THE DELINQUENT TAX REVOLVING FUND

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FOR ADDITIONAL INFORMATION
PLEASE WRITE OR CALL:
John R. Axe
Axe and Ecklund, P.C.
21 Kercheval Avenue, Suite 355
Grosse Pointe Farms, Michigan 48236
(313) 884-9811 or 1-800-383-6324
Fax (313) 884-0626
johna@axelaw.com

INDEX

PREFACE

This discussion of the Delinquent Tax Revolving Fund has been prepared by John R. Axe of the firm of Axe and Ecklund, P.C., Grosse Pointe Farms, Michigan. Mr. Axe has served as Bond Counsel for the following Counties during the period 1973 through 2012 which Counties currently are (or were) issuing such notes:

Alcona	Emmet	Lapeer	Osceola
Alger	Genesee	Leelanau	Oscoda
Allegan	Gladwin	Lenawee	Otsego
Alpena	Gogebic	Livingston	Ottawa
Arenac	Grand Traverse	Macomb	Roscommon
Bay	Hillsdale	Manistee	Saginaw
Benzie	Huron	Marquette	Sanilac
Berrien	Ingham	Menominee	Schoolcraft
Branch	Iosco	Midland	Shiawassee
Cass	Iron	Monroe	St. Clair
Cheboygan	Isabella	Montcalm	Tuscola
Chippewa	Jackson	Montmorency	Van Buren
Clinton	Kalamazoo	Oakland	Washtenaw
Crawford	Kalkaska	Oceana	Wayne
Delta	Lake	Ogemaw	Wexford
Eaton			

While Mr. Axe has represented all of these Counties at some time during this 39-year period, his actual representation was and is in connection with a particular note issue or issues. He currently represents approximately 43 Counties many of which do not have to borrow.

I. DELINQUENT TAX REVOLVING FUND

CHAPTER I

TAX COLLECTION PROCEDURES AND ESTABLISHMENT OF A DELINQUENT TAX REVOLVING FUND UNDER MICHIGAN LAW

A. INTRODUCTION

The purpose of this chapter is to discuss the collection of delinquent taxes, and how counties have established a delinquent tax revolving fund for the purpose of obtaining funds to pay to all taxing units within the county the total amount of delinquent real property taxes, which have not been collected by the due date pursuant to the Michigan property tax law, Act 206 of the Public Acts of 1893, as amended, (the "Act"). It also discusses the changes which have been necessitated by the adoption of the Headlee Amendment.

B. THE COUNTY AND ITS POWERS

In Michigan, a county is a political subdivision of the state, organized and existing under the Constitution and statutes of the State. The county is one of the entities in Michigan, which levies and collects real property taxes. The actual procedures are set forth below.

Under the Act, ad valorem real property to be taxed by various units is assessed on an annual basis by the assessing officers of each city or township in the county. In Michigan, all property within a county is either within the corporate boundaries of a city or township. Each parcel of property is first listed, then a value assigned to it. The values assigned are then made available for review by the property owner and the valuations so assessed for each city and township are then equalized at both the county level and the State level.

C. CITY AND VILLAGE TAX COLLECTIONS

Once the valuation is determined in cities and villages, the city or village tax is spread on a tax roll and tax statements are prepared and mailed to the property owners.

In general law villages, the tax bills are mailed in May or June and payment thereon to the village at the village offices must be made at the latest by the last Monday in October. Thereafter, the taxes become delinquent and are only payable at the county treasurer's office. Terms of payment and interest on unpaid taxes prior to the time of delinquency are established by the village council.

City and home rule village taxes are usually payable on and after July 1 and may be paid at the city or village offices without interest or any collection fee until a certain date - usually 30 to 60 days. Thereafter, city and home rule village taxes are payable at the city or village offices until the last day of the following February, when they are returned to the county treasurer for collection. Prior to that time, the unpaid taxes bear interest at a rate specified by charter or statute, generally 1/2% per month.

D. COUNTY, TOWNSHIP, SCHOOL DISTRICTS AND OTHER UNIT TAX COLLECTIONS

For the county, townships, school districts and other units, once the valuations are determined, the respective taxing units, other than the county, determine their rate of taxation, certify the same to the county, which adds the county tax thereto and spreads the entire tax roll. Thereafter, the county notifies each city or township treasurer of the roll as spread and the city or township (where applicable), school* and other taxing units. County general operating taxes are payable on July 1 while Township taxes and County extra voted millage taxes are payable on or after December 1 of each year at the city or township offices. Generally, no interest or penalty accrues (although a collection fee of 1% may be added) until February 15, after which a collection penalty of 4% is added. Taxes may not be paid at the city or township hall after the last day of February. Thereafter, they are only payable at the office of the county treasurer.

E. COLLECTION OF DELINQUENT TAXES

Until 1968, under procedures dating back to 1827, and which had generally been unchanged between 1893 and 1968, village, city and township treasurers made a return of the taxes for the previous year which they had been unable to collect by March 1 (except for general law villages, whose treasurers made this return after the fourth Monday in October) to the county treasurer. Upon verifying the correctness of the return, the county treasurer discharged the city, village or township treasurer on his bond, and the tax rolls evidencing the delinquent taxes were deposited with the county treasurer. The county treasurer was thereafter responsible for the collection of <u>all</u> unpaid delinquent taxes.

*School districts may elect to have one-half of their tax made payable on July 1, with the balance due on December 1. Where this occurs, the appropriate treasurer mails the extra bill in July.

The county treasurer mailed notices of delinquency to the persons shown as owning the property assessed for the unpaid taxes and was authorized to receive the amounts of delinquent tax due to the several taxing units, together with interest, collection fees and certain other penalties to defray the cost of mailing notices. The taxes and interest so collected by the county treasurer were paid to the taxing units (including the county), while the collection fees were retained by the county.

Most taxes were collected and paid to the units without the need of further proceedings. Lands for which delinquent taxes were not paid, however, were subject to a lien in favor of the State and were consequently subject to sale for the collection and enforcement of the lien. At an annual tax sale held by the county treasurer, as agent for the State, the tax liens on lands delinquent for taxes assessed in the third year preceding such sale (or in any prior year) were sold for the total of all the unpaid taxes for said years, plus the collection fee and interest mentioned above. All monies received at the tax sale were paid into the State Treasury.

In the event taxes were not recovered at the May tax sale, the State of Michigan, in whose name the county treasurer conducts the sale, became entitled to claim the property. Customarily, the State of Michigan permitted such property taxes to be redeemed for one year thereafter by the payment of additional penalties and interest. Similarly, a private tax lien buyer could purchase the property from the State after such sale. In either event, the county ultimately received the unpaid taxes, penalties and interest due to the county and local taxing units since periodically the State Treasurer would make a statement of account between the State and the county to draw warrants on the State Treasury payable to the county treasurer for all monies in the State Treasury collected for the county or other taxing units.

The county treasurer, pursuant to Section 87 of the Act, likewise, periodically made a statement of account between the county and the several townships or cities and paid the monies shown by the statement to be due to the various taxing units to the proper receiving officer of the villages (in the case of village taxes), cities or townships which served as the original assessing districts. These cities and townships retained the amounts of their taxes and the interest thereon and, in turn, paid over the taxes and interest due to other taxing units.

At the election of the State of Michigan, any property on which taxes had not been paid within one year after the May tax sale could be offered at a "scavenger" sale. At such sale the buyer, in theory, obtained clear title to the property and, once again, the proceeds were returned to the county treasurer for disposition after the State received such statutory amounts as are due it for conducting the sale. In the event such property was never offered, or was not sold, at scavenger sale, title vested in the State of Michigan and the delinquent taxes thereon were never collected.

As a consequence of this procedure, the ultimate receipt of collectible delinquent taxes by taxing units could require periods in excess of three years where the tax lien for such tax years was not sold at the tax sale.

In 1999, the Michigan legislature amended the Act and changed the foreclosure procedure to a "Title Sale", which is done either by the State or the County Treasurer depending upon whether a County is "Opt. in" or not.

Under this new procedure, if the delinquent taxes are not paid within one year the property is "forfeited" to the County Treasurer. Thereafter, either the County Treasurer or the State forecloses the property in Circuit Court in the County where it is located. If the taxes are not paid within approximately one year and one month thereafter the property is then lost and is sold at a sale the following summer or fall.

F. CREATION OF THE DELINQUENT TAX REVOLVING FUND

A 1968 amendment to the Act permitted any county which chose to do so to create a "delinquent tax revolving fund" and to thereafter pay to all of the taxing units within the county all delinquent real property taxes due to such taxing units on settlement day. Once created, all delinquent taxes, interest and collection fees were payable to the county (to be deposited in the fund) on the date the same became delinquent.

Thereafter, a number of counties, using their general funds, established such funds, some of which continued to operate as originally established several years ago. The advantage to the local units was obvious; instead of having to wait for three years to collect their delinquent taxes, 100% collection was achieved by the date on which the delinquent rolls were received and accepted by the county treasurer. The advantages to the county were (i) the elimination of considerable paperwork in having to account and pay on a monthly basis to the various local taxing units the delinquent taxes and interest as the same were received by the county treasurer's office and (ii) the right of the county to retain the interest on such taxes. The county was protected from loss in the event some taxes were totally uncollectible by the provision that the underlying obligation to repay to the county the amounts received by the local taxing units rested with the local taxing units.

This method, however, was "an alternative method for paying taxes to local units" (Section 87b(7)). Inasmuch as the election had to be predicated on the county's ability to provide funds for the delinquent tax revolving fund, most counties (not having sufficient surplus funds on hand for this purpose) did not elect to create such funds and continued to operate as before (under the provisions of Section 87).

CHAPTER II

BORROWING IN ANTICIPATION OF DELINQUENT TAXES

UPDATE - 1970 - 2012

A. INTRODUCTION

It has now been over thirty-seven years since the first delinquent tax revolving funds were established. It has been common practice for counties to borrow to approve funds for delinquent tax revolving funds since 1973. Since July 1, 1970, delinquent tax revolving funds have spread from two or perhaps three counties which had established the same out of cash which was surplus in the county general fund, to approximately 75 or more, most of which borrowed some or all of the funds for the purpose of continuing their delinquent tax revolving funds each year. During this period, there have been a number of significant changes and developments in connection with the delinquent tax revolving fund, some of which are briefly reviewed below.

B. ORIGINAL AUTHORITY TO BORROW FIRST GRANTED IN 1972

The first borrowing authority granted to counties in connection with the delinquent tax revolving fund was approved by the legislature in 1972 by an amendment to the Municipal Finance Act. This legislation (which apparently originated in Genesee County and was supported principally by school districts in that county) provided that when a delinquent tax revolving fund had been created, the county could borrow money to provide funds to fund the same. Despite a number of technical difficulties in the law, and particularly, despite a very difficult saga for the first county which chose to try to use it, a number of counties, including Oakland and Genesee, created delinquent tax revolving funds and borrowed to fund the same in 1973. Because of the way the law was drafted, it was impossible for the counties to sell their notes publicly and these notes were negotiated with banks on a private basis. This method of financing continued through 1974 and 1975, with a number of additional counties creating and borrowing for their delinquent tax revolving funds. In the meantime, a number of other counties created delinquent tax revolving funds out of surplus general funds.

By mid 1975, certain problems arose. The rate of interest on delinquent taxes at that time was 1/2 percent per month, or six percent per annum. Because of what then seemed to be high interest rates (nearly six percent per annum), it was risky for a number of counties to borrow without facing possible losses. Also, because more counties had established revolving funds and were borrowing to fund them, the availability of banks willing to loan on a private basis (that is, out of its commercial loan department rather than as a bank investment security) was diminishing.

During the summer of 1975, in conjunction with a number of the larger counties which were then borrowing, the author met with a number of the large purchasers of the notes. After conferring with these purchasers, he concluded that it was necessary to provide for a method of borrowing where a county could issue these notes for sale to not only banks but to investment banking houses which could in turn resell the same to the general public. Accordingly, Senate Bill No. 517 was introduced and ultimately was enacted into law on January 12, 1976, as Act 334 of 1975.

C. BORROWINGS BETWEEN 1976 AND 1979

Public Act 334 of the Michigan Public Acts of 1975, which took effect in January of 1976, brought about a dramatic change in the borrowing powers and in the type of borrowings which counties could use for the purpose of providing funds for the delinquent tax revolving fund. First, this legislation raised the interest rate on delinquent taxes from 1/2 percent per month to 3/4 percent per month, thereby raising the effective interest rate on delinquent taxes from six percent to nine percent annually. The change was critical since it allowed legislation to be drafted to create a new interest rate limit on the borrowing at 8-3/4 percent.

In addition, the counties were given the authority to create an administrative fund whereby a county treasurer could be reimbursed for some of the extra services he or she rendered to the county in connection with the borrowings, and whereby the treasurer's office was authorized to obtain some monies for administrative expenses in connection with the delinquent tax revolving fund and the collection of the delinquent taxes.

Most important, this statute established the principle that the treasurer was the "agent" for the county, and as such, was in full control of the delinquent tax revolving fund and borrowings made in connection therewith.

When the author prepared the legislation, care was taken to grant the authority to the counties to issue notes in a way that these notes would be fully marketable; that is, attractive for purchase by both investment banking houses, or by banks and by the investment departments of banks. As a result of the legislation, the first series of publicly issued General Obligation Tax Notes were sold in the spring of 1976. By then, the number of counties borrowing had reached nearly 20, and the amounts borrowed were significantly greater than in earlier years. Without this legislation, it would have been impossible for all of the counties to complete their borrowings because there would not have been sufficient funds on hand available for private bank loans to counties.

In 1976, a few counties still sold notes privately. By the end of 1976, however, it was fairly clear that a competitive sale generally resulted in a lower interest rate. While there generally were greater expenses involved in connection with the public sale, the savings in interest cost more than offset the extra expenses.

In 1976, it was necessary to prepare and ultimately obtain the passage of legislation which cured certain constitutional challenges which had been made to the general procedure connected with the May tax sale. This legislation, enacted into law in late 1976, was embodied in House Bill No. 4674 and was a compromise over legislation which had been proposed which would have radically changed the entire May tax sale.

The years 1977 and 1978 saw an even greater influx of counties creating delinquent tax revolving funds and again an increase in the total number of borrowings. Between March 28 and June 14, 1977, 36 counties sold General Obligation Tax Notes in public sales and one additional county sold notes in a private sale. By the end of the summer of 1978, the number of counties which had borrowed approximated 50.

D. <u>HEADLEE PROBLEMS</u>

The year 1978 was the year that the so-called tax limitation proposals first appeared on the Michigan ballot. One of these proposals, the "Tisch Amendment," did not pass. The other proposal, the "Headlee Amendment," did pass. As a result of its passage, it was necessary again to change the legislation which related to borrowings by counties in connection with their 100% tax payment funds.

Because the author had anticipated that this amendment might pass, two weeks after the Headlee Amendment passed, he obtained the introduction into the legislature of a new bill which authorized the issuance of two different types of notes. The first of these notes, which were to be substantially the same as those issued in earlier years, were entitled "Unlimited Tax Notes". These notes could not be issued unless the county voters first approved the issuance of the same at an election called or held for that purpose. Once the voters approved the issuance of such notes they could be issued for up to ten years by the county and the county could continue to pledge the county's unlimited taxing power to repay the borrowing, in the event the taxes pledged were not collected quickly enough to repay the notes.

A second and new type of note, referred to as a "Limited Tax Note," was also authorized in the legislation. With this note, the county was not required to first obtain voters' approval but could simply issue notes, as in past years, pledging however, to repay the notes only from the delinquent taxes, the interest and collection fees. The county was also authorized to pledge whatever limited taxing power it had, and for the first time, the county was allowed to establish a "Note Reserve Fund" to be used to repay the notes in the event taxes were not collected as fast as had been anticipated.

Because of the great support from county treasurers and the officers of the Michigan Association of County Treasurers (the "Association"), the author and the Association were successful in obtaining the passage of this legislation in the near record time of approximately one month from introduction. It was signed into law on December 21, 1978, prior to the day upon which the Headlee Amendment took effect. Without the passage of this legislation, all of the borrowings to continue delinquent tax revolving funds would have terminated and counties would have been faced with the unfortunate prospect of going back to the old method of collecting and remitting delinquent taxes to local units of government.

E. BORROWINGS IN THE POST-HEADLEE PERIOD

In 1979, after the Headlee Amendment had been adopted, the bond community was uncertain how the market would react to the new so-called "Limited" obligations which counties and other municipalities in Michigan would have to issue absent voter approval. The General Obligation Limited Tax Note issues sold, beginning in March of 1979, proved beyond question that it was possible to sell limited tax obligations. Indeed, between March and the end of May in 1979, 50 counties had sold such notes, and by the end of 1979 almost 60 counties had issued such notes.

Despite considerable fears prior to the first successful sales in March, the notes were very well received, and, in many cases, interest rates were lower than had been anticipated. While the interest rates on the notes in 1979 were high, it was hoped that the bond market would stabilize and that the interest rates would not be any higher the next year. Unfortunately, that was not to be the case.

F. 1980 - 1986 NOTE SALES

During the years 1980 - 1986, more counties entered the program and by 1983, more than seventy counties were borrowing to establish their funds. The years 1981 and 1982 were occasioned by exceptionally high interest rates and in 1982 most county note ratings were downgraded because of the general state of the economy in Michigan and the State's own financial problems.

By the mid-1980's, interest rates had dropped significantly and county note ratings increased back in many cases to where they were before 1980.

G. 1987 - THE YEAR OF DECISION

By 1986, the Delinquent Tax Program had become so popular that it had been copied by out-of-state investment bankers, who, relying on the tax-exempt rulings obtained by Oakland County from the IRS in the late 1970's, obtained legislation authorizing cities to borrow in anticipation of current local school and other taxes. The program known as "CTANS" was, unlike the county program, contrived to take advantage of a federal tax loop-hole which allowed such borrowings to be tax-exempt, whether they were really necessary or not, so long as an artificially created cash short-fall was created and the notes were repaid in 13 months.

After beginning on a small scale with local borrowings in 1985, this program was seized upon by the newly created State Municipal Bond Authority and was widely touted by New York investment bankers and bond lawyers looking for new bond deals.

In early 1987, the bubble burst when the Internal Revenue Service announced its intention to revoke the Oakland County rulings under which counties had issued their notes and, in addition, to treat the CTAN issues already done as subject to tax.

While the IRS did not question the tax status of the past county notes, the proposed action would have required all counties to borrow taxable in 1987, thereby involving a great hardship on counties which were in the process of borrowing.

A major campaign was initiated by the Michigan Association of County Treasurers and its General Counsel (the author), which resulted in favorable revenue procedures issued in July of 1987, allowing those counties which had not borrowed already, to do so once more on a tax-exempt basis.

H. 1988 - 2012

Beginning in 1988 a new era, that of "taxable" notes, dawned for the county delinquent tax program. Despite the fact that almost no municipality in the whole United States had issued "taxable" obligations before 1988, Michigan counties were able to borrow and issue their "taxable" notes.

Because interest rates were rising and because the notes were no longer tax-exempt, interest rates were substantially higher than in previous years, although not quite so high as in the early 1980's.

I. LEGISLATIVE AMENDMENTS 1981 - 1988

1. 1981

Anticipating the possibility that interest rates might again rise, legislation was signed into law on November 30, 1981, which raised the maximum interest rate on 1981 delinquent taxes to 1-1/4% per month and the maximum interest rate on the notes issued to fund the delinquent tax revolving funds to 14.5%. This rate reverted to 1% per month and 11.5% (interest rate limit on the borrowings) in 1983, and remains at that level.

2. 1983

Act 206 was amended again in 1983, to allow notes to be sold without the approval of the Municipal Finance Division in some instances. The amendment also authorized notes to be sold at a discount not exceeding 2% of the face amount of the notes.

In the fall of 1983, Act 206 was amended to allow notes to be issued in either fully registered form or with a master note and certificates issued by a depository trustee.

3. 1988

Act 206 was amended to provide the notes were exempt from Michigan income taxation.

J. COMMERCIAL PAPER AND VARIABLE RATE NOTES

As a result of amendments to Act 206 adopted in 1981 and 1983, it became possible for counties to issue their general obligation tax notes either on a very short-term basis as municipal commercial paper or with a floating interest rate. Initially two counties issued commercial paper - Genesee County and Bay County.

1. Early Issues

Both Bay and Genesee Counties issued their 1983 General Obligation Limited Tax Notes in the form of tax exempt commercial paper in order to take advantage of the lower interest rates associated with the short term commercial paper market. It is now twenty three years into this commercial paper program which was initiated in June, 1983.

By 1984, many large counties were issuing commercial paper which permitted the issuers to obtain much lower interest rates because of the notes' short term (30-90 days).

2. 1985 - 1986

By 1985, new federal tax regulations made commercial paper issues less attractive and these were replaced by issues of fixed maturities with a "variable rate" of interest. The interest rate on these issues could be re-set as often as once a week, literally achieving the lowest possible interest costs. With a decline in interest rates, some counties would "split" series with some fixed and some variable rate.

3. 1988 - 2012

a. 1988 - Blazing a new Trail

As pointed out above, the problem faced by all counties in 1988, was how to sell their notes in the "taxable" market which, at that time did not exist. A few counties offered their notes at public sales with fixed maturities and fixed interest rates. Those counties not only paid high rates (even higher in 1989), but they were stuck with large amounts of collected taxes. These taxes could not be used to repay the notes and could not be retired for months or even years. These counties came to experience "negative arbitrage" that is re-investment of the collected tax money at an interest rate lower than they were paying on the borrowing. One financial consultant, Municipal Financial Consultants Incorporated (MFCI), took a different approach, and with the cooperation of NBD Bank (now JPMorgan Chase Bank), set up a modified commercial paper program which allowed counties the lowest possible rates (the rates were re-set weekly), while giving the counties the right to repay principal each 30 days if they wished to do so.

From its inception, this program bore happy results for the counties who participated. Not only were the notes salable, but the bank was able to re-market the notes effectively all year at much lower interest rates than fixed rate issues.

b. 1989-2012 Market Acceptance of Various Programs

By 1989 this program was adopted by another bank and by 1990 other financial advisors and banks became interested.

In 2008 eight different banks offered some variation of the original program. In that year commercial paper remained having the larger portion of the programs.

By 2012 the borrowing programs were offered by many different Banks. In addition, some counties, notably Wayne County, had borrowings with multiple banks each with different types of programs.

4. Counties Issuing Commercial Paper without Letters or Lines of Credit to Secure <u>the Issue</u>.

When the first commercial paper programs were issued in 1983 and 1984 a major bank had to agree to stand behind the entire issue with a letter of credit. This letter of credit was expensive at first. With competition it went down in price.

It was believed that the market place and rating agencies would not issue a favorable rating without this financial back-up.

In 1989, however, one county, Saginaw County, successfully issued its commercial paper with an A-1 rating from Standard & Poor's Corporation without a letter of credit. This was followed in 1990 by issues by Oakland, Washtenaw and again Saginaw. Oakland and Washtenaw obtained A-1+ ratings, which placed their commercial paper on an event footing with that issued by General Motors Acceptance Corporation and General Electric. In 1991, this was expanded to include Oakland, Washtenaw, Ingham and Jackson counties (with A-1+) and Berrien, Clinton, Genesee, Saginaw, Lenawee and Livingston (with A-1). Truly, the General Obligation Limited Tax Note issues had arrived in the big time!

K. WHAT TYPES OF NOTES ARE THERE?

1. <u>General Obligation Limited Tax Notes</u>

In any county where the voters have not approved the issuance of such notes at a countywide election (there currently are none) a county may issue General Obligation Limited Tax Notes, which notes may be payable from the following sources:

Primary Security

a. delinquent taxes pledged, and the interest thereon at 12%* per year;

b. administration fees, after the payment of all expenses of borrowing (at 4% of the taxes paid);

c. a special reserve, ranging in amount from 10-15% of the total note issue;

** After one year the interest on the unpaid balance is recalculated at 18% per year.*

d. any repayments made to the county for uncollectible delinquent taxes from other units of government within the county on account of delinquent taxes pledged (with interest); and

e. all investment earnings on the pledged amount specified above.

2. General Obligation Unlimited Tax Notes

Since 1978, any County could place a proposition before the voters to provide additional security (with an extra tax) for the Notes if there were not enough delinquent taxes collected. None currently exist.

L. **Secondary Security**

1. Extra Security Currently Offered

The law now provides that the county board of commissioners will adopt, as a part of the borrowing resolution, a provision that the county budget shall provide that if the pledged delinquent taxes and any other pledged amounts are not collected in sufficient amounts to meet the payments of principal and interest due on these notes, the county, before paying any other budgeted amounts, will promptly advance from its general funds sufficient money to pay that principal and interest . In addition, in the event the county has the authority to levy any additional taxes (i.e., if the county is not levying the full millage permitted by the Michigan Constitution and applicable statutes), the county would also have the power to raise its taxes to that limit in order to make payments on the notes, if that were necessary.

The provisions for assuring that the county will pay from its general fund any shortfall which may occur in the event the taxes on other pledged amounts are not sufficient to meet the note payments when due assures the note purchasers that payments will be made promptly when due. This provision was not necessary to insure the credit worthiness in the past, since the county's unlimited tax pledge was included. In fact, however, if there had been a short falling any of the notes issued in prior years, this same procedure would have been followed. To our knowledge in the years 1973 through 1980, no county has been required to make such advances from its general fund, since the primary security pledged has been sufficient to meet all such payments.

2. Issuance of Commercial Paper Two or Three Year Variable Rate Notes and Short Term Notes

a. Commercial Paper

Commercial paper is a short-term note usually issued for up to 270 days and then reissued. The notes issued by commercial paper are secured by the Delinquent Taxes, interest, other penalties and if necessary, charged-back to local units of government. The County Treasurer reissues the notes in successively lower amounts as the taxes are collected.

b. Variable Rate Notes

Often has a final maturity on a fixed date up to 2 ½ years after the date of issuance with a note of interest, which is re-set each month or some monthly or quarterly.

c. Short Term Notes at Fixed Rate

Short term fixed rate notes customarily have fixed interest rates to whatever date the principal amount is due on the note. Sometimes the principal is paid more than once, other times it is payable only at the final maturity date. Interest is usually paid semi-annually.

3. Counties Issuing Commercial Paper

By 2008, 20 Counties issued notes in a short-term note (generally as commercial paper), that is, notes sold to banks offering a variable rate programs with a right to pay down every 30, 60, 90 or 270 days, which mature within 3 years from the date of issuance.

4. Counties Currently issuing Notes

By 2012, the most common program was a variable rate note. Appendix I sets forth some different types of programs currently in effect for various counties.

5. Variable Rate Sales are Once again Possible and Popular

In 2012, a number of Counties sold notes with the right to pay down monthly at a floating interest rate. The cost over libor* ranged from .15% (for Oakland) to 4% (for Wayne)

* Libor is currently at 0.237 %

II. ACCOUNTING AND OTHER PROCEDURES WHICH APPLY TO FUNDS IN THE DELINQUENT TAX REVOLVING FUND

A. DELINQUENT TAX REVOLVING FUND IS UNDER THE JURISDICTION AND CONTROL OF THE COUNTY TREASURER

1. In General

The provisions of Section 87b of Act 206 of the Public Acts of Michigan of 1893, as amended ("Act 206"), gives the County Treasurer broad powers to operate the Delinquent Tax Revolving Fund once the County Board of Commissioners creates such a fund. Section 87b (2) provides that once a fund is established

> **"the county treasurer shall be the agent for the county and, without further action by the county board of commissioners, may enter into contracts with other municipalities, this state, or private persons, firms, or corporations in connection with any transaction relating to the fund or any borrowing made by the county pursuant to section 87c or 87d, including all services necessary to complete this borrowing." [MCL 211.87b (2)]**

2. Authority of the County Treasurer to Account for and Manage Funds in the Delinquent Tax Revolving Fund

a. Delinquent Taxes Interest and Penalties on Delinquent Taxes

Once a Delinquent Tax Revolving Fund is created, all delinquent real property taxes as well as all of the interest, administration fees and penalties on such delinquent taxes are paid to the County Treasurer and must be deposited in the Delinquent Tax Revolving Fund. Once in the fund, none of these monies may be removed from the Delinquent Tax Revolving Fund except by order or directive of the County Treasurer.

b. Amounts Payable Out of the Delinquent Tax Revolving Fund to Local Units of Government

(i). In General

Once there is sufficient money on deposit in a Delinquent Tax Revolving Fund, the County Treasurer is required to take the following action:

"The county treasurer shall pay from the fund any or all delinquent taxes that are due and payable to the county and any school district, intermediate school district, community college district, city, township, special assessment district, this state, or any other political unit for which delinquent tax payments are due within 20 days after sufficient funds are deposited within the delinquent tax revolving fund or, if the county treasurer is treasurer for a county with a population greater than 1,500,000 persons, within 30 days after sufficient funds are deposited within the delinquent tax revolving fund. In a county with a delinquent tax revolving fund where the county does not borrow pursuant to section 87c or 87d, if the county treasurer does not make payment of the delinquent taxes to the local units within 10 days after the completion of county settlement with all local units under section 55, the county shall pay interest on the unpaid delinquent taxes from the date of actual county settlement at the rate of 12% per annum for the number of days involved." [MCL 211.87b (3)]

(ii) Source of Payments to Local Unit

The Treasurer may use amounts which are on deposit in the Delinquent Tax Revolving Fund which are not pledged to any borrowing done by the County to make the distributions to the local units of government required by subsection 87b (3). If there is not sufficient money on hand, the County Treasurer will have to either obtain an advance from the County's General Fund (which will require the permission of the Board of Commissioners) or the County Treasurer will have to obtain approval by the Board of Commissioners of a borrowing resolution to permit the distribution to be made.

(iii) Timing and Amount of the Distributions

The distributions to the local units of government are ordinarily made in one lump sum as soon as the funds are available. **If the distribution can be made without borrowing, it must be made within 10 days after completion of settlement with the last local unit to settle with the County Treasurer.** Otherwise, if the County borrows **in whole or in part** for the purposes of distribution the County Treasurer is ordinarily required to distribute the money to the local units within 20 days after the borrowing is completed or in Wayne County, within 30 days.

c. Other Amounts Payable from the Delinquent Tax Revolving Fund

(i) Payments from the Administrative Fund

In any county, which borrows to provide monies for the Delinquent Tax Revolving Fund in whole or in part, to make the annual distribution to the local units of government, the County Treasurer is authorized by section 87c (3) of Act 206 to create a separate Administrative Fund to cover expenses which relate to the administration of the Delinquent Tax Revolving Fund after adoption by the Board of Commissioners of a separate resolution authorizing the same.

Payments from this fund may be made and authorized by the County Treasurer without the approval of any other County official.

Despite the fact that approval of the Board of Commissioners or of the County Finance Director or Controller is not **required**, many County Treasurers transfer the funds from the Administrative Fund to a county purchasing fund to avoid dispute with the Board of Commissioners and to permit the County's accounting departing to properly book the transactions.

(ii) Payments to Parties who have Contracted with the County Treasurer for Services in Connection with any Transaction Relating to the Delinquent Tax Revolving Fund

Section 87b (2) of Act 206 authorizes the County Treasurer **without the approval of the Board of Commissioners** to enter into contracts with the state or private persons, firms or corporations in connection with any transaction relating to the Delinquent Tax Revolving Fund. All payments made to anyone so contracting are authorized to be made by the County Treasurer without the need for the approval by the Board of Commissioners or any other county official.

(iii) Types of Payments which may be made Pursuant to Contracts Entered into under Subsection 87b (2)

The following is a list (not necessarily all-inclusive) of the types of transactions, which a County Treasurer may enter into once the Treasurer's County has a Delinquent Tax Revolving Fund:

1. Payments to persons or companies who have been hired to assist in the tax foreclosure process (beginning with the first notice) or the sale of properties, which have been foreclosed;

2. Payments to persons or companies who have been hired to safeguard the property foreclosed upon including, if necessary, the demolition or boarding up or fencing off such property to protect innocent persons from being injured thereby or thereon;

3. Payments to persons or companies assisting in the review of the title of the property being foreclosed on or being offered for sale;

4. Payments to persons or companies assisting in the defense of the title of the property, which has been foreclosed by the County Treasurer.

5. Payments to any persons or companies in connection with any other transaction, which relates either to the foreclosure process or the sale or safeguarding of property being foreclosed or which has been foreclosed.

None of those transactions are required to be approved by the Board of Commissioners and all of the payments made in connection therewith (so long as the County Treasurer has entered into a contract with such person or firm) has to be approved by either the Board of Commissioners or any other county official.

B. TRANSFERS WHICH MAY BE MADE BY THE TREASURER FROM THE DELINQUENT TAX REVOLVING FUND

1. In General

No permanent transfers may be made from the Delinquent Tax Revolving Fund unless these are specifically authorized by the provisions contained in Act 206. Act 206 permits two types of permanent transfers.

2. Transfers to the County General Fund

Any transfer of money out of the Delinquent Tax Revolving Fund must go directly to the County General Fund.

a. Transfers of “Surplus” to the General Fund

Section 87b (7) of Act 206, specifically authorizes the transfer of a “Surplus” to the County General Fund by the adoption of a resolution of the Board of Commissioners.

(i) Determination of a "Surplus"

Since the purpose of Delinquent Tax Revolving Fund is to distribute to all local units of government, including the County, the amount which is returned delinquent to the County Treasurer for real property taxes each March 1, the fund does not have a "Surplus" unless it has enough money on hand in the spring of each year to make this distribution. Either the money must be on deposit in the Delinquent Tax Revolving Fund or the County Treasurer must be certain that a borrowing can be arranged in time to make the distribution. The Treasurer is the only person who can make this decision.

(ii) Dispute as to Whether a "Surplus" Exists

If there is a dispute, as to whether or not a "Surplus" exists, the test to decide rests initially with the County Treasurer. If the Treasurer is not satisfied that there is enough money in cash or that if too much money is transferred to the General Fund, the County will not be able to borrow, then no transfer may be made. If this dispute cannot be resolved between the Treasurer and the Board of Commissioners, the only solution is for the County Treasurer to institute an action in circuit court where the circuit court will decide the actual facts. Such an action would undoubtedly require a minimum of four to six months to resolve. In the meantime, no transfer could be made.

b. Transfers of Amounts in the Delinquent Tax Revolving Fund from the "Delinquent Tax Property Sales Proceeds Account to the County General Fund"

Section 78m (8) of Act 206 requires the County Treasurer to deposit the proceeds of the sale of foreclosed property into a restricted account designated as the "Delinquent Property Sales Proceeds" for each year's sale. Once this account has been established, the money therein may only be expended by order or directive of the County Treasurer in the following order of priority:

"(a) The delinquent tax revolving fund shall be reimbursed for all taxes, interest, and fees on all of the property, whether or not all of the property was sold.

(b) All costs of the sale of property for the year shall be paid.

(c) Any costs of the foreclosure proceedings for the year, including, but not limited to, costs of mailing, publication, personal service, and outside contractors shall be paid.

(d) Any costs for the sale of property or foreclosure proceedings for any prior year that have not been paid or reimbursed from that prior year's delinquent tax property sales proceeds shall be paid.

(e) Any costs incurred by the foreclosing governmental unit in maintaining property foreclosed under section 78k before the sale under this section shall be paid, including costs of any environmental remediation."

The only money, which should be deposited in this special restricted account are the actual monies received by the County Treasurer from the sale of the foreclosed property. This would include any money received either from the State of Michigan or a local unit of government which is exercising its rights to purchase property before the public sale as well as all of the proceeds received at the public sale of such property.

The actual transfer of such amounts as are permitted to be transferred to the General Fund of the County **after all of the amounts described in subparagraphs (a) through (e) above have been paid** is governed by subsection 78m (8)(h) which provides as follows:

(h) In 2008 and each year after 2008, if the foreclosing governmental unit is not this state, not later than June 30 of the second calendar year after foreclosure, the foreclosing governmental unit shall submit a written report to its board of commissioners identifying any remaining balance and any contingent costs of title or other legal claims described in subdivisions (a) through (f). All or a portion of any remaining balance, less any contingent costs of title or other legal claims described in subdivisions (a) through (f), may subsequently be transferred into the general fund of the county by the board of commissioners.

As can be seen from the provisions of subsection 78m (8)(h) above, the County Treasurer first must determine how much in the way of contingent costs of title or other legal claims needs to be retained in the restricted account before determining how much money may be transferred to the General Fund. The Treasurer may only transfer to the General Fund such amounts as are not needed for those purposes or, which do not need to be used to pay for costs specified in subparagraphs (a) through (e).

C. ACCOUNTING FOR TRANSACTIONS IN THE DELINQUENT TAX REVOLVING FUND

1. In General

The Delinquent Tax Revolving Fund is an "**Enterprise Fund"** of the County and must be kept separate from the County General Fund. In addition to the overall "Revolving Fund" there will be multiple sub funds or accounts, which apply to various purposes within the fund.

2. Examples of some of the Sub Funds or Accounts

a. A Sub Fund or Account should be established for Each Year's Delinquent Real Property Taxes, which are to be returned to the County Treasurer

(i) Revenues

All amounts of delinquent real property taxes, interest on such taxes, County administration fees and any other penalty or charge paid by the delinquent taxpayer should be shown as "revenue" for that year's delinquent tax revolving sub fund or account.

(ii) Expenditures

All amounts, which are paid by the County Treasurer out of such sub fund or account should be shown as expenditure.

b. When a County decides to Borrow against a Particular Year's Delinquent Taxes, the following Separate Accounts within the Sub Fund or Account for such Year must be established:

(i) Revenues Pledged to Repay the Borrowing

All amounts, which are pledged in the borrowing resolution, should be accounted for by category as they are received and held and used solely as provided in the borrowing resolution.

Any amounts, which are transferred from an unpledged account, within the Delinquent Tax Revolving Fund or the County General Fund to secure repayment of the borrowing must be accounted for in the amounts shown as pledged to repay the borrowing.

(ii) Amounts Transferred from another Sub Fund or Account in the Delinquent Tax Revolving Fund to be used to Distribute to the Local Units of Government once the Borrowing Proceeds have been Received

As is often the case, some of the money to make the distribution for a particular year will be transferred from unpledged monies in the Delinquent Tax Revolving Fund and used along with the borrowing proceeds to make the distributions. These transfers within the Delinquent Tax Revolving Fund should be shown on the accounting for such years fund.

(iii) Borrowing Proceeds

Once the borrowing proceeds are received, they should be shown as a "receipt" into the particular years sub fund or account.

(iv) Distributions

The amounts distributed to the County and other local units of government should be shown on the accounting for such year's sub fund or account.

c. All Costs Connected with the actual Foreclosure of the Property for Nonpayment of Delinquent Real Property Taxes for a Particular Year (as opposed to the costs of sale of the property) should be Accounted for Separately for each Year's Delinquent Taxes

The various expenditures may include the cost of mailing, advertising, publication of notices, attorney fees and any expenditures leading up to the actual foreclosure proceedings in court including any hearings thereon.

These amounts, if they are advanced from another unpledged sub fund or account within Delinquent Tax Revolving Fund, must be repaid to that sub fund or account after the property is sold or if it is redeemed from money received for redemption.

3. Chargebacks

a. Amounts which are not Collected on the Foreclosure of a Particular Property

Section 87b (1) requires a County Treasurer to recover by what is called a "chargeback" any delinquent taxes that are due and payable to the County and uncollected for any reason. In addition, the Treasurer is required to charge interest on that amount from the date of delinquency at 1% per month or fraction of a month if the

County did not borrow to provide funds in whole or in part to make the distributions. If the County borrowed, the interest rate may not exceed the highest interest rate paid on the borrowing.

b. Method of Collection of Chargebacks

(i) Offset against the next year's Delinquent Tax Revolving Fund Distribution

Many Counties deduct the amount owing to the County for chargebacks for a prior years uncollected delinquent tax at the time the most current distribution is being made to the County and other local units from the Delinquent Tax Revolving Fund. If an amount is determined to be uncollectable (possibly from a bankruptcy or because a tax was not legally assessed), it may be offset. Should this amount be subsequently collected, it would then have to be remitted, with interest at the rate charged to the County or local unit of government.

(ii) Billing after the December Property Sale

At the option of the County Treasurer, the County and local units of government may be billed for uncollected delinquent taxes and interest once it is determined that the taxes will not be collected at the conclusion of the scavenger sale in December.

D. TAX COLLECTION REVENUES WHICH ARE TO BE CREDITED TO THE DELINQUENT TAX REVOLVING FUND

1. Pledged Revenues

All of the delinquent taxes, the interest on delinquent taxes, the County administration fee and all other penalties payable in connection with a delinquent real property tax are customarily pledged to the repayment of any borrowing against such year's delinquent tax. None of these amounts may be used for any other purpose except to repay the borrowing until the borrowing is repaid in full.

2. Revenues in Counties which have not Borrowed

The same amounts as are described above are "revenues" of a particular year's delinquent tax sub fund or account.

The difference is that these amounts, as they are not pledged, may be used for any of the purposes set forth under Section II Subsection E below.

E. EXPENDITURES FROM UNPLEDGED REVENUES

1. Annual Payments to County and Local Units of Government

The first priority of payments from the Delinquent Tax Revolving Fund is to make the annual distribution to the County and all their local units of government of the amount of real property taxes, which were returned delinquent on March 1.

2. Payments of Costs of Foreclosure

Whatever amounts are left after the distribution to the County and local units of government is available to be used to pay the following costs:

a. Costs of sending notices
b. Costs of advertising
c. Costs of publishing notices
d. Costs of title searches
e. Legal costs
f. costs of protecting and safeguarding foreclosed properties
g. Costs incurred in investing and safeguarding monies in the Delinquent Tax Revolving Fund
h. Education costs
i. Costs of contractors who assist in collection of the delinquent taxes

III. ACCOUNTING AND OTHER PROCEDURES THAT APPLY TO THE DELINQUENT TAX PROPERTY SALES PROCEEDS ACCOUNT WHICH IS PART OF THE DELINQUENT TAX REVOLVING FUND

A. IN GENERAL

Subsection 78m (8) requires that a separate account be established on the books of the County Treasurers office under the Delinquent Tax Revolving Fund called the "Delinquent Tax Property Sales Proceeds" account for each year. All proceeds from the sale of Delinquent Tax Foreclosed Properties for that year must be recorded in that account.

B. RECORDS REQUIRED TO BE KEPT IN CONNECTION WITH THE DELINQUENT TAX PROPERTY SALES PROCEEDS ACCOUNT

1. Amounts that are not Recovered from the Sale of a Delinquent <u>Property which is Foreclosed</u>

Any property, which is not redeemed before the expiration of the redemption period and is not sold for a sufficiently large amount to cover all of the delinquent taxes owed thereon together with interest and penalties, will have some amount which remains owing to the County in connection with that property. In order to calculate that amount and to subsequently reimburse the Delinquent Tax Revolving Fund for that amount, the County Treasurer must keep an account showing the amount which is not recovered.

2. The Cost of Sale of the Property for all of the Properties offered <u>for Sale in any Year must be Recorded in a Separate Account</u>

Since subsection 78m (8)(b) requires that all costs of the foreclosure sale must be reimbursed to the Delinquent Tax Revolving Fund before any money may be transferred out of the Delinquent Tax Property Sales Proceeds account to the County General Fund, the Treasurer must maintain an account showing all of these costs and any amounts which have not yet been reimbursed before any amounts may be transferred to the General Fund.

3. Costs of the Foreclosure Proceedings for each Year including but not Limited to Costs of Mailing, Publication, Personal Service and Outside Contractors must be <u>Recorded in a Separate Account</u>

Since subsection 78m (8)(c) requires that all costs of the foreclosure proceedings must be reimbursed to the Delinquent Tax Revolving Fund before any money may be transferred out of the Delinquent Tax Property Sales Proceeds account to the County General Fund, the Treasurer must maintain an account showing all of these costs and any amounts which have not yet been reimbursed before any amounts may be transferred to the General Fund.

4. Costs of Maintaining Property between the Date of Foreclosure and the Date such Property is Sold at a Foreclosure Sale or Otherwise Disposed of must be <u>Recorded in a Separate Account</u>

Since subsection 78m (8)(e) requires that all costs incurred by the County in maintaining property must be reimbursed to the Delinquent Tax Revolving Fund before any money may be transferred out of the Delinquent Tax Property Sales Proceeds account to the County General Fund, the Treasurer must maintain an account showing all of these costs and any amounts which have not yet been reimbursed before any amounts may be transferred to the General Fund.

C. FORECLOSED PROPERTY SALE PROCEEDS WHICH ARE TO BE SEGREGATED AND PLACED IN THE RESTRICTED DELINQUENT TAX PROPERTY SALE PROCEEDS ACCOUNT

1. Revenues from the Foreclosed Property Sales

These are amounts which are received from the State, a local unit of government or a member of the general public when a foreclosed property is purchased from the County Treasurer at any time. This includes amounts, which are received from the State, County or a local unit before the advertised public sales of the property.

2. Amounts that are not Revenues and may not be Credited to the Delinquent Tax Property Sale Proceeds Account

   a. All delinquent taxes, interest, property administration fees and other penalties paid by taxpayers redeeming property.
   b. Any other revenues (for instance, rents on foreclosed properties) received which are not paid by a purchaser of the foreclosed

D. PAYMENTS FROM THE RESTRICTED DELINQUENT TAX PROPERTY SALES ACCOUNT

The following amounts in this order may be paid from the Delinquent Tax Property Sales Proceeds Account under subsection 78m (8) of Act 206:

1. The delinquent tax revolving fund shall be reimbursed for all taxes, interest, and fees on all of the property, whether or not all of the property was sold.

2. All costs of the sale of property for the year shall be paid.

3. Any costs of the foreclosure proceedings for the year, including, but not limited to, costs of mailing, publication, personal service, and outside contractors shall be paid.

4. Any costs for the sale of property or foreclosure proceedings for any prior year that have not been paid or reimbursed from that prior year's delinquent tax property sales proceeds shall be paid.

5. Any costs incurred by the foreclosing governmental unit in maintaining property foreclosed under section 78k before the sale under this section shall be paid, including costs of any environmental remediation.

6. Not later than June 30 of the second calendar year after foreclosure, the foreclosing governmental unit shall submit a written report to its board of commissioners identifying any remaining balance and any contingent costs of title or other legal claims described in subdivisions (a) through (f). All or a portion of any remaining balance, less any contingent costs of title or other legal claims described in subdivisions (a) through (f), may subsequently be transferred into the general fund of the county by the board of commissioners.

IV. CHARGE BACKS FOR UNCOLLECTED DELINQUENT TAXES

Section 87b, Subsection (1) of Public Act 206 of the Public Acts of Michigan of 1893, as amended, provides as follows:

> "The county board of commissioners of any county may create a delinquent tax revolving fund that, at the option of the county treasurer, may be designated as the "100% tax payment fund". Upon the establishment of the fund, all delinquent taxes, except taxes on personal property, due and payable to the taxing units in the county, except those units that collect their own delinquent taxes after March 1 by charter or otherwise, are due and payable to the county. The primary obligation to pay to the county the amount of taxes and the interest on the taxes shall rest with the local taxing units and the state for the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. <u>If the delinquent taxes that are due and payable to the county are not received by the county for any reason, the county has full right of recourse against the taxing unit or to the state for the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to recover the amount of the delinquent taxes and interest at the rate of 1% per month or fraction of a month until repaid to the county by the taxing unit. However, if the county borrows to provide funds for those payments, the interest rate shall not exceed the highest interest rate paid on that borrowing</u>. A resolution or agreement previously executed or adopted to this effect is validated and confirmed. For delinquent state education taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, the county may offset uncollectible delinquent taxes against collections of the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, received by the county and owed to this state under this act. The fund shall be segregated into separate funds or accounts for each year's delinquent taxes." (Emphasis supplied).

Based on the foregoing statute, once a County Treasurer determines that delinquent taxes are uncollectable, the County Treasurer <u>must</u> charge back to any unit receiving money from the Delinquent Tax Revolving Fund the principal amount of such uncollectable delinquent tax together with interest on the unpaid delinquent tax from the date of the County settlement at the rate of 12% per annum in the event the County did not borrow. If the County borrowed, the rate is limited to the highest rate of interest on the borrowing.

APPENDIX I

Page 1/2

EXAMPLES OF VARIOUS TYPES OF GENERAL OBLIGATION LIMITED TAX
NOTES SOLD IN THE SPRING AND SUMMER OF 2012

COUNTY	TYPE OF PROGRAM OR ISSUE	BORROWING AMOUNT	TYPE OF RATE	FINAL MATURITY
BERRIEN	CHEMICAL BANK	$ 13,000,000	VARIABLE	MAY 15, 2014
CRAWFORD	HASTINGS STATE BANK	$ 1,400,000	VARIABLE	MARCH 2, 2015
DICKINSON	HASTINGS STATE BANK	$ 2,070,000	FIXED	MARCH 1, 2014
INGHAM	PNC BANK	$ 14,000,000	VARIABLE	MARCH 3, 2014
OAKLAND	BANK OF AMERICA/ MERRILL	$ 25,000,000	VARIABLE	APRIL 13, 2013
VAN BUREN	PNC BANK	$ 5,000,000	VARIABLE	JUNE 2, 2014
WAYNE BORROWING NO. 1	HUNTINGTON BANK	$ 30,000,000	VARIABLE	SEPTEMBER 15, 2014
WAYNE BORROWING NO. 2	OPPENHEIMER & CO., INC	$135,000,000	FIXED	SEPTEMBER 15, 2014
WAYNE BORROWING NO. 3	PNC BANK	$ 20,000,000	VARIABLE	SEPTEMBER 15, 2014
WAYNE BORROWING NO. 4	PNC BANK	$ 20,000,000	VARIABLE	SEPTEMBER 15, 2014

APPENDIX I

COUNTY	TYPE OF PROGRAM OR ISSUE	BORROWING AMOUNT	TYPE OF RATE	FINAL MATURITY
WAYNE BORROWING NO. 5	COMERICA BANK	$ 30,000,000	VARIABLE	SEPTEMBER 15, 2014
WAYNE BORROWING NO. 6	FLAGSTAR BANK	$ 20,000,000	VARIABLE	SEPTEMBER 15, 2014

APPENDIX II

GENERAL DESCRIPTION

OF

AXE AND ECKLUND, P.C.

FOR ADDITIONAL INFORMATION
PLEASE WRITE OR CALL:

Axe and Ecklund, P.C.
Suite 355
21 Kercheval Avenue
Grosse Pointe Farms, Michigan 48236
(313) 884-9811 or 1-800-383-6324
Fax (313) 884-0626

Table of Contents

ded\GEN-DESA-2

GENERAL DESCRIPTION

OF

AXE & ECKLUND, P.C.

I. OFFICE LOCATION

AXE & ECKLUND, P.C.
21 Kercheval Avenue, Suite 355
Grosse Pointe Farms, Michigan 48236
(313) 884-9811
Fax (313) 884-0626
E-Mail: email@axelaw.com

II. BACKGROUND & EXPERIENCE

A. HISTORICAL

1. Axe & Schwartz

Our firm is the successor firm to Axe and Schwartz, which was founded in 1981 by John R. Axe and several other partners then at the firm of Dickinson, Wright, McKean & Cudlip. Mr. Axe merged that firm, with its considerable municipal finance practice, into Dykema Gossett in 1985, where he served as head of its newly established Public Finance Department. The current firm was formed on January 1, 1990, by Mr. Axe and another attorney, and includes all of the staff which worked on his public finance matters while at Dykema Gossett.

2. 1985-1990

As indicated above, nearly all of Dykema Gossett's public finance work as bond counsel (as contrasted with underwriter's counsel) between 1985 and 1990 was as a result of Mr. Axe serving as a partner of that firm. During that time, Mr. Axe was the partner in charge of these clients, all of whom he had formerly represented at Axe & Schwartz.

B. GENERAL INFORMATION

Axe & Ecklund, P.C. (Axe & Ecklund) is a leader among firms providing bond counsel services to public entities in the state of Michigan.

Since 1990, Axe & Ecklund, P.C. and its predecessor John R. Axe and Associates has been advising cities, counties, villages, townships and other governmental units on the best way to issue municipal bonds and notes. *

Included in our services are the development of individual ways for a municipal client to market its bonds, notes, and other debt and revenue obligations.

The firm principally assists government units in raising funds by structuring the borrowings, preparing all legal documents, conducting a competitive sale, and providing its unqualified opinion on the validity and tax exemption of the bond issue.

In the past 31 years, our senior attorney, John R. Axe, has successfully issued bond opinions on more than **1,849** issues of municipal obligations of all types for more than 115 different issuers in a total face amount in excess of **$14,304,000,000**. This volume of issues over that period of time is more than twice as large as for any other individual bond lawyer in Michigan. Attached as Appendix 1 is a list of the bond issues on which Mr. Axe has served as bond counsel since 2010.

C. CURRENT CLIENTS

The firm's current clients include more than 40 Michigan counties, as well as, many cities, villages, townships and special municipal districts. Large clients include the Counties of Oakland, Wayne, Macomb, Grand Traverse, Washtenaw, Jackson, Ingham and Allegan, the cities of Warren, Royal Oak, and Portage. Mr. Axe was retained to represent the following clients which were represented by him in 1989 and prior years:

* The firm name was John R. Axe and Associates, P.C. until January 1, 2001 when it was changed to Axe & Ecklund, P.C.

County Road Commissions:

Berrien	Oakland
Grand Traverse	

Counties:

Alcona	Jackson
Alger	Kalamazoo
Allegan	Lake
Alpena	Macomb
Bay	Marquette
Benzie	Monroe
Berrien	Montmorency
Branch	Oakland
Cass	Ogemaw
Chippewa	Osceola
Clinton	Otsego
Delta	Roscommon
Eaton	Sanilac
Huron	Schoolcraft
Grand Trav.	Shiawassee
Ingham	Tuscola
Iosco	Van Buren
Iron	Washtenaw
Isabella	Wayne

Cities:

Au Gres	Portage
Imlay City	Royal Oak
Morenci	Warren
Omer	Zilwaukee

Villages:

Birch Run	Reese
Otisville	St. Charles
Oxford	

Townships:

Baldwin	Oakland
Birch Run	Pulaski
Bridgeport	Saugatuck
Green Oak	Swan Creek
Howell	Thomas
Kochville	West Branch
Marion	

III. SUMMARY OF SERVICES

Generally, as bond counsel, is it our responsibility to make certain that the issuer of bonds (the "Municipality") meets all state and federal law requirements, including but not limited to, the Municipal Finance Act, the statute under which the bonds are being issued, the Internal Revenue Code and the Securities and Exchange Commission's Rules and Regulations. Our responsibility further includes working with the Municipality to advise on the available financing methods and to assist in the structuring of the Municipality's bond issues so that financings are done in a way which is most beneficial to the Municipality. Our bond counsel service culminates with the issuance of a legal opinion advising all prospective bondholders of the validity of the bonds and the exemption of the interest on the bonds from federal and state income taxes.

Once the bonds are issued, some municipalities continue to have questions with reference to the proper expenditure of bond proceeds, investment restrictions under the Internal Revenue Code and proper levies of the debt retirement fund. These services are normally provided by our office via telephone without any additional charge.

Below is a description of the services we will provide:

- Meet with municipal officials to determine infrastructure needs.
- Provide legal analysis of state law and federal tax law to determine available means of financing.
- Develop a plan of financing with the Municipality and the Municipality's financial advisor.
- Provide all required state law and federal tax law analysis.
- Prepare all proceedings authorizing bonds.
- Assure that all necessary State and other approvals for issuance of bonds are secured.
- Prepare or review portions of Official Statement describing bonds, security for bonds, tax exemption and other legal matters
- Prepare and publish Notice of Sale for receipt of bids on bonds.
- Submit legal opinion to bond rating agencies and respond to their inquiries for clarification.

- Review and advise on legality of bids for bonds.
- Supervise printing of bonds.
- Together with purchaser, and financial advisor coordinate delivery of bonds and payment to issuer.
- Complete all post delivery publications and filings with State or Federal taxing authorities.

IV. PERSONNEL AND RESUMES

The firm has two shareholders. John R. Axe and Peter S. Ecklund, Jr. The firm's senior paralegal, Deborah M. Miller is assisted by paralegal Samantha Van Gorder. Their resumes follow.

John R. Axe

John R. Axe is a graduate of the University of Michigan (B.A., 1960) and Harvard Law School (L.L.B., 1963). In addition to his experience as a practicing bond attorney and financial consultant in municipal issues, Mr. Axe is a co-author of Michigan Municipal law, a two-volume work published in 1981 by the Institute of Continuing Legal Education for the University of Michigan. In 1992, he was appointed as a member of the Permanent Adjunct Faculty of the Wayne State University Law School where he teaches public finance. Mr. Axe formerly served a three year term on the Board of Directors of the National Association of Bond Lawyers (NABL), the first Michigan lawyer ever to serve in this capacity. He has served on the Steering Committees for NABL's Bond Attorney's Workshop in the years 1980, 1981, 1983, 1986, 1989 and 1990.

In 1981, Mr. Axe, with several of his partners at Dickinson, formed the firm of Martin, Axe, Buhl and Schwartz, where he served as the public finance partner. This firm, which in 1985 was known as Axe & Schwartz, merged with Dykema Gossett, taking with it Mr. Axe's extensive public finance practice. With the arrival of Mr. Axe, Dykema Gossett established a public finance practice and department, and he became the head of the Public Finance Department.

Effective January 1, 1990, Mr. Axe established John R. Axe and Associates, which was renamed Axe & Ecklund, P.C. effective January 1, 2001.

During his more than 30 years of experience as Bond Counsel, Mr. Axe has served as bond counsel on bond issues for the following public entities

State Level

Michigan Transportation Commission
Michigan Strategic Fund (formerly Michigan Economic Development Authority)
University of Michigan
Michigan State University
Wayne State University
Western Michigan University
Eastern Michigan University
Northern Michigan University
Central Michigan University
Ferris State University
Oakland University
Saginaw Valley State University
Michigan Technological University
Lake Superior State University

County Level

Counties of Alcona, Alger, Allegan, Alpena, Arenac, Bay, Benzie, Berrien, Branch, Cass, Chippewa, Clinton, Delta. Eaton, Emmet, Gladwin, Grand Traverse, Hillsdale, Ingham, Iosco, Iron, Isabella, Jackson, Kalamazoo, Kent, Lake, Luce, Livingston, Macomb, Marquette, Montcalm, Montmorency, Oakland, Oceana, Ogemaw, Osceola, Otsego, Ottawa, Roscommon, Saginaw, Sanilac, Schoolcraft, Shiawassee, St. Clair, Tuscola, Van Buren, Washtenaw, Wayne and Wexford.

Municipalities

The Cities of Au Gres, Imlay City, Morenci, Muskegon Heights, Omer, Pinconning, Portage, Royal Oak, Warren and Zilwaukee:

The Villages of Beulah, Birch Run, Grass Lake, Otisville, Oxford, Reese and St. Charles:

The Townships of Bridgeport, Hartland, Howell, Kochville, Marion, Napoleon, Pulaski, Saugatuck, Swan Creek, Thomas, Birch Run, and Green Oak.

Mr. Axe has, over this period of time, issued his unqualified opinion as bond counsel on more than 1,800 debt issues with a total face amount in excess of $10 Billion.

Peter S. Ecklund, Jr.

Peter S. Ecklund, Jr. is a graduate of Case Western Reserve University School of Law (J.D. 1992), and the University of Michigan (B.A. 1989). Mr. Ecklund joined our firm on August 17, 1992, and became a shareholder of the firm on July 1, 2000. He has been the lead attorney in over 200 municipal bond and note offerings.

Mr. Ecklund was a candidate for the Michigan State Senate in 1994 and is actively involved in political campaigns and activities. Mr. Ecklund is a member of the National Association of Bond Lawyers and the Michigan Bar Association.

Deborah M. Miller

Deborah M. Miller who joined the firm in 1999 is a Paralegal in charge of the firm's closing division. Mrs. Miller performs all bond and note closings, including all post-sale filings with the State and Federal Government. She has strong computer and mathematical skills and is able to assist in many of Axe & Ecklund' services. Mrs. Miller, who is a graduate of the University of Hartford, Hartford, Connecticut, had experience with other firms prior to joining Axe & Ecklund, P.C.

Samantha Vormelker

Samantha Vormelker joined the firm in 2008 and serves as Junior Paralegal to both Senior Paralegals and Mr. Ecklund. She assists each of them in all their responsibilities and services our firm offers. Ms. Vormelker also serves as Administrative Assistant to John R. Axe. Ms. Vormelker has a Bachelor of Business Administration from Wayne State University.

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V. APPENDIX 1

LIST OF BOND AND NOTE EXPERIENCE

2010 to Present

Appendix 1

PRIOR TO 2010:

Issue #	Year	Amount
1 - 56	1981	$303,325,407
57 - 123	1982	386,799,000
124 - 187	1983	402,815,000
188 - 253	1984	397,715,000
254 - 347	1985	661,170,000
348 - 405	1986	202,640,000
406 - 465	1987	302,125,000
466 - 527	1988	267,102,000
528 - 579	1989	227,055,000
580 - 642	1990	254,034,900
643 - 708	1991	292,811,631
709 - 791	1992	405,777,276
792 - 874	1993	333,448,000
875 - 940	1994	324,506,841
941 - 1,004	1995	218,245,000
1,005 - 1,078	1996	405,502,000
1,079 - 1,132	1997	221,093,328
1,133 - 1,192	1998	372,945,000
1,193 - 1,250	1999	295,520,000
1,251 - 1,289	2000	200,520,000
1,290 - 1,342	2001	574,057,000
1,343 - 1,395	2002	387,090,000
1,396 - 1,439	2003	602,870,000
1,440 - 1,487	2004	366,557,000
1,488 - 1,542	2005	559,000,000
1,543 - 1,581	2006	704,121,000
1,582 - 1,625	2007	1,023,478,000
1,626 - 1,656	2008	462,365,000
1,657 - 1,693	2009	1,166,545,685

2010 ISSUES

1,694. $2,660,000 Berrien County – City of New Buffalo Water System No. 28 Project Bond, Series 2010

1,695. $3,900,000 Lenawee County Building Authority – Building Authority Bonds, Series 2010A (Federally Taxable Recovery Zone Economic Development Bonds)

1,696. $550,000 Lenawee County Building Authority – Building Authority Bonds, Series 2010B

1,697. $5,150,000 City of Warren Capital Improvement Bond, Series 2009

1,698. $1,715,000 Washtenaw County - Allen Creek Drain Drainage District – Allen Creek Stadium Boulevard Suffolk to Hutchins Storm Water Controls Drain Project Bond (Limited Tax General Obligation), Series 2010

1,699. $1,725,000 Washtenaw County Allen Creek Drain Drainage District - Allen Creek West Park Storm Water Controls Drain Project Bond (Limited Tax General Obligation), Series 2010

1,700. $6,680,000 City of Portage - Michigan Transportation Fund Refunding Bonds, Series 2010

1,701. $425,000 City of New Buffalo Capital Improvement Bonds, Series 2010

1,702. $10,990,000 Oakland County Building Authority - Building Authority Refunding Bonds, Series 2010

1,703. $5,800,000 Oakland County Building Authority - Building Authority Bonds, Series 2010 (Federally Taxable Recovery Zone Economic Development Bonds)

1,704. $9,775,000 Washtenaw County - Sylvan Township Water and Wastewater System Improvements Refunding Bonds, Series 2010

1,705. $1,760,000 Berrien County - Schwark Drain #455 Drainage District Drain Bonds, Series 2010

1,706. $2,575,000 City of Portage – General Obligation Limited Tax City Share Refunding Bonds, Series 2010

1,707. $50,000,000 Oakland County General Obligation Limited Tax Notes, Series 2010

1,708. $3,040,000 City of Warren – Michigan Transportation Fund Refunding Bonds, Series 2010

1,709. $1,000,000 Benzie County General Obligation Limited Tax Notes, Series 2010

1,710. $13,725,000 Berrien County General Obligation Limited Tax Notes, Series 2010

1,711. $1,000,000 Montmorency County General Obligation Limited Tax Notes, Series 2010

1,712. $20,300,000 Ingham County General Obligation Limited Tax Notes, Series 2010

1,713. $5,300,000 Eaton County General Obligation Limited Tax Notes, Series 2010

1,714. $7,000,000 Van Buren County General Obligation Limited Tax Notes, Series 2010

1,715. $3,850,000 City of Portage Capital Improvement Bonds, Series 2010

1,716. $2,700,000 Berrien County – Hollywood Road Consolidated Drain #524 Drainage District Drain Bonds, Series 2010

1,717. $1,880,000 Berrien County – Barnes and Hamilton Drain #022 Drainage District Drain Bonds, Series 2010

1,718. $19,535,000 Berrien County – Benton Charter Township Water System No. 27 Project Bond, Series 2010

1,719. $405,000 Washtenaw County Allen Creek Drain Drainage District - Drainage District Drain Bonds(Sylvan Avenue Stormwater BMP's)

1,720. $1,700,000 Dickinson County General Obligation Limited Tax Notes, Series 2010

1,721. $2,000,000 Township of Acme Capital Improvement Bonds, Series 2010

1,722. $83,525,000 City of Royal Oak Hospital Finance Authority Hospital Revenue Refunding Bonds (William Beaumont Hospital Obligated Group) Series 2010X

1,723. $1,100,000 Covenant House Academy East State Aid Note (General Obligation)

1,724. $1,100,000 Covenant House Academy Central State Aid Note (General Obligation)

1,725. $1,100,000 Covenant House Academy Southwest State Aid Note (General Obligation)

1,726. $6,230,000 City of Warren – Capital Improvement Refunding Bonds, Series 2010

1,727. $3,095,000 Washtenaw County – Multi-Lake Sanitary Sewer System Refunding Bonds Dexter Township, Series 2010

1,728. $1,120,000 Oakland County Building Authority - Building Authority Bonds, Series 2010

1,729. $11,750,000 Waterford School District - 2010 State Aid Notes

1,730. $3,180,000 Berrien County – Village of Berrien Springs Water and Sewer System No. 29 Improvements Project Bonds, Series 2010 (Federally Taxable Recovery Zone Economic Development Bonds)

1,731. $1,275,000 Washtenaw County – Lake Forest Highlands Drain Drainage District, Drain Bonds, Series 2010

1,732. $25,000,000 Wayne County General Obligation Limited Tax Notes, Series 2010A

1,733. $138,550,000 Wayne County General Obligation Limited Tax Notes, Series 2010B1 – B4

1,734. $30,000,000 Wayne County General Obligation Limited Tax Notes, Series 2010C

1,735. $1,468,000 Huron County - Village of Sebewaing Lagoon System Improvements Project Bonds, Series 2010

1,736. $3,900,000 Berrien County – Lake Shore Drain Drainage District #285 Drain Bonds, Series 2010

1,737. $9,290,000 City of Warren – Capital Improvement Bonds, Series 2010 (Federally Taxable Recovery Zone Economic Development Bonds)

1,738. $51,655,000 County of Jackson Hospital Finance Authority Hospital Revenue Refunding Bonds (Allegiance Health, Jackson, Michigan) Series 2010A

1,739. $10,100,000 Jackson County Building Authority - Building Authority Refunding Bonds, Series 2010

1,740. $35,450,000 Wayne County General Obligation Limited Tax Notes, Series 2010B-5

1,741. $1,860,000 Otsego County Building Authority - Building Authority Refunding Bonds, Series 2010

TOTAL FACE AMOUNT OF 2010 ISSUES: $632,888,000

2011 ISSUES

1,742. $22,680,000 Waterford School District - School District Refunding Bonds, Series 2011 (General Obligation - Unlimited Tax)

1,743. $20,385,000 Grand Traverse County – Traverse City Wastewater Treatment Plant Upgrade Refunding Bonds, Series 2011

1,744. $4,335,000 Green Oak Charter Township Sanitary Sewer Special Assessment Refunding Bonds, Series 2011

1,745. $36,500,000 County of Jackson Hospital Finance Authority Variable Rate Hospital Revenue Refunding Bonds (Allegiance Health, Jackson, Michigan) Series 2011A

1,746. $28,875,000 County of Jackson Hospital Finance Authority Hospital Revenue Refunding Bonds (Allegiance Health, Jackson, Michigan) Series 2011B

1,747. $1,000,000 Benzie County General Obligation Limited Tax Notes, Series 2011

1,748. $1,000,000 Montmorency County General Obligation Limited Tax Notes, Series 2011

1,749. $5,440,000 Tuscola County Medical Care Facility - Capital Improvement Refunding Bonds, Series 2011

1,750. $13,700,000 Berrien County General Obligation Limited Tax Notes, Series 2011

1,751. $105,000 Laketown Township Capital Improvement Tax Credit Bonds, Series 2011 (Qualified Energy Conservation Improvement Bonds)

1,752. $4,400,000 Eaton County General Obligation Limited Tax Notes, Series 2011

1,753. $4,730,000 City of Portage Building Authority – Building Authority Refunding Bonds, Series 2011

1,754. $18,500,000 Ingham County General Obligation Limited Tax Notes, Series 2011

1,755. $128,000,000 Wayne County General Obligation Limited Tax Notes, Series 2011-F

1,756. $25,000,000 Wayne County General Obligation Limited Tax Notes, Series 2011-A

1,757. $8,000,000 Van Buren County General Obligation Limited Tax Notes, Series 2011

1,758. $30,000,000 Wayne County General Obligation Limited Tax Notes, Series 2011-B

1,759. $20,000,000 Wayne County General Obligation Limited Tax Notes, Series 2011-C

1,760. $25,000,000 Wayne County General Obligation Limited Tax Notes, Series 2011-D

1,761. $30,000,000 Wayne County General Obligation Limited Tax Notes, Series 2011-E

1,762. $1,700,000 City of Portage Capital Improvement Bonds, Series 2011

1,763. $2,000,000 Dickinson County General Obligation Limited Tax Notes, Series 2011

1,764. $1,175,000 City of Portage Special Assessment Bonds, Series 2011

1,765. $1,895,000 Berrien County Building Authority – Building Authority Refunding Bonds, Series 2011

1,766. $81,520,000 County of Grand Traverse Hospital Finance Authority Revenue Refunding Bonds (Munson Healthcare Obligated Group) Series 2011A

1,767. $24,825,000 County of Grand Traverse Hospital Finance Authority Variable Rate Revenue Refunding Bonds (Munson Healthcare Obligated Group), Series 2011B

1,768. $22,000,000 County of Grand Traverse Hospital Finance Authority Revenue Refunding Bonds (Munson Healthcare Obligated Group), Series 2011C

1,769. $13,990,000 Oakland County Building Authority – Building Authority Refunding Bonds, Series 2011A

1,770. $14,495,000 Oakland County Building Authority – Building Authority Refunding Bonds, Series 2011B

1,771. $270,000 Covenant House Academy Southwest State Aid Note - Michigan Finance Authority - Public School Academy State Aid Revenue Notes, Series 2011B

1,772. $445,000 Covenant House Academy Central State Aid Note - Michigan Finance Authority - Public School Academy State Aid Revenue Notes, Series 2011B

1,773. $500,000 Covenant House Academy East State Aid Note - Michigan Finance Authority - Public School Academy State Aid Revenue Notes, Series 2011B

1,774. $995,000 County of Tuscola – Capital Improvement Bonds, Series 2011

1,775. $12,500,000 Waterford School District - 2011 State Aid Notes

1,776. $1,115,000 Green Oak Charter Township Hidden Lake Road Special Assessment Bonds, Series 2011 (Taxable)

1,777. $1,475,000 Berrien County – Benton Charter Township Water System No. 27 Project Bonds, Series 2011

1,778. $55,000 Washtenaw County – Swift Run Drain Drainage District, Swift Run Drain Cistern Installation, Downspout Disconnection and Tree Planting Project Bond (Limited Tax General Obligation), Series 2011

1,779. $290,000 Washtenaw County – Allen Creek Drainage District, Allen Creek Cistern Installation, Downspout Disconnection and Tree Planting Project Bond (Limited Tax General Obligation), Series 2011

1,780. $435,000 Washtenaw County – Traver Creek Drain Drainage District, Traver Creek Drain Cistern Installation, Downspout Disconnection and Tree Planting Project and Traver Creek Drain Stream Bank Stabilization Project Bond (Limited Tax General Obligation), Series 2011

1,781. $825,000 Washtenaw County – County Farm Drain Drainage District, County Farm Drain Stream Bank Stabilization Project Bond (Limited Tax General Obligation), Series 2011

1,782. $2,425,000 Washtenaw County – Mallets Creek Drain Drainage District, Mallets Creek Drain Burns Park Porous Alley Project, Mallets Creek Drain Cistern Installation, Downspout Disconnection and Tree Planting Project and Mallets Creek Drain Stream Bank Stabilization Project Bond (Limited Tax General Obligation), Series 2011

1,783. $5,610,000 Township of Hartland Sanitary Sewer Project Refunding Bonds, Series 2011

1,784. $495,000 City of Pontiac Sewage Disposal System Revenue Bonds, Series 2011A (SRF)

1,785. $1,060,000 City of Pontiac Sewage Disposal System Revenue Bonds, Series 2011B (SWQIF)

1,786. $9,230,000 City of Pontiac Sewage Disposal System Revenue Bonds, Series 2011 (SRF)

1,787. $855,000 Otsego County Building Authority - Building Authority Bonds, Series 2011

1,788. $1,300,000 Township of Acme Capital Improvement Bonds, Series 2011

1,789. $630,000 Branch County Michigan Transportation Fund Notes, Series 2011

1,790. $65,000 Washtenaw County – Allen Creek Drainage District, Allen Creek Cistern Installation, Downspout Disconnection and Tree Planting Project Bond (Limited Tax General Obligation), Series 2011

1,791. $415,000 Washtenaw County – Malletts Creek Drain Drainage District, Malletts Creek Drain E. Stadium Bridges Project Bond (Limited Tax General Obligation), Series 2011

1,792. $2,500,000 Oakland County Building Authority - Building Authority Bonds, Series 2011

TOTAL FACE AMOUNT OF 2011 ISSUES: $634,740,000

2012 ISSUES

1,793. $3,055,000 County of Branch Building Authority Refunding Bonds, Series 2012

1,794. $50,000,000 City of Royal Oak Hospital Finance Authority Hospital Revenue Refunding Bonds (William Beaumont Hospital Obligated Group) Series 2012Y

1,795. $50,000,000 City of Royal Oak Hospital Finance Authority Hospital Revenue Refunding Bonds (William Beaumont Hospital Obligated Group) Series 2012Z

1,796. $5,000,000 Grand Traverse County Building Authority – Building Authority Bonds, Series 2012

1,797. $300,000 Flextech High School 2012 State Aid Note

1,798. $235,000 Washtenaw County – Territorial Road Drain Drainage District, Drain Bonds, Series 2012

1,799. $800,000 Berrien County – Smith & Strong Drain Drainage District Drain #473 Bonds, Series 2012

1,800. $2,595,000 City of Portage – Downtown Development Limited Tax Refunding Bonds, Series 2012

1,801. $6,550,000 Macomb County Building Authority– Building Authority Refunding Bonds, Series 2012

1,802. $4,830,000 Genesee County 2012 General Obligation Refunding Bonds (LTGO)

1,803. $6,170,000 Grand Traverse County Building Authority – Building Authority Refunding Bonds, Series 2012

1,804. $445,000 Tuscola County - Denmark Township Water Extension Refunding Bonds

1,805. $9,555,000 City of Portage – Capital Improvement Refunding Bonds, Series 2012

1,806. $1,000,000 Montmorency County General Obligation Limited Tax Notes, Series 2012

1,807. $13,000,000 Berrien County General Obligation Limited Tax Notes, Series 2012

1,808. $2,500,000 Washtenaw County Refuse System No. 1 (Western Washtenaw Recycling Authority) Bonds (General Obligation – Limited Tax)

1,809. $7,455,000 County of Branch Building Authority – Building Authority Bonds and Refunding Bonds, Series 2012A

1,810. $14,000,000 Ingham County General Obligation Limited Tax Notes, Series 2012

1,811. $15,680,000 City of Warren – Capital Improvement Bonds, Series 2012

1,812. $2,070,000 Dickinson County General Obligation Limited Tax Notes, Series 2012

1,813. $5,000,000 Van Buren County General Obligation Limited Tax Notes, Series 2012

1,814. $605,000 Berrien County – Lakeside Drain #287 Drainage District Drain Bonds, Series 2012

1,815. $30,000,000 Wayne County General Obligation Limited Tax Notes, Series 2012A

1,816. $135,000,000 Wayne County General Obligation Limited Tax Notes, Series 2012B

1,817. $20,000,000 Wayne County General Obligation Limited Tax Notes, Series 2012C-1

1,818. $20,000,000 Wayne County General Obligation Limited Tax Notes, Series 2012C-2

1,819. $30,000,000 Wayne County General Obligation Limited Tax Notes, Series 2012D

1,820. $20,000,000 Wayne County General Obligation Limited Tax Notes, Series 2012E

1,821. $270,000 Washtenaw County – Sugar Creek Extension Drain Drainage District, Sugar Creek Extension Drain Bonds, Series 2012

1,822. $780,000 Berrien County – Estates Drain #613 Drainage District Drain Bonds, Series 2012

1,823. $560,000 Berrien County – Oak Hill Springs Drain #658 Drainage District Drain Bonds, Series 2012

1,824. $11,645,000 Oakland County Building Authority - Building Authority Refunding Bonds, Series 2012

1,825. $2,135,000 City of Portage Capital Improvement Bonds, Series 2012

1,826. $41,765,000 City of Royal Oak Hospital Finance Authority Hospital Revenue Refunding Bonds (William Beaumont Hospital Obligated Group) Series 2012A

1,827. $41,760,000 City of Royal Oak Hospital Finance Authority Hospital Revenue Refunding Bonds (William Beaumont Hospital Obligated Group) Series 2012B

1,828. $4,055,000 County of Oakland - City of Pontiac Wastewater Treatment Facility Drainage District Drain Bonds, Series 2012 (Tax-Exempt)

1,829. $53,480,000 County of Oakland - City of Pontiac Wastewater Treatment Facility Drainage District Drain Bonds, Series 2012 (Taxable)

1,830. $500,000 Covenant House Academy East State Aid Note - Michigan Finance Authority - Public School Academy State Aid Revenue Notes, Series 2012B

1,831. $444,000 Covenant House Academy Central State Aid Note - Michigan Finance Authority - Public School Academy State Aid Revenue Notes, Series 2012B

1,832. $384,000 Covenant House Academy Southwest State Aid Note - Michigan Finance Authority - Public School Academy State Aid Revenue Notes, Series 2012B

1,833. $11,545,000 Washtenaw County – Capital Improvement Refunding Bonds, Series 2012

1,834. $10,000,000 Waterford School District - 2012 State Aid Notes

1,835. $4,965,000 City of Royal Oak Building Authority, Building Authority Refunding Bonds, Series 2012

1,836. $14,500,000 Oakland County Building Authority – Building Authority Bonds, Series 2012

1,837. $19,325,000 Oakland County Building Authority – Building Authority Bonds, Series 2012A

1,838. $395,000 Tuscola County – Denmark Township Water Extension Bond Anticipation Note, Series 2012

1,839. $345,000 Washtenaw County – Huron River Green Infrastructure Drainage District, Tree Planting Project Bond (Limited Tax General Obligation), Series 2012

1,840. $345,000 Washtenaw County – Allen Creek Drainage District, Allen Creek Willard Street Project Bond (Limited Tax General Obligation), Series 2012

1,841. $1,495,000 Washtenaw County – Traver Creek Drain Drainage District, Leslie Park Golf Course Project Bond (Limited Tax General Obligation), Series 2012

1,842. $14,160,000 Macomb County Building Authority– Building Authority Refunding Bonds, Series 2012A

1,843. $3,975,000 City of Warren – Capital Improvement Refunding Bonds, Series 2012A

1,844. $17,780,000 City of Warren – Capital Improvement Refunding Bonds, Series 2012B

1,845. $2,875,000 Grand Traverse County – East Bay and Peninsula Townships Sewer and Water Projects Refunding Bonds, Series 2012

1,846. $6,280,000 Alpena Regional Medical Center – General Obligation Refunding Bonds, Series 2012

1,847. $2,869,000 Tuscola County – Denmark Township Water Extension Bonds, Series 2012

1,848. $2,265,000 County of Macomb – Michigan Transportation Fund Refunding Bonds, Series 2012

1,849. $67,755,000 City of Royal Oak Hospital Finance Authority Hospital Revenue Refunding Bonds (William Beaumont Hospital Obligated Group) Series 2012C

TOTAL FACE AMOUNT OF 2012 ISSUES: $791,797,000

TOTAL AMOUNT 1981 TO DECEMBER 31, 2012 = $14,304,038,661

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