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Schedule 1.0(b)

Amended and Restated Articles of Incorporation

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**Final Version**

AMENDED ARTICLES OF INCORPORATION OF THE  
MARION, HOWELL, OCEOLA, AND GENOA SEWER AND WATER AUTHORITY

These Amended Articles of Incorporation are adopted by the incorporating municipal corporations for the purpose of creating an authority under the provisions of Act No. 233, Public Acts of Michigan of 1955, as amended (hereinafter sometimes referred to as the "enabling act").

ARTICLE I

The name of this authority is "Marion, Howell, Oceola, and Genoa Sewer and Water Authority" (hereafter the "Authority"). The registered office of the Authority will be located in the Township Hall of the Township of Oceola, Livingston County, Michigan.

ARTICLE II

The incorporating municipal corporations creating this Authority are the Townships of Marion, Howell, Oceola, and Genoa, all in the County of Livingston, State of Michigan, which are hereby designated as the "constituent municipalities". A single one of the constituent municipalities is hereafter referred to as "municipality" and the constituent municipalities are sometimes referred to as the "municipalities".

ARTICLE III

The purpose of this Authority is to acquire, own, improve, enlarge, extend and operate a sewage disposal system and/or water supply system as defined in the enabling act or any part thereof. The term "water system", as used in these Amended Articles, shall include all water mains, interceptors, laterals, water purification plants, wells, and all other plants, works, instrumentalities and properties used or useful in connection with the obtaining collection, treatment, purification and distribution of water. The term "sewer system" shall include all interceptor sewers, storm sewers, sanitary sewers, combined sanitary and storm sewers, sewage treatment plants, and all other plants, works, instrumentalities and properties used or useful in connection with the collection, treatment, or disposal of sewage or industrial waste.

#### ARTICLE IV

This Authority shall be a body corporate with power to sue or to be sued in any court of this state. It shall be comprised of the territory lying within the corporate boundaries of its constituent municipalities. It shall possess all of the powers granted by statutes now in effect or hereafter adopted or amended, and by these Amended Articles, which are necessary to carry out the purposes of its incorporation, and those incident thereto. The enumeration of any powers herein or in the enabling act shall not be construed as a limitation upon its general powers unless the context shall clearly indicate otherwise. It shall have a corporate seal.

#### ARTICLE V

This Authority shall continue in existence perpetually or until dissolved by act of the parties or by law; provided, however, that it shall not be dissolved if such dissolution would or could operate an impairment of the bonds or other contracts.

#### ARTICLE VI

The fiscal year of this Authority shall commence on the first day of October and end on the last day of September in each year.

#### ARTICLE VII

The governing body of this Authority shall be a Board of Commissioners, (herein referred to as the "Board"), which shall consist of eight commissioners, one of whom shall be the Township Supervisor and the other of whom shall be a member of the legislative body selected by majority vote of the legislative body of each of the incorporating units. In the event an incorporating unit becomes a city, the Township Supervisor shall be replaced by the City Manager or if there is no City Manager, by the Mayor. Each commissioner shall file his oath of office with the clerk of the constituent municipality within which he resides and with the Secretary of the Authority.

The members of the first Board shall qualify by filing their oaths of office and shall meet for the purpose of organization within ten days after these Amended Articles become effective. Subsequent members of the Board shall qualify by being elected to a term as a member of the Board of Commissioners of the Authority. Subsequent Board members shall file their oaths and qualify in the same manner as the first Board. Subsequent Boards shall meet for their organizational meeting on the second Tuesday of November in each year. At each such organization meeting, the Board shall select a Chairman and Vice-Chairman, who shall be

members of the Board, and a Secretary and a Treasurer who may, but need not, be members of the Board. The offices of Secretary and Treasurer may be combined and held by one person if so provided in the By-Laws. Such officers shall serve until the next annual organizational meeting and until their respective successors shall be selected and qualified. Failure to hold meetings or appoint or select trustees or officers as herein provided shall not render invalid any action taken by the Board or its officers. No appointment of any commissioner or election of any officer, and no action taken at any meeting shall be invalid because it did not occur within or at the time specified in these Amended Articles. Any member of the Board, except Township Supervisors, may be removed for cause at any time by majority vote of the legislative body of the constituent municipality in which he resides. Any officer of the Board may be removed at any time by majority vote of the total membership of the Board.

Each commissioner may receive for service on the Board reasonable compensation to be fixed by the Board. Each commissioner shall be entitled to reimbursement for all expenditures made by him or her in carrying out official duties including a reasonable allowance for traveling expenses.

#### ARTICLE VIII

In the event of a vacancy on the Board, the legislative body of the constituent municipality who selected such commissioner shall fill the vacancy for the unexpired term. In the case of the temporary absence or disability of any officer, the alternate from the constituent municipality from which the absent or disabled officer was selected shall serve in the place instead of the officer. The alternate at all times shall receive all notices, reports, and minutes which every board member is entitled to receive. In case of the temporary absence or disability of any officer where the alternate is also temporarily absent or disabled, the Board may appoint some other commissioner to temporarily act in his or her stead except that in the event of the temporary absence or disability of the Chairman, the Vice Chairman shall so act.

#### ARTICLE IX

Regular meetings of the Board shall be held at such time and place as shall be prescribed by resolution or in the By-Laws of the Board. Special meetings of the Board may be called by the Chairman, Secretary or any two members thereof, by serving written notice of the time, place and purpose thereof, upon each member of the Board personally, or by leaving it at his place of residence, at least twenty-four hours prior to the time of such meeting, or by depositing the same in a United States Post Office or mail box within the limits of the Authority, at least seventy-

two hours prior to the time of such meeting, enclosed in a sealed envelope properly addressed to him at his home or office address, with postage fully prepaid. Special meetings of the Board at which all members are present shall be deemed to be valid even though no written notice thereof may have been given as above provided. Any member of the Board may waive notice of any meeting either before or after the holding thereof and written consent to any action taken by the Board shall have the same effect as if the consenting member had been present and had voted in favor of such action. At least five members of the Board shall be required for a quorum. The Board shall act by motion, resolution or ordinance. For the passage of any resolution or ordinance providing for the issuance of bonds, there shall be required the affirmative vote of at least five members of the Board. For all other actions, a majority vote of those present shall be sufficient for passage, unless otherwise provided herein or in the By-Laws. The Board shall have the right to adopt By-Laws and rules governing its procedure which are not in conflict with the terms of any statute or of these Amended Articles. The Board shall keep a journal of its proceedings, which shall be signed by the Secretary. All votes shall be "Yeas" and "Nays", except that where the vote is unanimous, it shall only be necessary to so state. Each member shall be required to vote upon all matters unless he shall be disqualified therefrom. No member may vote upon any matter in which he has a personal interest. No commissioner shall have any financial interest in any contract with the Authority.

#### ARTICLE X

The Chairman of the Board shall be the presiding officer thereof. In the absence or disability of the Chairman, the Vice-Chairman shall perform the duties of the Chairman. The Secretary shall be the recording officer of the Board. The Treasurer shall be custodian of the funds of the Authority and shall give to it a bond conditioned upon the faithful performance of the duties of his office. The cost of said bond shall be paid by the Authority. All monies shall be deposited in a bank or banks, to be designated by the Board, and all checks or other forms of withdrawal therefrom shall be signed by two officers of the Board as shall be designated in the By-Laws or by resolution of the Board. The officers of the Board shall have such other powers and duties as may be conferred upon them by the Board. The Board shall, prior to August 15 of each year, prepare, adopt and file with the legislative bodies of the constituent municipalities an annual budget for the next fiscal year covering the proposed expenditures to be made for the organizing and operating of the Authority and for the necessary funds required from each constituent municipality for the next fiscal year.

## ARTICLE XI

The Authority shall have the power to acquire property necessary for its purpose by purchase, construction, lease, gift, devise or condemnation, either within or without its corporate limits, and may hold, manage, control, sell, exchange or lease such property. For the purpose of condemnation it may proceed under the provisions of Act 149, Public Acts of Michigan, 1911, as now or hereafter amended, or any other appropriate statute.

## ARTICLE XII

The Authority and its constituent municipalities may enter into a contract or contracts providing for the acquisition, purchase, construction, improvement, enlargement, extension, operation and financing of a sewage disposal system and/or water supply system or any part thereof as authorized and provided in the enabling act. The Authority may, subject to the prior approval of the constituent municipalities, enter into contracts with any non-constituent city, village or township or metropolitan authority for the furnishing of water or sanitary sewage treatment services or sale or delivery of water, which contract shall provide for reasonable charges or rates for such service furnished. No contracts shall be for a period exceeding forty years.

## ARTICLE XIII

Section 1. (a) The Authority and any of its constituent municipalities may enter into a contract or contracts providing for the acquisition, construction, improvement, enlargement, extension, operation, and financing of a sewage disposal system, a water supply system, or a combination of systems which contract or contracts shall provide for the allocation and payment of the share of the total cost to be borne by each contracting municipality in annual installments for a period of not exceeding 40 years. Each contracting municipality may pledge its full faith and credit for the payment of the obligation in the manner and times specified in the contract or contracts, in which event each contracting municipality may include in its annual tax levy an amount sufficient so that the estimated collections from the tax levy will be sufficient to promptly pay when due the portion of the obligation falling due before the time of the following year's tax collection. If the contract or an unlimited tax pledge in support of the contract has been approved by the electors of a municipality, the tax may be in addition to any tax which the municipality may otherwise be authorized to levy and may be imposed without limitation as to rate or amount but shall not be in excess of the rate or amount necessary to pay the contractual obligation. If at the time of making the annual tax levy there are other funds on hand earmarked for the payment of the contractual obligation, then credit for those funds may be

taken upon the annual levy for the payment of the obligation. Other funds may be raised by each contracting municipality by the use of any, or all, or any combination of the following additional methods:

(i) The levy of special assessments on property benefited by a sewage disposal system, water supply system, or a combination of systems, the procedures relative to the levying and collection of the special assessments to conform as near as is applicable to charter or statutory provisions for the levying and collection, except that a petition shall not be required from property owners.

(ii) The levy and collection of rates or charges to users and beneficiaries of the service or services furnished by the sewage disposal system, water supply system, or combination of systems.

(iii) The exaction of connection charges to be paid by owners of land directly or indirectly connected with the sewage disposal system, water supply system, or combination of systems.

(iv) The receipt of money derived from the imposition of taxes by this state, except as the use of the money for the purpose is expressly prohibited by the state constitution of 1963.

(v) The receipt of other funds which may be validly used for the purpose.

(b) The contract or contracts may provide for any and all matters relating to the acquisition, construction, operation and financing of the sewage disposal system, water supply system, or combination of systems as are considered necessary, including authorization to the Authority to issue bonds secured by the full faith and credit pledges of the contracting municipalities, as authorized by Section 3. The contract or contracts may provide for appropriate remedy or remedies in case of default.

Section 2.(a) A municipality desiring to enter into a contract with the Authority under Section 1 shall authorize, by resolution of its governing body, the execution of the contract. After the adoption of the resolution, a notice of the resolution shall be published in a newspaper of general publication in the municipality, which notice shall state:

(i) That the governing body has adopted a resolution authorizing execution of the contract.

(ii) The purpose of the contract.

(iii) The source of payment for the contractual obligation.

(iv) The right of referendum on the contract.

(v) Other information as the governing body determines to be necessary to adequately inform all interested persons of the nature of the obligation.

(b) The contract may be executed and delivered by the municipality upon approval by its governing body without a vote of the electors on the contract, but the contract shall not become effective until the expiration of 45 days after the date of publication of the notice. If within the 45-day period a petition signed by not less than 10% or 15,000, whichever is less, of the registered electors residing within the limits of the municipality is filed with the clerk of the municipality requesting a referendum upon the contract, the contract shall not become effective until approved by the vote of a majority of the electors of the municipality qualified to vote and voting on the question at a general or special election. If a municipality has, before the effective date of this subsection, published a resolution authorizing the execution of a contract under this section in substantial compliance with this section before this subsection takes effect, and the referendum period formerly provided by this section has expired, but the bonds have not been issued, the resolution and the publication of the resolution are valid and if a petition for a referendum on execution of the contract has not been or is not signed and filed within the time period formerly provided by this section, the contract may be executed and shall become effective without submitting the proposition for approval to the electors, or if a petition has been or is so signed and filed, the contract may be executed and become effective if approved at an election as formerly provided in this section. A special election called for the purpose provided in this section shall not be included in any statutory or charter limitation as to the number of special elections to be called within any period of time. Signatures on the petition shall be verified by some person or persons under oath, as the actual signatures of the persons whose names are signed to the petition, and the clerk of the municipality shall have the same power to reject signatures as city clerks under section 25 of Act No. 279 of the Public Acts 1909, as amended, being section 117.25 of the Michigan Compiled Laws. The number of registered electors in any municipality shall be determined by the registration books as of the date of the filing of the petition.

Section 3. For the purpose of obtaining funds for the acquisition, construction, improving, enlarging, or extending of the sewage disposal system, water supply system, or combination of systems authorized by the enabling act, the Authority, after the execution of the contract or contracts authorized by Sections 1 and 2, upon ordinance or resolution adopted by the Authority, may issue its negotiable bonds secured by the full faith and credit pledges made by each contracting municipality pursuant to authorization contained in the enabling act and the contract or contracts entered into pursuant to Sections 1 and 2. The bonds shall mature over not more than 40 years from the date of

issuance, and may provide for the use of money received from the sale of the bonds to pay operation and maintenance costs of a sewage disposal system or water supply system before receipt of the first revenues from the bonds. Except as otherwise provided in the enabling act, the bonds shall be issued and sold and subject to all other applicable provisions of Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 138.2 of the Michigan Compiled Laws. The ordinance or resolution authorizing the issuance of the bonds shall have embodied in the bonds the terms of the contract or contracts authorized by Sections 1 and 2.

Section 4. Instead of the provisions in Section 1, 2, and 3 in respect to the acquisition, construction, improvement, enlargement, extension, or financing of a sewage disposal system, water supply system, or a combination of systems, the Authority may elect to proceed under the provisions of Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws, or any other act authorizing the issuance of revenue bonds, by which the financing of a project would be consummated by the issuance of revenue bonds payable from the revenues of the system or systems, if the charges and rates for service are sufficient to satisfy the provisions of the act under which revenue bonds shall be issued. A project may be financed in part under the provisions of Sections 1, 2, and 3 and in part as permitted under this section.

#### ARTICLE XIV

The Board shall have power to secure all necessary services and to hire all necessary officers and employees to carry out the functions of the Authority and to fix the compensation therefor; provided, however, that no officer or employee of any constituent municipality shall receive any compensation from the Authority except by the unanimous vote of the total membership of the Board.

#### ARTICLE XV

The Board shall cause an annual audit to be made of its financial transactions by an independent certified public accountant and shall furnish at least five copies thereof to each constituent municipality.

#### ARTICLE XVI

These Amended Articles shall be published once in the Livingston County Press, a newspaper having general circulation within the territorial limits of the Authority, and one printed copy of the Amended Articles, certified as a true copy thereof, with the date and place of publication, shall be filed with both

the Secretary of State and the Clerk of the County of Livingston within thirty days after the execution thereof has been completed. The Township Clerk of the Township of Marion, the Township Clerk of the Township of Howell, the Township Clerk of the Township of Oceola and the Township Clerk of the Township of Genoa are hereby designated as the persons to cause these Amended Articles to be published, certified, and filed as aforesaid.

#### ARTICLE XVII

This Authority shall become effective upon the filing of certified copies of these Amended Articles as provided in the preceding Article.

#### ARTICLE XVIII

These Amended Articles of Incorporation may be amended at any time so as to permit any other municipality to become a constituent municipality of this Authority, if such amendment and the Amended Articles of Incorporation as so amended are adopted by the legislative body of such other municipality and if such amendment is adopted by the legislative body of each constituent municipality of which the Authority is composed. Other amendments may be made to these Amended Articles of Incorporation at any time, if adopted by the legislative body, of each constituent municipality of which the Authority is composed. Any such amendment shall be endorsed, published, and certified, and printed copies thereof filed in the same manner as the original Amended Articles of Incorporation, except that the filed and printed copies shall be certified by the recording officer of this Authority.

These Amended Articles have been adopted by the several incorporating municipalities, as hereinafter set forth in the following endorsements, and in witness whereof, the Supervisor and Clerk of the Township of Marion, Supervisor and Clerk of the Township of Howell, the Supervisor and Clerk of the Township of Oceola, and the Supervisor and Clerk of the Township of Genoa have endorsed thereon the statement of such adoption.

I HEREBY CERTIFY that the within Amended Articles of Incorporation were duly adopted by the respective legislative bodies of the incorporating units as aforesaid.

Evelyn Cornell  
Secretary,  
Marion, Howell, Oceola and Genoa  
Sewer and Water Authority

TOWNSHIP OF MARION

The foregoing Amended Articles of Incorporation were adopted by the Township Board of the Township of Marion, Livingston County, Michigan, at a meeting duly held on the 8th day of February, 1996.

Richard L. Irish  
Supervisor of the Township of  
Marion

Myrna Schlittler  
Clerk of the Township of Marion

TOWNSHIP OF OCEOLA

The foregoing Amended Articles of Incorporation were adopted by the Township Board of the Township of Oceola, Livingston County, Michigan, at a meeting duly held on the 1st day of February, 1996.

Joseph L. Richards  
Supervisor of the Township of  
Oceola

Nancy Salmon  
Clerk of the Township of Oceola

TOWNSHIP OF HOWELL

The foregoing Amended Articles of Incorporation were adopted by the Township Board of the Township of Howell, Livingston County, Michigan, at a meeting duly held on the 26th day of February, 1996.

Ray Maher  
Supervisor of the Township of  
Howell

Jane Cartwright  
Clerk of the Township of Howell

TOWNSHIP OF GENOA

The foregoing Amended Articles of Incorporation were adopted by the Township Board of the Township of Genoa, Livingston County, Michigan, at a meeting duly held on the 5th day of February, 1996.

Robert R. Murray  
Supervisor of the Township of  
Genoa

Paulette A. Skolarus  
Clerk of the Township of Genoa

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