

**Resolution 10-26**  
**Resolution Allocating Recovery Zone Facility Bond Volume Cap**  
COUNTY OF ST. CLAIR

WHEREAS, Division B of the American Recovery and Reinvestment Act of 2009 (the "ARRA") added sections 1400U-1 through 1400U-3 to the Internal Revenue Code of 1986, as amended (the "Code"), to provide for the issuance of Recovery Zone Facility Bonds by states and local units of government for purposes described in the ARRA; and

WHEREAS, the ARRA provides a national Recovery Zone Facility Bond volume cap of \$15,000,000,000 to be allocated among the states and suballocated to counties and certain large municipalities; and

WHEREAS, under the allocation formula determined by the United States Department of the Treasury, the County of St. Clair (the "County") has received an allocation of \$20,280,000 in Recovery Zone Facility Bond volume cap ("Recovery Zone Facility Bond Volume Cap"); and

WHEREAS, by resolution adopted July 7, 2010 (the "Designation Resolution"), the County Board of Commissioners (the "Board") made certain findings and designated the entire County as a "Recovery Zone" as described in the ARRA, thereby enabling the proceeds of Recovery Zone Facility Bonds to be spent on qualified projects anywhere within the County; and

WHEREAS, the County is authorized to allocate its Recovery Zone Facility Bond Volume Cap to ultimate beneficiaries for eligible costs in any reasonable manner as it shall determine in good faith in its discretion; and

WHEREAS, County staff has reviewed an application for Recovery Zone Facility Bond Volume Cap allocation from The Detroit Edison Company ("Detroit Edison") and has recommended at this time that the Board allocate \$20,280,000 to Detroit Edison for various capital improvements to its facilities located in the County (the "Project"); and

WHEREAS, it is the desire of the Board to allocate all of the County's Recovery Zone Facility Bond Volume Cap to Detroit Edison for the purpose of financing all or part of the Project.

NOW, THEREFORE, BE IT RESOLVED:

1. Allocation of Recovery Zone Facility Bond Volume Cap. There is hereby allocated Twenty Million Two Hundred Eighty Thousand Dollars (\$20,280,000) of the County's Recovery Zone Facility Bond Volume Cap to Detroit Edison as the ultimate beneficiary of Recovery Zone Facility Bonds to be issued for purposes of paying all or part of the cost of the Project. Project costs may include capitalized interest on the bonds proposed to be issued, paying the costs of credit enhancement, if any, and paying the costs of issuance of bonds, subject to the provisions of ARRA and the Code.

2. Issuance by Qualified Issuer. The bonds making use of the allocation provided in this resolution may be issued in one or more series by the Michigan Strategic Fund or another

issuer qualified to issue Recovery Zone Facility Bonds for the benefit of Detroit Edison for the purpose of financing the Project.

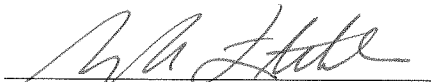
3. Filing of Resolution. The County Clerk is hereby directed to file this resolution with the Michigan Strategic Fund.

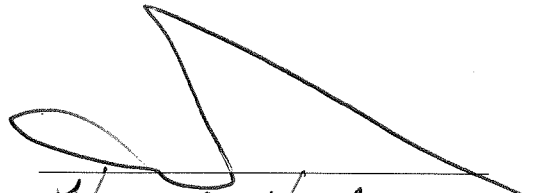

4. Notice of Issuance. Within 10 days from the issuance of any series of bonds making use of the allocation provided in this resolution, Detroit Edison shall file or cause to be filed a written notice with the County that such bonds were issued and delivered, which written notice shall be accompanied by (1) a copy of the IRS Form 8038, or any successor form, filed with the Internal Revenue Service and (2) an opinion of bond counsel as to tax exempt status of such bonds.

5. Rescission. All resolutions and parts of resolutions insofar as they conflict with this resolution are hereby rescinded.

**DATED: September 15, 2010**

Reviewed and Approved as to form by:

  
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