$38,698	\$22,764	\$60,000	\$145,593	\$0
2004/05	\$640,563	\$38,149	\$126,660	\$118,736	\$39,227	\$23,075	\$60,000	\$234,716	\$0
2005/06	\$679,385	\$38,149	\$128,048	\$120,166	\$39,697	\$23,351	\$60,000	\$269,974	\$0
2006/07	\$679,385	\$38,149	\$129,178	\$121,424	\$40,109	\$23,594	\$60,000	\$266,931	\$0
2007/08	\$679,385	\$28,612	\$130,045	\$122,508	\$40,463	\$23,802	\$60,000	\$273,955	\$0
2008/09	\$737,618	\$0	\$130,545	\$174,892	\$40,337	\$23,727	\$60,000	\$243,468	\$64,649
2009/10	\$737,618	\$0	\$130,820	\$176,889	\$40,593	\$23,878	\$60,000	\$0	\$305,438
2010/11	\$737,618	\$0	\$130,870	\$178,540	\$40,792	\$23,995	\$60,000	\$0	\$303,421
2011/12	\$776,440	\$0	\$125,638	\$179,845	\$40,926	\$24,074	\$60,000	\$0	\$345,957
2012/13	\$776,440	\$0	\$120,348	\$180,804	\$41,001	\$24,118	\$60,000	\$0	\$350,169
2013/14	\$776,440	\$0	\$0	\$181,418	\$41,018	\$24,128	\$60,000	\$0	\$469,876
2014/15	\$873,495	\$0	\$0	\$181,536	\$41,399	\$24,352	\$60,000	\$0	\$566,208
2015/16	\$873,495	\$0	\$0	\$177,624	\$41,701	\$24,530	\$60,000	\$0	\$569,640
2016/17	\$873,495	\$0	\$0	\$169,697	\$41,925	\$24,662	\$60,000	\$0	\$577,211
2017/18	\$873,495	\$0	\$0	\$0	\$42,071	\$24,748	\$60,000	\$0	\$746,676
2018/19	\$970,550	\$0	\$0	\$0	\$42,139	\$24,788	\$60,000	\$0	\$843,623
2019/20	\$970,550	\$0	\$0	\$0	\$42,129	\$24,782	\$60,000	\$0	\$843,639
2020/21	\$970,550	\$0	\$0	\$0	\$42,435	\$24,962	\$60,000	\$0	\$843,153

EXHIBIT E

SALINE LDFA DISTRICT #2 (SAUK TRAIL) ESTIMATED REDISTRIBUTION OF TAX INCREMENTS TO LOCAL UNITS

FISCAL YEAR	REMAINING CAPTURED FUNDS	CITY SHARE 9.6222 MILLS 49.5708%	LIBRARY SHARE 0.8585 MILLS 4.4227%	COUNTY SHARE 5.4759 MILLS 28.21%	COMMUNITY COLLEGE SHARE 3.4544 MILLS 17.7960%
1998/99	\$0	\$0	\$0	\$0	\$0
1999/00	\$0	\$0	\$0	\$0	\$0
2000/01	\$0	\$0	\$0	\$0	\$0
2001/02	\$0	\$0	\$0	\$0	\$0
2002/03	\$0	\$0	\$0	\$0	\$0
2003/04	\$0	\$0	\$0	\$0	\$0
2004/05	\$0	\$0	\$0	\$0	\$0
2005/06	\$0	\$0	\$0	\$0	\$0
2006/07	\$0	\$0	\$0	\$0	\$0
2007/08	\$0	\$0	\$0	\$0	\$0
2008/09	\$64,649	\$32,047	\$2,859	\$18,238	\$11,505
2009/10	\$305,438	\$151,408	\$13,509	\$86,165	\$54,356
2010/11	\$303,421	\$150,408	\$13,420	\$85,596	\$53,997
2011/12	\$345,957	\$171,494	\$15,301	\$97,595	\$61,567
2012/13	\$350,169	\$173,582	\$15,487	\$98,784	\$62,316
2013/14	\$469,876	\$232,922	\$20,781	\$132,553	\$83,620
2014/15	\$566,208	\$280,674	\$25,042	\$159,729	\$100,763
2015/16	\$569,640	\$282,375	\$25,194	\$160,697	\$101,374
2016/17	\$577,211	\$286,128	\$25,529	\$162,833	\$102,721
2017/18	\$746,676	\$370,134	\$33,024	\$210,639	\$132,879
2018/19	\$843,623	\$418,191	\$37,311	\$237,989	\$150,132
2019/20	\$843,639	\$418,199	\$37,312	\$237,993	\$150,135
2020/21	\$843,153	\$417,958	\$37,291	\$237,856	\$150,048

Note: The captured millage rates for FY01 (7/1/00-6/30/01) shown in the above headings have been used from FY01 through FY21.

AGREEMENT RESPECTING OBLIGATION TO MAKE
PAYMENTS FROM TAX INCREMENT REVENUES

THIS AGREEMENT made as of this 16 day of April, 2001, between the LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF SALINE (the "Authority"), a public body corporate established pursuant to the provisions of Act No. 281 of the Public Acts of Michigan, 1986 (the "Act") and the CITY OF SALINE (the "Municipality"), a Michigan municipal corporation respecting the Authority's obligation to make payments to the Municipality of certain Tax Increment Revenues (hereinafter defined).

WHEREAS, the City Council of the Municipality, by resolution duly adopted on July 6, 1987, has established the Authority and defined the boundaries of the authority district within which the Authority may exercise its powers, all pursuant to the Act; and

WHEREAS, the Authority, by resolution duly adopted on April 12, 1990, has adopted a Development Plan and Tax Increment Financing Plan (the "Plan") for the Phillips Industrial Park, which Plan sets forth certain public improvements to be acquired and constructed within the authority district, including certain street and road improvements and improvements to the Municipality's sanitary sewer system and water supply system (collectively, the "Improvements"); and

WHEREAS, on May 14, 1990, following a public hearing on the question, the City Council of the City approved a Development Plan and Tax Increment Financing Plan ("the Plan") as modified for LDFA District #2; and

WHEREAS, on August 14, 1990 following a public hearing on the question, the City Council of the City approved an amended Modified Plan; and

WHEREAS, on July 13, 1998 following a public hearing on the question, the City Council of the City approved an amended and Restated Development Plan and Tax Increment Financing Plan for Sauk Trail Business Park (formerly known as the Phillips Industrial Park); and

WHEREAS, in order to finance the cost of certain additional improvements to benefit the Sauk Trail Business Park, Authority District #2 (the "Improvements"), the Authority requested the Municipality to advance additional funds from municipal fund equity and also to issue the additional obligations as listed on Attachment A attached hereto and made a part hereof (the "Bonds"), and use the proceeds thereto to acquire and construct the additional improvements; and

WHEREAS, in order to induce the Municipality to advance additional funds from municipal fund equity and to issue the Bonds, and as authorized and directed by the Plan, the Authority elected to employ the tax increment finance provisions of the Act, to adopt the Plan and further to pledge to the Municipality tax increment revenues transmitted to the Authority (the "Tax Increment Revenues") from Authority District #2 in the amounts necessary to repay the advances and pay principal of and interest on the Bonds as they come due; and

WHEREAS, in reliance thereon, the Municipality agreed to issue and did take specific actions to issue the Bonds; and

WHEREAS, absent the pledge by the Authority, of the Tax Increment Revenues, the Municipality would not have advanced the additional funds and would not have issued the Bonds on behalf of the Authority; and


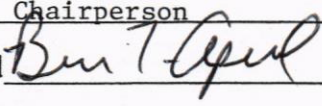
WHEREAS, the Municipality and the Authority have been advised that it is necessary and appropriate to codify the foregoing agreement.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:


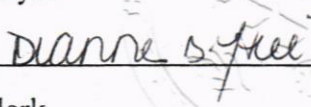
1. The actions of the Municipality and the Authority and the agreement respecting the payment by and pledge of the Authority to the Municipality of Tax Increment Revenues as set forth in the recitals of this Agreement are hereby ratified, approved and confirmed.
2. The obligation of the Authority to make payments to the Municipality under this Agreement is absolute and unconditional and shall remain in full force and effect until the entire principal of, premium (if any) and interest on the Bonds shall have been paid or duly provided for, and such obligation shall not be modified, affected or impaired for any reason whatsoever.
3. No setoff, counterclaim, reduction or diminution, or any defense of any kind or nature, other than performance by the Authority of its obligations hereunder, which the Authority has or may have against the Municipality shall be available to the Authority hereunder. No invalidity, irregularity or unenforceability of all or any part of the Authority's obligations hereunder or of the Bonds shall affect, impair or constitute a defense to the Authority's obligations hereunder.
4. The Municipality may enforce the terms of this agreement at law or in equity.

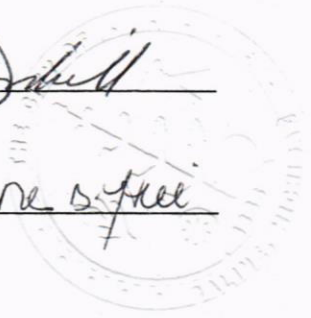
IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the
date first above written.

LOCAL DEVELOPMENT FINANCE
AUTHORITY OF THE CITY OF
SALINE

By 
Its Chairperson
And 
Its Secretary

CITY OF SALINE

By 
Its Mayor
And 
Its Clerk



ATTACHMENT A

Amount of Additional Advance: \$2,300,000 (Two Million Three Hundred Thousand Dollars). Funds advanced by the City for public facilities required for the Sauk Trail Business Park will be partly from municipal fund equity which will require repayment of principal only and partly through borrowing which will require repayment of a proportionate share of principal and interest. The following are the anticipated \$810,000 share of 2001 bonds anticipated to be required for the LDFA District#2 projects:

\$300,000 portion of \$3,000,000 for Street Projects as part of \$6,040,000 UTGO Bonds dated as of February 1, 2001.

\$510,000 portion of \$1,500,000 for Water Supply and Sewage Disposal System Projects, as part of \$6,040,000 UTGO Bonds, dated as of February 1, 2001.

Agr.