



The CITY of SALINE

100 North Harris Street • Saline, MI 48176-1642

Phone 734-429-4907 Fax 734-429-0528

www.ci.saline.mi.us

April 29, 2004

I hereby certify that the following Resolution was taken from the minutes of the regular meeting of the Saline City Council held on Monday, March 15, 2004:

04-21 SECOND AMENDMENTS TO LDFA #2 (SAUK TRAIL BUSINESS PARK) AMENDED AND
ADMIN RESTATED DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

(B) MOVED Ping SECONDED Kuss to acknowledge receipt of the March 10, 2004 memo from Finance Director Bourgoin.

AYES: Driskell, Hess, Kuss, Law, Little, Martin, Ping

NAYS: None

ABSENT: None

MOTION CARRIED

MOVED Little SECONDED Kuss to open the hearing affording all taxing units an opportunity to be heard.

AYES: Driskell, Hess, Kuss, Law, Little, Martin, Ping

NAYS: None

ABSENT: None

MOTION CARRIED

Comments from Taxing Units: None

MOVED Ping SECONDED Kuss to close the hearing.

AYES: Driskell, Hess, Kuss, Law, Little, Martin, Ping

NAYS: None

ABSENT: None

MOTION CARRIED

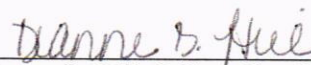
MOVED Little SECONDED Ping to **approve and adopt** the Resolution Approving Second Amendments to the Amended and Restated Development Plan and Tax Increment Financing Plan for the Sauk Trail Business Park (LDFA District #2, formerly known as the Philips Industrial Park), as submitted.

AYES: Driskell, Hess, Kuss, Law, Little, Martin, Ping

NAYS: None

ABSENT: None


MOTION CARRIED



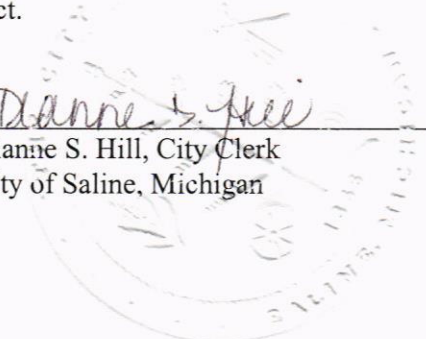
Dianne S. Hill, Saline City Clerk

CERTIFICATE

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 March 15, 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.



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



RESOLUTION APPROVING SECOND AMENDMENTS TO THE AMENDED AND
RESTATED DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN FOR
THE SAUK TRAIL BUSINESS PARK (LDFA DISTRICT #2, 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 15th day of March, 2004, at 7:30 o'clock p.m., Eastern Daylight Time.

PRESENT: Members Gretchen Driskell, Mary Hess, Rick Kuss, Glenn Law,
Patrick Little, Phyllis Martin, Alicia Ping

ABSENT: Members None

The following preamble and resolution were offered by Member Little and supported by Member Ping:

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, on April 16, 2001 following a public hearing on the question, the City Council of the City approved amendments to the Amended and Restated Development Plan and Tax

Increment Financing Plan (the "First Amendments"); 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 accordance with the provisions of Act 281, the Authority has prepared and submitted to the City Council for approval amendments to the Development Plan and Tax Increment Financing Plan (the "Second Amendments") for the Sauk Trail Business Park; and

WHEREAS, a public hearing has been held on March 15, 2004 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:

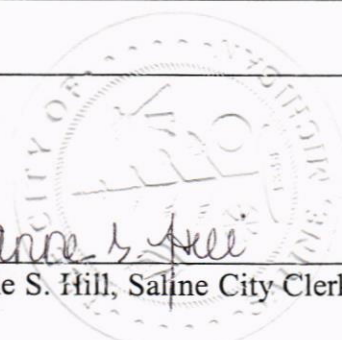
1. The City hereby determines that the Second Amendments are reasonable and necessary for the achievement of the purposes of Act 281, that they constitute a public purpose, that they meet the requirements of the statutes, that the proposed method of financing is feasible, that they are in reasonable 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 Second Amendments are hereby approved and adopted, as shown in the Attachment A to this resolution (including Exhibit B-1A, Exhibit B-1B, and Exhibit E).
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, Hess, Kuss, Law, Little, Martin, Ping

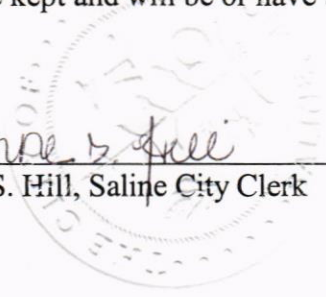
NAYS: Members None

ABSENT: Members None

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 March 15, 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.


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

ATTACHMENT A

SECOND AMENDMENTS TO AMENDED AND RESTATED DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN FOR THE SAUK TRAIL BUSINESS PARK (LDFA DISTRICT #2)

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

Additional projects planned through 2007 include completing Sauk Trail Court (streets with streetlights, plus water and sewer mains), promoting high-speed communications, land preparation on or near the industrial parcels, plus additional water and sewer mains in the Beach Court area.

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

Additional projects to be completed by 2007 are Sauk Trail Court (streets with streetlights, plus water and sewer mains), promoting high-speed communications, land preparation for the industrial parcels, plus additional water and sewer mains in the Beach Court area. 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, parking areas, landscaping, handicapped access, storm drains, and street lighting.

The total estimated cost for these additional projects borne by the tax increment revenues derived from the Sauk Trail Business Park is estimated to be \$900,000. The 2004 revised estimate of the total construction costs for Sauk Trail infrastructure is about \$5,100,000. These various improvements are expected to be completed by December 31, 2007.

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

- | | | |
|-----|---|----------------------------|
| 9. | Sauk Trail Court(with lights and drains) | April 2004 - December 2007 |
| 10. | Communications and Land Preparation | April 2004 - December 2007 |
| 11. | Additional Water Mains and Sanitary Sewer | April 2004 - December 2007 |

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

The 2001 estimated costs of the public facilities planned at that time were \$4,300,000. But actual construction costs for those gradually completed projects required this figure to be revised by 2004 to about \$5,100,000.

The estimated \$900,000 of additional cost through 2007 is as follows:

Beach Court/Sauk Trail Court water and sewer	\$215,000
Industrial Land Preparation and Communications	\$460,000
Sauk Trail Court, street improvement	\$225,000

The proposed method of financing the additional infrastructure costs is as follows:

1. The City is issuing bonds as described below, of which approximately \$385,000 are on behalf of the Authority and the City will construct the public facilities.
 - a. \$225,000 portion of \$4,500,000 for Street Projects as part of 2004 multipurpose \$4,660,000 UTGO Bonds.
 - b. \$160,000 for Water Supply and Sewage Disposal System Projects, as part of 2004 multipurpose \$4,660,000 UTGO Bonds.
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. Additional communication promotion or land preparation improvements estimated to total \$460,000 from 2004 to 2007 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 a total of \$2,500,000 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)(f) of the Tax Increment Financing Plan is hereby amended to add the following paragraph:

Beyond the prior estimated construction cost borrowing for the public facilities in the industrial park (which estimated cost increased to about \$4,300,000 by 2001), it is planned that an additional \$225,000 of bond funds for streets plus an additional \$160,000 of bond funds for water and sewer projects will be obtained by the City on behalf of the Authority in 2004. 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):

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

The development plan and the tax increment financing plan are to continue for the period of time needed to collect and disburse tax increments resulting from taxes levied prior to December 31, 2024, or such shorter period as may be needed to pay and retire the bonds of the City or any tax increment bonds issued by the Authority pursuant hereto.

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 12.3631	LIBRARY MILLS 0.8371	WASHTENAW COUNTY 5.5819	WASHTENAW COMMUNITY COLLEGE 3.4343	TOTAL TAX INCREMENT REVENUE 22.2164
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	\$12,663,528	\$120,304	\$10,791	\$71,893	\$44,222	\$247,210
2002/03	\$13,321,346	\$138,956	\$11,243	\$74,847	\$46,037	\$271,083
2003/04	\$13,113,804	\$162,127	\$10,978	\$73,200	\$45,037	\$291,342
2004/05	\$18,000,000	\$222,536	\$15,068	\$100,474	\$61,817	\$399,895
2005/06	\$24,000,000	\$296,714	\$20,090	\$133,966	\$82,423	\$533,194
2006/07	\$29,000,000	\$358,530	\$24,276	\$161,875	\$99,595	\$644,276
2007/08	\$35,000,000	\$432,709	\$29,299	\$195,367	\$120,201	\$777,574
2008/09	\$38,000,000	\$469,798	\$31,810	\$212,112	\$130,503	\$844,223
2009/10	\$38,000,000	\$469,798	\$31,810	\$212,112	\$130,503	\$844,223
2010/11	\$38,000,000	\$469,798	\$31,810	\$212,112	\$130,503	\$844,223
2011/12	\$40,000,000	\$494,524	\$33,484	\$223,276	\$137,372	\$888,656
2012/13	\$40,000,000	\$494,524	\$33,484	\$223,276	\$137,372	\$888,656
2013/14	\$40,000,000	\$494,524	\$33,484	\$223,276	\$137,372	\$888,656
2014/15	\$45,000,000	\$556,340	\$37,670	\$251,186	\$154,544	\$999,738
2015/16	\$45,000,000	\$556,340	\$37,670	\$251,186	\$154,544	\$999,738
2016/17	\$45,000,000	\$556,340	\$37,670	\$251,186	\$154,544	\$999,738
2017/18	\$45,000,000	\$556,340	\$37,670	\$251,186	\$154,544	\$999,738
2018/19	\$50,000,000	\$618,155	\$41,855	\$279,095	\$171,715	\$1,110,820
2019/20	\$50,000,000	\$618,155	\$41,855	\$279,095	\$171,715	\$1,110,820
2020/21	\$50,000,000	\$618,155	\$41,855	\$279,095	\$171,715	\$1,110,820
2021/22	\$50,000,000	\$618,155	\$41,855	\$279,095	\$171,715	\$1,110,820
2022/23	\$55,000,000	\$679,971	\$46,041	\$307,005	\$188,887	\$1,221,902
2023/24	\$55,000,000	\$679,971	\$46,041	\$307,005	\$188,887	\$1,221,902

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 FY04 (7/1/03-6/30/04) shown in the above headings have been used from FY04 through FY24.

EXHIBIT B-1B
ESTIMATED EXPENDITURES AND REMAINING TAX INCREMENT REVENUE
FOR SAUK TRAIL BUSINESS PARK (LDFA DISTRICT #2)

FISCAL YEAR	AVAILABLE TAX INCREMENT REVENUES	DEBT 1998 STREETS RENAISS. \$250,000	DEBT 1998 STREET BONDS \$1,075,000	DEBT 73.5321% OF WTR/SWR \$2,335,000	DEBT 2001 WTR/SWR \$510,000 SHARE	DEBT 2001 STREETS \$300,000 SHARE	DEBT 2004 WTR/SWR \$160,000 SHARE	DEBT 2004 STREETS \$225,000 SHARE	OPERATING AND PLANNING EXPEN- DITURES	REPAYMENT OF MUNICIPAL ADVANCES	REMAINING TAX INCREMENT REVENUES
1997/98	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$7,420	\$0
1998/99	\$0	\$0	\$50,025	\$80,947	\$0	\$0	\$0	\$0	\$25,000	-\$349,391	\$0
1999/00	\$15,494	\$9,535	\$57,570	\$111,461	\$0	\$0	\$0	\$0	\$25,000	-\$825,632	\$0
2000/01	\$47,583	\$38,149	\$56,870	\$115,137	\$0	\$0	\$0	\$0	\$45,000	-\$100,000	\$0
2001/02	\$247,210	\$38,149	\$61,465	\$117,085	\$33,030	\$19,429	\$0	\$0	\$50,000	-\$200,000	\$0
2002/03	\$271,083	\$38,149	\$65,850	\$115,184	\$38,553	\$22,678	\$0	\$0	\$50,000	\$0	\$0
2003/04	\$291,342	\$38,149	\$125,020	\$113,284	\$38,698	\$22,764	\$0	\$0	\$50,000	-\$160,000	\$0
2004/05	\$399,895	\$38,149	\$126,660	\$118,736	\$39,227	\$23,075	\$13,000	\$19,000	\$50,000	-\$150,000	\$0
2005/06	\$533,194	\$38,149	\$128,048	\$120,166	\$39,697	\$23,351	\$13,000	\$19,000	\$50,000	-\$50,000	\$0
2006/07	\$644,276	\$38,149	\$129,178	\$121,424	\$40,109	\$23,594	\$13,000	\$19,000	\$60,000	\$199,822	\$0
2007/08	\$777,574	\$28,612	\$130,045	\$122,508	\$40,463	\$23,802	\$13,000	\$19,000	\$60,000	\$340,144	\$0
2008/09	\$844,223	\$0	\$130,545	\$174,892	\$40,337	\$23,727	\$13,000	\$19,000	\$60,000	\$382,722	\$0
2009/10	\$844,223	\$0	\$130,820	\$176,889	\$40,593	\$23,878	\$13,000	\$19,000	\$60,000	\$380,043	\$0
2010/11	\$844,223	\$0	\$130,870	\$178,540	\$40,792	\$23,995	\$13,000	\$19,000	\$60,000	\$378,026	\$0
2011/12	\$888,656	\$0	\$125,638	\$179,845	\$40,926	\$24,074	\$13,000	\$19,000	\$60,000	\$161,686	\$264,487
2012/13	\$888,656	\$0	\$120,348	\$180,804	\$41,001	\$24,118	\$13,000	\$19,000	\$60,000	\$0	\$430,385
2013/14	\$888,656	\$0	\$0	\$181,418	\$41,018	\$24,128	\$13,000	\$19,000	\$60,000	\$0	\$550,092
2014/15	\$999,738	\$0	\$0	\$181,536	\$41,399	\$24,352	\$13,000	\$19,000	\$60,000	\$0	\$660,451
2015/16	\$999,738	\$0	\$0	\$177,624	\$41,701	\$24,530	\$13,000	\$19,000	\$60,000	\$0	\$663,883
2016/17	\$999,738	\$0	\$0	\$169,697	\$41,925	\$24,662	\$13,000	\$19,000	\$60,000	\$0	\$671,454
2017/18	\$999,738	\$0	\$0	\$0	\$42,071	\$24,748	\$13,000	\$19,000	\$60,000	\$0	\$840,919
2018/19	\$1,110,820	\$0	\$0	\$0	\$42,139	\$24,788	\$13,000	\$19,000	\$60,000	\$0	\$951,893
2019/20	\$1,110,820	\$0	\$0	\$0	\$42,129	\$24,782	\$13,000	\$19,000	\$60,000	\$0	\$951,909
2020/21	\$1,110,820	\$0	\$0	\$0	\$42,435	\$24,962	\$13,000	\$19,000	\$60,000	\$0	\$951,423
2021/22	\$1,110,820	\$0	\$0	\$0	\$0	\$0	\$13,000	\$19,000	\$60,000	\$0	\$1,018,820
2022/23	\$1,221,902	\$0	\$0	\$0	\$0	\$0	\$13,000	\$19,000	\$60,000	\$0	\$1,129,902
2023/24	\$1,221,902	\$0	\$0	\$0	\$0	\$0	\$13,000	\$19,000	\$60,000	\$0	\$1,129,902

EXHIBIT E

SALINE LDFA DISTRICT #2 (SAUK TRAIL)

ESTIMATED REDISTRIBUTION OF TAX INCREMENTS TO LOCAL UNITS

FISCAL YEAR	REMAINING CAPTURED FUNDS	CITY SHARE 12.3631 MILLS 55.6485%	LIBRARY SHARE 0.8371 MILLS 3.7679%	COUNTY SHARE 5.5819 MILLS 25.1251%	COMMUNITY COLLEGE SHARE 3.4343 MILLS 15.4584%
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	\$0	\$0	\$0	\$0	\$0
2009/10	\$0	\$0	\$0	\$0	\$0
2010/11	\$0	\$0	\$0	\$0	\$0
2011/12	\$264,487	\$147,183	\$9,966	\$66,453	\$40,885
2012/13	\$430,385	\$239,503	\$16,216	\$108,135	\$66,531
2013/14	\$550,092	\$306,118	\$20,727	\$138,211	\$85,035
2014/15	\$660,451	\$367,531	\$24,885	\$165,939	\$102,095
2015/16	\$663,883	\$369,441	\$25,014	\$166,801	\$102,626
2016/17	\$671,454	\$373,654	\$25,300	\$168,703	\$103,796
2017/18	\$840,919	\$467,959	\$31,685	\$211,282	\$129,993
2018/19	\$951,893	\$529,714	\$35,866	\$239,164	\$147,147
2019/20	\$951,909	\$529,723	\$35,867	\$239,168	\$147,150
2020/21	\$951,423	\$529,453	\$35,849	\$239,046	\$147,075
2021/22	\$1,018,820	\$566,958	\$38,388	\$255,980	\$157,493
2022/23	\$1,129,902	\$628,774	\$42,574	\$283,889	\$174,665
2023/24	\$1,129,902	\$628,774	\$42,574	\$283,889	\$174,665

Note: The captured millage rates for FY04 (7/1/03-6/30/04) shown in the above headings have been used from FY04 through FY24.

AGREEMENT RESPECTING OBLIGATION TO MAKE PAYMENTS
FROM TAX INCREMENT REVENUES (SAUK TRAIL)

THIS AGREEMENT made as of this 15th day of March, 2004, 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, on April 16, 2001, following a public hearing on the question, the City Council of the City approved the First Amendments to the 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 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 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 [Signature]
Its Chairperson
And Secretary
Its Burt T. Agnew

CITY OF SALINE

By [Signature]
Its Mayor
And Diane S. Hill
Its Clerk

I hereby certify this to be a true copy of the original.

Diane S. Hill 3/22/04
Diane S. Hill, City Clerk (date)
City of Saline, MI

ATTACHMENT A

Amount of Additional Advance: \$900,000 (Nine Hundred Thousand Dollars) for a total advance authorized to date of \$3,200,000 (Three Million Two 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 previously authorized \$810,000 share of 2001 bonds anticipated to be required for LDFA District#2 projects:

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

The following are the anticipated \$385,000 share of 2004 bonds anticipated to be required for the LDFA District #2 projects:

\$225,000 portion of the \$4,500,000 for Street Projects as part of the 2004 multipurpose \$4,660,000 UTGO Bonds.

\$160,000 for Water Supply and Sewage Disposal System Projects, as part of the 2004 multipurpose \$4,660,000 UTGO Bonds.