

APPENDIX A - ZONING ORDINANCE

CITY OF SAULT STE. MARIE

CHIPPEWA COUNTY

STATE OF MICHIGAN

ZONING ORDINANCE

ORDINANCE NO. 30

TITLE

AN ORDINANCE enacted under Act 207, Public Acts of 1921 [MCL § 125.581 et seq., MSA § 5.2931 et seq.], as amended, governing the incorporated portions of the City of Sault Ste. Marie, Chippewa County, Michigan, to regulate and restrict the location and use of buildings, structures and land for trade, industry, residence and for public and semi-public or other specified uses; and to regulate and limit the height and bulk of buildings and other structures; to regulate and to determine the size of yards, courts and open spaces; to regulate and limit the density of population; and for said purpose to divide the City into districts and establish the boundaries thereof; providing for changes in the regulations, restrictions and boundaries of such districts; defining certain terms used herein; providing for enforcement; establishing a Board of Appeals; and imposing penalties for the violation of this Ordinance; being an Ordinance to repeal Sections 10-1.01 to 10-1.20 inclusive of Article 1, Chapter X of the Sault Ste. Marie Code, and to amend the Code of the City of Sault Ste. Marie by adding new Sections, which new Sections shall be designated as Sections 10-1.01 to 10-1.27 inclusive of Article 1 of Chapter X of the Sault Ste. Marie [1957] Code.

PREAMBLE

Pursuant to the authority conferred by the Public Acts of the State of Michigan in such case, made and provided and for the purpose of promoting and protecting the public health, safety, peace, morals, comfort, convenience and general welfare of the inhabitants of the City of Sault Ste. Marie by protecting and conserving the character and social and economic stability of the residential, commercial, industrial and other use areas by securing the most appropriate use of land; preventing overcrowding of land and undue congestion of population; providing adequate light, air and reasonable access; and facilitating adequate and economical provision of transportation, water, sewers, schools, recreation and other public requirements and by other means, all in accordance with a comprehensive plan.

ENACTING CLAUSE

The City of Sault Ste. Marie Ordains:

Footnotes:

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Editor's note— Appendix A contains the zoning ordinance of the City, ordinance number 30 adopted March 15, 1965, as amended. The original arrangement, including headings, catchlines and section numbers have been retained as originally adopted or amended. Additions made by the editor for clarity are enclosed by brackets []. Obviously misspelled words have been corrected without comment. Amendments have been inserted in their proper places with the ordinance number and date of adoption of each amendment enclosed within parentheses () immediately following the amended section or subsection. If no history note follows a section or subsection, it remains unchanged from the original zoning ordinance. The zoning map and zoning changes of specific property have been omitted and are on file in the City clerk's office.

Charter reference— Authority for zoning, § 2.3(n).

Cross reference— Planning Commission, Ch. 2, Art. III, Div. 4; buildings and building regulations, Ch. 8; storage of explosives restricted, § 12-66; location of signs restricted, § 20-57; streets, sidewalks and other public places, Ch. 22; subdivision regulations, Ch. 23; water supply and sewage disposal system, Ch. 27.

State Law reference— Authority to regulate land use, MCL § 125.581 et seq.

SECTION 10-1.01. - SHORT TITLE

100. [Short title.]

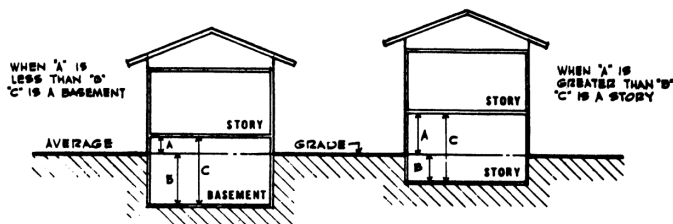
This Ordinance shall be known and may be cited as the City of Sault Ste. Marie Zoning Ordinance.

SECTION 10-1.02. - DEFINITIONS

200. [Definitions.]

For the purpose of this Ordinance, certain terms, or words used herein shall be interpreted as follows:

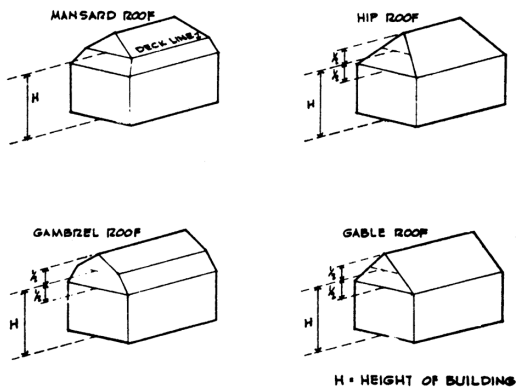
- (a) All words used in the present tense shall include the future; all words in the singular number include the plural number and all words in the plural number include the singular number; and the word "building" includes the word "structure," and "dwelling" includes "residence"; the word "person" includes "corporation," "co-partnership," "association," as well as an "individual"; the word "shall" is mandatory and the word "may" is permissive; the word "lot" includes the words "plot" or "parcel"; the words "used" or "occupied" includes the words "intended," "designed," or "arranged to be used or occupied."
- (b) Terms not herein defined shall have the meaning customarily assigned to them.
- (c) *Alley*: Any dedicated public way affording a secondary means of access to abutting property, and not intended for general traffic circulation.
- (d) *Alterations*: Any change, addition or modification to a structure or type of occupancy, and change in the structural members of a building, such as walls or partitions, columns, beams or girders, the consummated act of which may be referred to herein as "altered" or "reconstructed."
- (e) *Apartments*: The dwelling units in a multiple dwelling as defined herein:
- (1) *Efficiency apartment*: Is a dwelling unit consisting of not more than one (1) room in addition to kitchen and sanitary facilities.
 - (2) *One bedroom unit*: Is a dwelling unit consisting of not more than three (3) rooms in addition to kitchen and necessary sanitary facilities.
 - (3) *Two bedroom unit*: Is a dwelling unit consisting of not more than four (4) rooms in addition to kitchen and necessary sanitary facilities.
 - (4) *Three or more bedroom unit*: Is a dwelling unit consisting of more than four (4) rooms in addition to kitchen and necessary sanitary facilities.
- (f) *Auto repair garage*: Is a place where the following activities may be carried out: General auto repair, vehicle body repair, engine rebuilding or repair, undercoating, painting, tire recapping, upholstery work, and auto glass work.
- (g) *Basement*: Is that portion of a building which is partly, or wholly below grade but so located that the vertical distance from average grade to the floor is greater than the vertical distance from the average grade to the ceiling. If the vertical distance from the grade to the ceiling is over five (5) feet, such basement shall be rated as a first story.



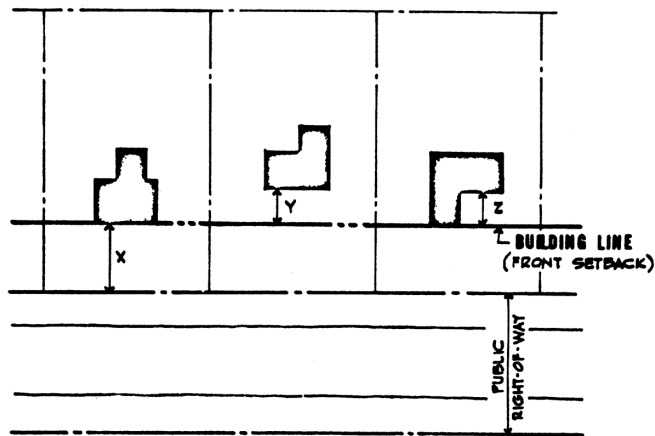
BASEMENT & STORY

Basement & Story

- (h) *Billboard*: A billboard shall mean any structure or portion thereof designed or intended to be used for posting, painting, or otherwise affixing any advertising sign, which advertising sign does not pertain to the premises or to the use of premises on which the billboard is located or to goods sold or services rendered or activities conducted on such premises.
- (i) *Building*: Is any structure, mobile home, vehicle, tent, awning, or similar enclosure designed and intended for the shelter or enclosure of persons, animals or property of any kind.
- (j) *Building, accessory*: Is a subordinate building, the use of which is clearly incidental to that of the main building or to the use of the land.
- (k) *Building, main*: Is a building in which is conducted the principal use of the lot on which it is situated.
- (l) *Building height*: Is the vertical distance measured from the established grade of the center of the front of the building to the highest point of the roof surface for flat roofs; to the deck line of mansard roofs; and to the average height between eaves and ridge for gable, hip, and gambrel roofs; and the average height between the lowest point and the highest point on a shed roof. Where a building is located on sloping terrain, the height may be measured from the average ground level of the grade at the building wall.

**BUILDING HEIGHT**Building Height

- (m) *Building line*: Is a line formed by the face of the building, and for the purposes of this Ordinance, a building line is the same as a front setback line.

**NOTES**

- BUILDING LINE IS MINIMUM SETBACK LINE
- "X" - MINIMUM FRONT YARD REQUIRED
- "Y" - FRONT YARD IN EXCESS OF MINIMUM FRONT YARD REQUIRED
- "Z" - COURT YARD IN EXCESS OF MINIMUM FRONT YARD REQUIRED

BUILDING LINEBuilding Line

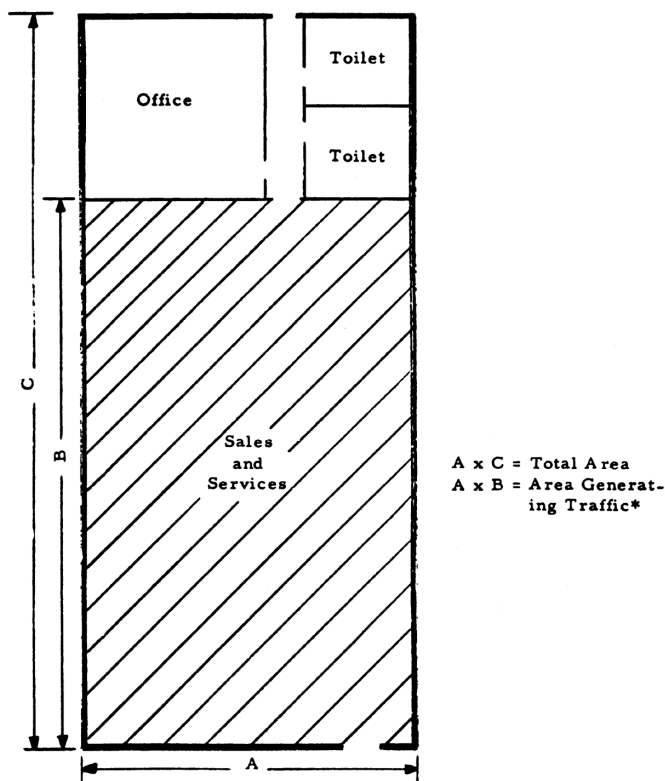
- (n) *Court*: Is an open unoccupied space, other than a yard, and bounded on at least two sides by a building. A court extending to the front yard or front lot line or to the rear yard or rear lot line is an Outer Court. Any other court is an Inner Court.
- (o) *Club*: An organization of persons for special purposes or for the promulgation of sports, arts, science, literature, politics or the like, but not for profit.
- (p) *District*: Is a portion of the incorporated area of the City within which certain regulations and requirements or various combinations thereof apply under the provisions of this Ordinance.
- (q) *Drive-in restaurant*: A business establishment, for the serving of food and/or beverages, so developed that its retail or service character is dependent on providing a driveway approach or parking spaces for motor vehicles so as to serve patrons while in the motor vehicle rather than within a building or structure; or to permit patron self-service.
- (r) *Dwelling unit*: Is a building, or a portion thereof, designed for occupancy by one (1) family for residential purposes and having cooking facilities.
- (s) *Dwelling, one-family*: Is a building containing not more than one (1) dwelling unit and which complies with the following standards:
- (1) It is connected to public sewer and water supply systems in accordance with the City Code, or to such private on-site facilities approved by the health department where the City Code so permits.
 - (2) The dwelling must be placed on a permanent foundation constructed on the site which meets building code requirements and shall have a wall of the same perimeter dimensions of the dwelling and constructed of such materials and type as required in the applicable building code for single-family dwellings. If the dwelling is a mobile home, it must be installed to manufacturer's set-up requirements, be secured by an anchoring system that meets the Michigan Mobile Home Commission requirements, have its wheels removed and its towing mechanism and undercarriage must not be exposed, and shall have a perimeter wall as required above.
 - (3) The dwelling complies with all pertinent building and fire codes. In the case of a mobile home, all construction

and all plumbing, electrical apparatus and insulation within and connected to said mobile home shall be of a type and quality conforming to the "Mobile Home Construction and Safety Standards" as promulgated by the United States Department of Housing and Urban Development, being 24 CFR 3280, and as from time to time such standards may be amended. Additionally, all dwellings shall meet or exceed all applicable roof snow load and strength requirements.

- (4) The dwelling contains no additions or rooms, or other areas which are not constructed with similar quality workmanship as the original structure, including permanent attachment to the principal structure and construction of a foundation as required therein.
 - (5) There is provided, at the time of construction or placement of any dwelling, internal or external storage space equal to ten (10) per cent of the square footage of the dwelling.
 - (6) The dwelling has a minimum width across any front, side or rear elevation of twenty (20) feet and complies in all respects with the building code. Where a dwelling is required by law to comply with any federal or state standards or regulations for construction and where such standards are different than those imposed by the City building code, such federal or state standards or regulations shall apply.
 - (7) There shall be a minimum of a double pitched roof of not less than three (3) feet of rise for each twelve (12) feet of run.
 - (8) The dwelling shall have a minimum of two (2) exterior doors with the second one being in either the rear or side of the dwelling, and each door shall be accessed by steps connected to said exterior door areas, or to porches or patios connected to said door areas, where a difference in elevation so requires.
 - (9) The foregoing shall not be construed to prohibit innovative design concepts involving such matters as solar energy, view, unique land contour or relief from the common or standard designed homes, subject to review and approval by the Zoning Board of Appeals.
- (t) *Dwelling, two-family*: Is a building containing two (2) dwelling units and conforming in all other respects to the standards set forth in the definition of "Dwelling, one-family".
- (u) *Dwelling, multiple-family*: Is a building, or portion thereof, designed exclusively for occupancy by three (3) or more families living independently of each other. (Refer to "Apartments" definition for dwelling unit types).
- (v) *Erected*: Includes built, constructed, altered, reconstructed, moved upon, or any physical operations on the premises required for the construction. Excavation, fill, drainage, installation of utilities, and the like, shall be considered a part of erection.
- (w) *Essential services*: Means the erection, construction, alteration or maintenance by public utilities or municipal departments of underground, surface or overhead gas, electrical, steam, fuel, or water transmission or distribution systems, collection, communication, supply or disposal systems, including towers, poles, wires, mains, drains, sewers, pipes, conduits, cables, fire alarm and police call boxes, traffic signals, hydrants and similar accessories in connection therewith, but not including buildings which are necessary for the furnishing of adequate service by such utilities or municipal departments for the general public health, safety or welfare.
- (x) *Family*: Is one or two persons or parents, with their direct lineal descendants and adopted children (and including the domestic employees thereof), together with not more than two persons not so related, living together in the whole or part of dwelling unit comprising a single housekeeping unit. Every additional group of two or less persons living in such housekeeping unit shall be considered a separate family for the purpose of this Ordinance.
- (y) *Fence*: A structure of definite height and location to serve as an enclosure in carrying out the requirements of this Ordinance.
- (z) *Fence, obscuring*: A structure of definite height and location to serve as an obscuring screen in carrying out the

requirements of this Ordinance.

- (aa) *Floor area:* For the purposes of computing the floor area in a residential dwelling unit, the sum of the horizontal areas of each story of the building shall be measured from the exterior faces of the exterior walls. The floor area measurement is exclusive of areas of basements, unfinished attics, attached garages, breezeways, and enclosed and unenclosed porches.
- (ab) *Floor areas, usable:* (For the purposes of computing parking) Is that area used for, or intended to be used for, the sale of merchandise or services or for use to serve patrons, clients, or customers. Such floor area which is used or intended to be used principally for the storage or processing of merchandise, or for utilities, shall be excluded from this computation of "Usable Floor Area." Measurements of floor area shall be the sum of the gross horizontal areas of the several floors of the building measured from the interior faces of the exterior walls. For the purposes of computing parking for those uses not enclosed within a building, the area used for the sale of merchandise, display of merchandise, and/or area used to serve patrons or clients shall be measured to determine necessary parking spaces.



* That area generating traffic shall be used to compute usable floor space, for which area parking shall be provided.

USABLE FLOOR AREA

Usable Floor Area

- (ac) *Gasoline service station:* Is a place for the dispensing, sale, or offering for sale of motor fuels directly to users of motor vehicles, together with the sale of minor accessories and the servicing of and minor repair of automobiles. Prohibited activities include, but are not limited to, the following: Vehicle body repair, undercoating, painting, tire recapping, engine rebuilding, auto dismantling, upholstery work, auto glass work, and such other activities whose external physical effects could extend beyond the property line.
- (ad) *Garage, private:* An accessory building not over one (1) story or fifteen (15) feet in height used for parking or storage of motor vehicles, but not for commercial servicing or repair.

- (ae) *Grade*: The level of the street curb at the front of the building. Where a building abuts on two or more streets the grade be taken as a mean of grades calculated from the different streets. Where no curb has been established, the City Engineer shall set such curb level for the purpose of this Ordinance.
- (af) *Greenbelt*: A strip of land of definite width and location reserved for the planting of shrubs and/or trees. Referred to as a landscape buffer when used to meet the screening requirements of this appendix.
- (ag) *Home-based business*: A gainful occupation or profession carried on by an occupant of a dwelling unit as a use which is clearly incidental to the use of the dwelling for residential purposes and is not in conflict with the overall residential character of the dwelling and the neighborhood.

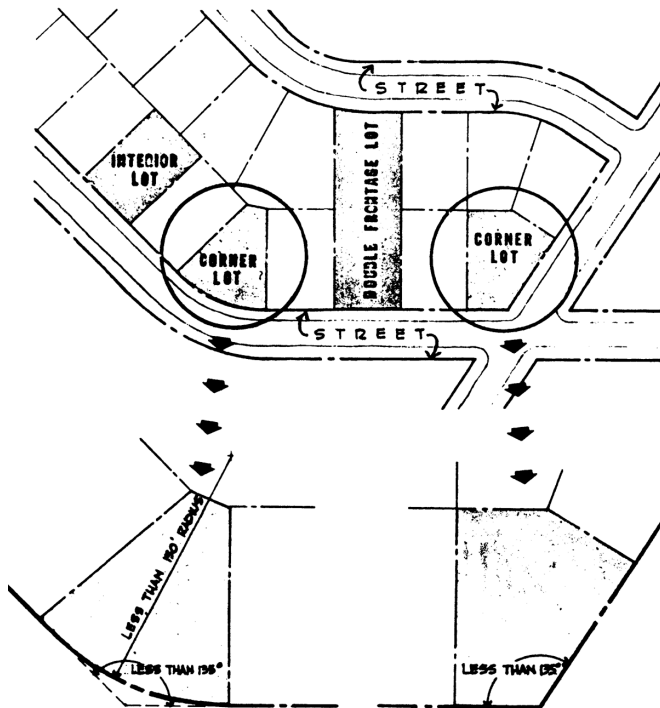
Home-based businesses may include but are not limited to services such as those provided by architects, artists, engineers, lawyers, accountants, state licensed cosmetologists, music teachers, dance instructors, dressmakers, computer training specialists, small appliance repair shops, watch/jewelry repair shops, and locksmith/gunsmith shops.

Home-based businesses shall not include medical offices, clinics, hospitals, veterinary clinics, kennels, animal grooming services, tourist homes, restaurants, engine or motorized vehicle repair services, large appliance repair services or similar uses.

- (ah) *Junk yard*: Is an open area where waste, used or second-hand materials are bought and sold, exchanged, stored, baled, packed, disassembled, or handled including, but not limited to, scrap iron and other metals, paper, rags, rubber tires, and bottles. A "junk yard" includes automobile wrecking yards and includes any area of more than two hundred (200) square feet for storage, keeping or abandonment of junk, but does not include uses established entirely within enclosed buildings.
- (ai) *Kennel, commercial*: Any lot or premises on which three (3) or more dogs or cats are either permanently or temporarily boarded.
- (aj) *Loading space*: An off-street space on the same lot with a building, or group of buildings, for temporary parking of a commercial vehicle while loading and unloading merchandise or materials.
- (ak) *Lot*: Is a parcel of land occupied, or which could be occupied, by a main building or a group of such buildings and accessory buildings, or utilized for the principal use and uses accessory thereto, together with such open spaces as are required under the provisions of this Ordinance. A lot may or may not be specifically designated as such on public records.
- (al) *Lot of record*: Is a parcel of land, the dimensions of which are shown on a document or map on file with the County Register of Deeds or in common use by City or County Officials, and which actually exists as so shown, or any part of such parcel held in record ownership separate from that of the remainder thereof.
- (am) *Lot area*: The total horizontal area within the lot lines of the lot.
- (an) *Lot, corner*: A lot where the interior angle of two adjacent sides at the intersection of the two streets is less than one hundred thirty-five (135) degrees. A lot abutting upon a curved street or streets shall be considered a corner lot for the purposes of this Ordinance if the arc is of less radius than one hundred fifty (150) feet and the tangents to the curve, at the two points where the lot lines meet the curve or the straight street line extended, form an interior angle of less than one hundred thirty-five (135) degrees.
- (ao) *Lot, interior*: Any lot other than a corner lot.
- (ap) *Lot lines*: The lines bounding a lot as defined herein.
 - (1) *Front lot line*: In the case of an interior lot, the line separating said lot from the street. In the case of a corner lot, the front lot line is that line separating said lot from that street which is designated as the front street in the plat and in the application for a building permit or zoning compliance permit. In the case of a double frontage lot or a

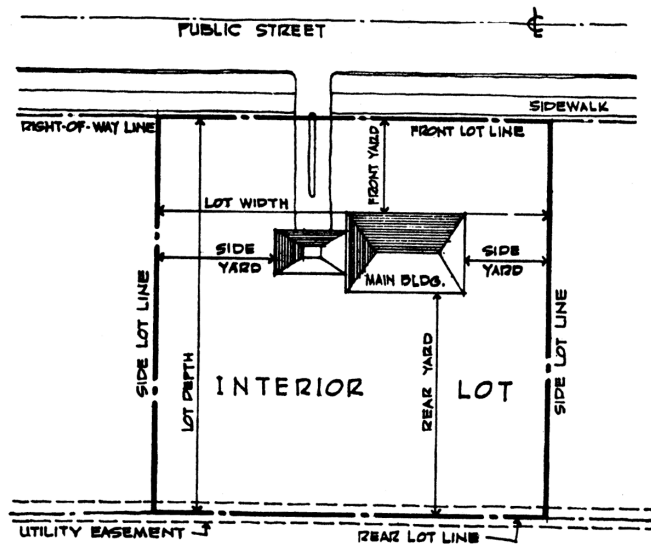
lot fronting on both a street and the St. Mary's River, both lot lines abutting on streets or on a street and the river shall be treated as front lot lines.

- (2) *Rear lot line:* The lot line opposite the front lot line. In the case of a lot pointed at the rear, the rear lot line shall be an imaginary line parallel to the front lot line, not less than ten (10) feet long lying farthest from the front lot line and wholly within the lot.
- (3) *Side lot line:* Any lot lines other than the front lot line or rear lot line. A side lot line separating a lot from a street is a side lot line. A side lot line separating a lot from another lot or lots is an interior side lot line.
- (aq) *Lot coverage:* The part or percent of the lot occupied by buildings, including accessory buildings.
- (ar) *Lot depth:* The horizontal distance between the front and rear lot lines, measured along the median between side lot lines.
- (as) *Lot, double frontage:* Is any interior lot having frontages on two more or less parallel streets as distinguished from a corner lot. In the case of a row of double frontage lots, all sides of said lots adjacent to streets shall be considered frontage, and front yards shall be provided as required.
- (at) *Lot width:* The horizontal distance between the side lot lines measured at the two points where the building line, or setback intersects the side lot lines.



DOUBLE FRONTAGE, INTERIOR & CORNER LOTS

Double Frontage, Interior & Corner Lots



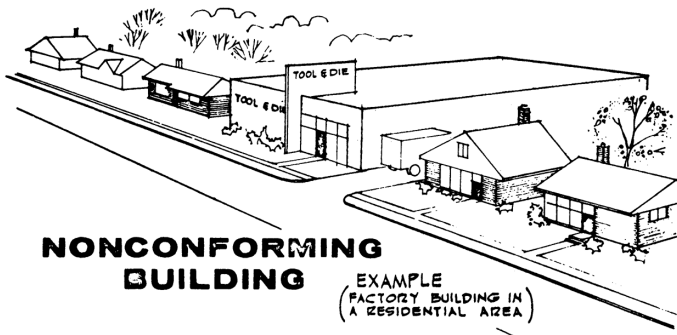
LOT AREA = TOTAL HORIZONTAL AREA

LOT COVERAGE = PERCENT OF LOT OCCUPIED
BY BUILDING

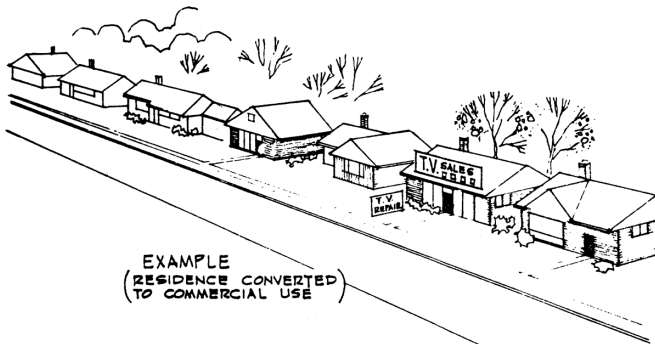
LOTS & AREAS

Lots & Areas

- (au) *Master plan*: Is the comprehensive plan including graphic and written proposals indicating the general location for streets, parks, schools, public buildings and all physical development of the City and includes any unit or part of such plan, and any amendment to such plan or parts thereof. Such plan may or may not be adopted by the Planning Commission and/or the City Commission.
- (av) *Major thorofare*: Is an arterial street which is intended to serve as a large volume trafficway for both the immediate City area and the region beyond, and may be designated as a major thorofare, parkway, freeway, expressway, or equivalent term to identify those streets comprising the basic structure of the street plan. For purposes of this Ordinance, major thorofares shall be considered to be streets so designated on the City of Sault Ste. Marie Master Plan.
- (aw) *Secondary thorofare*: Is an arterial street which is intended to serve as a trafficway serving primarily the immediate City area and serving to connect with major thorofares. For the purposes of this Ordinance, secondary thorofares shall be considered to be those streets so designated in the Master plan of the City of Sault Ste. Marie.
- (ax) *Motel*: A series of attached, semi-attached, or detached rental units containing bedroom, bathroom, and closet space. Units shall provide overnight lodging and are offered to the public for compensation and shall cater primarily to the public traveling by motor vehicles.
- (ay) *Nonconforming building*: A building or portion thereof, existing at the effective date of this Ordinance, or amendments thereto, that does not conform to the provisions of the Ordinance nor to the use regulations of the district in which it is located.
- (az) *Nonconforming use*: A use which lawfully occupied a building or land at the time this Ordinance, or amendments thereto, became effective, that does not conform to the use regulations of the district in which it is located.

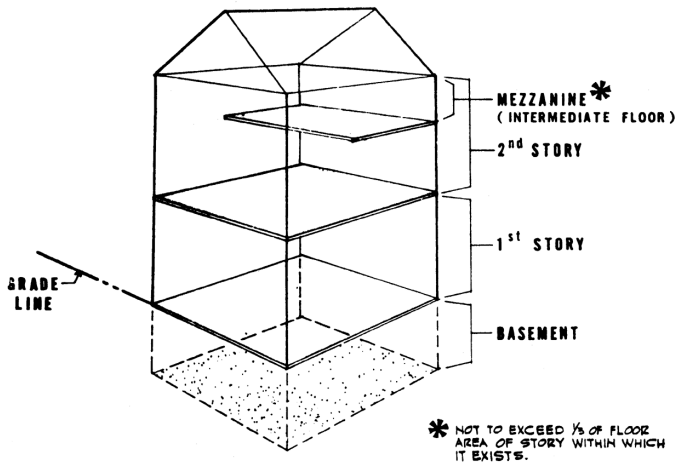




Nonconforming Building.



NONCONFORMING USE

Nonconforming Use



-  FLOOR AREA (TO BE MEASURED AS MINIMUM ALLOWABLE)
-  FLOOR AREA (NOT MEASURED AS MINIMUM ALLOWABLE)

BASIC STRUCTURAL TERMS

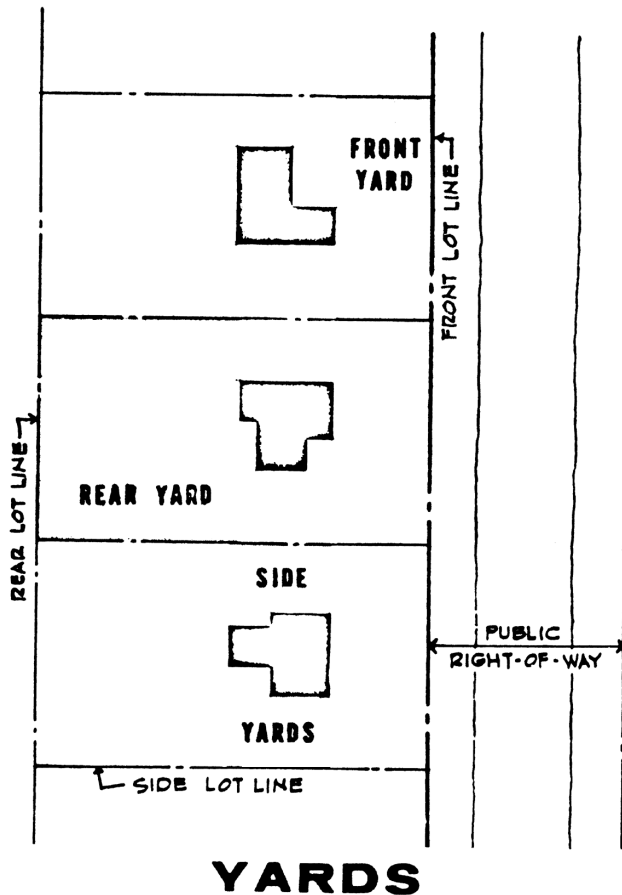
Basic Structural Terms

- (ba) *Nursing or convalescent home*: Is a structure with sleeping rooms where persons are housed or lodged and furnished with meals and nursing care for hire.
- (bb) *Occupied*: Includes the meaning of intent, design, or arranged for occupancy.
- (bc) *Off-street parking lot*: A facility providing vehicular parking spaces along with adequate drives and aisles, for maneuvering so as to provide access for entrance and exit for the parking of automobiles.
- (bd) *Open front store*: A business establishment, other than a drive-in restaurant or gasoline station or bank, so

developed that service to the patron may be extended beyond the walls of the building, not requiring the patron to enter said building.

- (be) *Parking space*: Is hereby determined to be an area of definite length and width and shall be exclusive of drives, driveways, aisles or entrances giving access thereto and shall be fully accessible for the storage or parking of permitted vehicles.
- (bf) *Public utility*: Is any person, firm or corporation, municipal department, board or commission duly authorized to furnish and furnishing under Federal, State or municipal regulations to the public: Gas, steam, electricity, sewage disposal, communication, telegraph, transportation, or water.
- (bg) *Setback*: The distance required to obtain front, side or rear yard open space provisions of this Ordinance.
- (bh) *Sign*: Is the use of any words, numerals, figures, devices, designs, or trademarks by which anything is made known (other than billboards) such as are used to show an individual, firm, profession or business, and are visible to the general public.
- (bi) *Story*: Is that part of a building included between the surface of one floor and the surface of the next floor, or if there is no floor above, then the ceiling next above.
- (bj) *Street*: Is a public thoroughfare which affords the principal means of access to abutting property and for the purposes of this Ordinance includes the entire street right of way.
- (bk) *Structures*: Is anything constructed or erected, the use of which requires location on the ground or attachment to something having location on the ground except driveways and pavement.
- (bl) *Temporary building or use*: Is a structure or use permitted by the Board of Appeals to exist during periods of construction of the main building or use, or for special events.
- (bm) *Trailer coach (mobile home)*: Any vehicle designed, used, or so constructed as to permit its being used as a conveyance upon the public streets or highways and duly licensable as such, and constructed in such a manner as will permit occupancy thereof as a dwelling or sleeping place for one or more persons. Such trailer coach shall include units with or without wheels attached.
- (bn) *Trailer court*: Any plot of ground upon which three or more trailer coaches, occupied for dwelling or sleeping purposes, are or may be located.
- (bo) *Travel trailer*: A vehicle designed as a travel unit for occupancy as a temporary or seasonal vacation living unit.
- (bp) *Use*: Is the purpose for which land or a building is designed, arranged, or intended to be used, or for which land or a building is or may be occupied.
- (bq) *Use, accessory*: Is a use subordinate to the main use of a lot and used for purposes clearly incidental to those of the main use.
- (br) *Use, main*: Is the principal use to which the premises are devoted and the principal purpose for which the premises exist.
- (bs) *Wall*: A completely obscuring masonry structure of definite height and location to serve as an obscuring screen in carrying out the requirements of this Ordinance.
- (bt) *Yards*: The open spaces on the same lot with a main building or main use, unoccupied and unobstructed from the ground upward except as otherwise provided in this Ordinance, and as defined herein:
 - (1) *Front yard*: Is an open space extending the full width of the lot, the depth of which is the minimum horizontal distance between the front lot line and the nearest line of the main building.
 - (2) *Rear yard*: Is an open space extending the full width of the lot, the depth of which is the minimum horizontal distance between the rear lot line and the nearest line of the main building.

- (3) *Side yard*: Is an open space between a main building and side lot line, extending from the front yard to the rear yard width of which is the horizontal distance from the nearest point of the side lot line to the nearest point of the main



Yards

(bu) *Zoning exceptions and variances:*

Exception: An exception is a use permitted only after review by the Planning Commission of an application; such review being necessary because the provisions of this ordinance covering conditions, precedent or subsequent, are not precise enough to all applications without interpretation, and such review is required by this ordinance.

Variance: Is a modification of the literal provisions of the Zoning Ordinance granted by the Board of Appeals when in its judgment the strict enforcement of the Zoning Ordinance would cause undue hardship owing to circumstances unique to the individual property on which the variance is granted.

The crucial points of variance are undue hardship, and unique circumstances, applied to property. A variance is not justified unless all of these elements are present in the case.

The "exception" differs from the "variance" in several respects. An exception does not require "undue hardship" in order to be allowed. The exceptions that are found in this ordinance appear as conditional uses authorized by special permit on review by the Planning Commission. These land uses could not be conveniently allocated to one zone or another, or the effects of such uses could not be definitely foreseen as of a given time. The general characteristics of these uses include one or more of the following:

- (1) They require large areas
- (2) They are infrequent
- (3) They sometimes create an unusual amount of traffic

- (4) They are sometimes obnoxious or hazardous
 - (5) They are required for public safety and convenience.
- (bv) *Accessory residential boat docking facilities*: Boat docking facilities constructed for the exclusive use of the residential property owner, occupants or their transient guests.
- (bw) *Fraternity, sorority or cooperative housing*: A building used for the housing of unrelated individuals, living together as a single housekeeping unit, and comprising the principal place of residence for the members of a fraternity, sorority or similar housing cooperative. The restrictions of family composition and membership do not apply to this type of housing.
- (bx) *Adjacent property*: All parcels of property that an applicant's property comes in contact with at one (1) or more points, except for parcels that are legally adjacent but are in fact separated from the applicant's property by a public or private street, or alley.
- (ca) [*Adult uses: The following definitions pertain to adult uses for the purposes of this appendix*]:
- A. *Adult uses*: Adult uses include adult bookstores, adult motion picture theaters, adult mini-motion picture theaters, adult massage parlors, adult saunas, adult companionship establishments, adult health clubs, adult cabarets, adult novelty businesses, adult motion picture arcades, adult modeling studios, adult hotel or motel, and adult body painting studios, and other premises, enterprises, establishments, businesses or places open to some or all members of the public, at or in which there is an emphasis on the presentation, display, depiction or description of "specified sexual activities" or "specified anatomical areas" which are capable of being seen by members of the public.
 - 1. *Specified anatomical areas*:
 - a. Less than completely and opaquely covered human genitals, pubic region, buttock, anus, or female breast(s) below a point immediately above the top of the areola.
 - b. Human male genitals in a discernibly turgid state, even if completely and opaquely covered.
 - 2. *Specified sexual activities*:
 - a. Actual or simulated sexual intercourse, oral copulation, anal intercourse, oral-anal copulation, bestiality, direct physical stimulation of unclothed genitals, flagellation or torture in the context of a sexual relationship, or the use of excretory functions in the context of a sexually relationship, and any of the following sexual-oriented acts or conduct: anilingus, buggery, coprophagy, coprophilia, cunnilingus, fellatio, necrophilia, pederasty, pedophilia, piquerism, sapphism, zooerasty; or
 - b. Clearly depicted human genitals in the state of sexual stimulation, arousal or tumescence.
 - c. Use of human or animal ejaculation, sodomy, oral copulation, coitus, or masturbation.
 - d. Fondling or touching of nude human genitals, pubic region, buttocks, or female breast.
 - e. Situations involving a person or persons, any of whom are nude, clad in undergarments or in sexually revealing costumes, and who are engaged in activities involving the flagellation, torture, fettering, binding or other physical restraint of any such persons.
 - f. Erotic or lewd touching, fondling or other sexually-oriented contact with an animal by a human being.
 - g. Human excretion, urination, menstruation, vaginal or anal irrigation.
 - B. *Adult use—Accessory*: A use, business, or establishment having ten (10) percent or less of its stock in trade or floor area allocated to, or twenty (20) percent or less of its gross receipts derived from movie rentals or magazine sales.
 - C. *Adult use—Principal*: A use, business, or establishment having more than ten (10) percent of its stock in trade or

floor area (not including storerooms, stock areas, bathrooms, basement or any portion of the business not open to the public) allocated to, or more than twenty (20) percent of its gross receipts derived from, any adult use.

- D. *Adult body painting studio*: An establishment or business which provides the service of applying paint or other substance whether transparent or non-transparent to or on the body of a patron when such body is wholly or partially nude in terms of "specified anatomical areas."
- E. *Adult bookstore*: A business engaging in the barter, rental, or sale of items consisting of printed matter, pictures, slides, records, audiotapes, videotapes or motion picture film, if such shop is not open to the public generally but only to one (1) or more classes of the public, excluding any minor by reason of age, or if a substantial or significant portion of such items are distinguished or characterized by an emphasis on the depiction or description of "specified sexual activities" or "specified anatomical areas".
- F. *Adult cabaret*: An establishment which provides dancing or other live entertainment, if such dancing or other live entertainment is distinguished or characterized by an emphasis on the performance, dedication or description of "specified sexual activities" or "specified anatomical areas."
- G. *Adult companionship establishment*: A companionship establishment which excludes minors by reason of age, or which provides the service of engaging in or listening to conversation, talk or discussion between an employee of the characterized by an emphasis on "specified sexual activities" or "specified anatomical areas".
- H. *Adult hotel*: Adult hotel means a hotel from which minors are specifically excluded from patronage and wherein material is presented which is distinguished or characterized by an emphasis on matter depicting, describing or relating to specified sexual activities or specified anatomical areas.
- I. *Adult massage parlor, health club*: A massage parlor or health club which restricts minors by reason of age, and which provides the services of massage, if such service is distinguished or characterized by an emphasis on "specified sexual activities" or "specified anatomical areas".
- J. *Adult mini-motion picture theater*: A business premises within an enclosed building with a capacity for less than fifty (50) persons used for presenting visual media material if such business as a prevailing practice excludes minors by virtue of age, or if said material is distinguished or characterized by an emphasis on the depiction or description of "specified sexual activities" or "specified anatomical areas" for observation by patrons therein.
- K. *Adult modeling studio*: An establishment whose major business is the provision, to customers, of figure models who are so provided with the intent of providing sexual stimulation or sexual gratification to such customers and who engage in specified sexual activities or display specified anatomical area while being observed, painted, painted upon, sketched, drawn, sculptured, photographed, or otherwise depicted by such customers.
- L. *Adult motion picture arcade*: Any place to which the public is permitted or invited wherein coin- or slug-operated or electronically or mechanically controlled still or motor picture machines, projectors or other image-producing devices are maintained to show images to five (5) or fewer persons per machine at any one time, and where the images so displayed are distinguished or characterized by an emphasis on depicting or describing specified sexual activities or specified anatomical areas.
- M. *Adult motion picture theater*: A business premises within an enclosed building with a capacity of fifty (50) or more persons used for presenting visual media material if said business as a prevailing practice excludes minors by virtue of age, or if said material is distinguished or characterized by an emphasis on the depiction or description of "specified sexual activities" or "specified anatomical areas" for observation by patrons therein.
- N. *Adult novelty business*: A business which has as a principal activity the sale of devices which simulate human genitals or devices which are designed for sexual stimulation.
- O. *Adult sauna*: A sauna which excludes minors by reason of age, or which provides a steam bath or heat bathing

room used for the purpose of bathing, relaxation, or reducing, utilizing steam or hot air as a cleaning, relaxing or reducing agent, if the service provided by the sauna is distinguished or characterized by an emphasis on "specified sexual activities" or "specified anatomical areas".

(cb) [The following definitions pertain to accessory small wind energy turbines for the purpose of this appendix.]

- A. *Accessory small wind energy turbine*: A wind energy system that converts wind energy into electricity primarily for on-site use through the use of specialized equipment or structures with a maximum output no greater than twenty (20) kilowatts. Such systems may be tower-mounted or structure-mounted.
- B. *Decommissioning*: The process of terminating the operation of a wind energy turbine by completely removing the entire wind energy turbine and all related structures, foundations, supports, and equipment.
- C. *End of useful life*: The point in time when a wind turbine is no longer annually documented to be fully operating in good working order by a certified manufacturer or installer's representative or other qualified technician.
- D. *Height*: For tower-mounted wind energy turbines, the height is the vertical distance measured from grade as determined according to the definition in Section 200(ae) to the uppermost vertical extension of a rotor blade or the maximum height reached by any part of the wind energy turbine. For structure-mounted wind energy turbines, the height is the distance measured from the highest point of the adjoining roof or structure, not including chimneys, antennae or similar structures, to the uppermost vertical extension of a rotor blade or the maximum height reached by any part of the wind energy turbine.
- E. *Net-metering*: A special metering and billing agreement between utility companies and their customers which facilitates the connection of sustainable energy generating systems to the power grid.
- F. *Rotor*: The rotating element of a wind energy turbine that acts as a multibladed airfoil assembly to extract kinetic energy directly from the wind.
- G. *Site*: The parcel of land or zoning lot occupied by the main use to which the wind energy turbine is accessory.
- H. *Structure-mounted accessory small wind energy turbine*: A structure-mounted wind energy system that converts wind energy into electricity primarily for on-site use with a maximum output no greater than 10 kilowatts per turbine.
- I. *Tower*: A freestanding monopole that supports a tower-mounted wind energy turbine.
- J. *Tower-mounted accessory small wind energy turbine*: A tower-mounted wind energy system that converts wind energy into electricity primarily for on-site use with a maximum output no greater than twenty (20) kilowatts.
- K. *Useful life*: The period of time during which a wind turbine, through inspection, maintenance, and needed repair, is annually documented to be fully operating in good working order by a certified manufacturer or installer's representative or other qualified technician.

(cc) [The following definitions pertain to medical marijuana for the purpose of this appendix.]

- A. *Marihuana (also known as "marijuana" and "cannabis")*: The term shall have the meaning given to it in Section 7106 of the Michigan Public Health Code, 1978 PA 368, MCL 333.7106, as referred to in section 3(d) of the Michigan Medical Marijuana Act, Initiated Law 1 of 2008, MCL 333.26423(d).
- B. *Medical marijuana caregiver home-based business*: The cultivation, processing and distribution of marijuana for a registered qualifying patient or patients by an individual operating as a registered primary caregiver, as defined by and in compliance with the Michigan Medical Marijuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., and the Michigan Department of Community Health Michigan Medical Marijuana Administrative Rules, and the requirements of this Ordinance.
- C. *Medical marijuana cultivation facility*: A building or part of a building or enclosed, locked facility used for the

cultivation and processing of marihuana plants for medical use, other than that used by a registered primary caregiver operating with a home-based business permit in compliance with this Ordinance or that used by a registered qualifying patient cultivating no more than twelve (12) plants for his/her own use.

- D. *Medical marihuana dispensary*: A building or part of a building where one (1) or more registered primary caregivers or registered qualifying patients operate with the intent to transfer marihuana between primary caregivers and/or qualifying patients, not including the delivery of medical marihuana by a registered primary caregiver to his/her patient's primary place of residence as provided under the conditions for operation of a medical marihuana caregiver home-based business.
- E. *Registered primary caregiver*: A person who is at least twenty-one (21) years old and who has agreed to assist with a patient's medical use of marihuana and who has never been convicted of a felony involving illegal drugs and who holds a valid Michigan Medical Marihuana Registry card identifying him/her as a registered caregiver for at least one (1) but not more than five (5) registered qualifying patients.
- F. *Registered qualifying patient*: A person who has been diagnosed by a physician as having a debilitating medical condition and who holds a valid Michigan Medical Marihuana Registry card or a valid registry card or its equivalent from another state, district, commonwealth, or insular possession of the United States identifying him/her as a registered qualifying patient.
- (cd) *Mixed use building*: A building that contains at least one floor devoted to nonresidential uses and at least one floor devoted to residential uses.

(Ord. No. 242A-84, 8-6-84; Ord. No. 270-87, § 1, 6-1-87; Ord. No. 308-89, § 1, 7-17-89; Ord. No. 342-90, § 1, 9-17-90; Ord. No. 355-91, § 1, 6-17-91; Ord. No. 447-01, § 1, 3-5-01; Ord. No. 450-01, § 1, 12-3-01; Ord. No. 519-10, 6-21-10; Ord. No. 520-10, 8-23-10; Ord. No. 532-12, 1-16-12; Ord. No. 533-12, § 1, 6-18-12; Ord. No. 537-13, § 1, 8-19-13)

SECTION 10-1.03. - ZONING DISTRICTS AND MAP

300. Districts.

For the purpose of this Ordinance, the City of Sault Ste. Marie is hereby divided into the following districts:

R-1 One-Family Residential District

[RS-1 One-Family Residential District]

[RS-2 One-Family Residential District]

[R-1A One-Family Residential District]

R-2 Two-Family Residential District

RM-1 Multiple-Family Residential District

RM-2 Multiple-Family Residential District

RSV Residential Reserve District

O-S Office Service District

B-1 Local Business District

B-2 Central Business District

B-3 General Business District

T Tourist Service District

I-1 Industrial District

I-2 Industrial District

P-1 Vehicular Parking District

Editor's note— The districts appearing in brackets [] were added by the editor as such new districts were incorporated into the text of App. A by ordinance.

301. Boundaries.

The boundaries of these districts are hereby established as shown on the Zoning Map, City of Sault Ste. Marie Zoning Ordinance, which accompanies this Ordinance, and which map with all notations, references, and other information shown thereon shall be as much a part of this Ordinance as if fully described herein.

1. Unless shown otherwise, the boundaries of the districts are lot lines, the centerlines of streets, alleys, roads, or such lines extended, and the corporate limits of the City of Sault Ste. Marie.
2. Where, due to the scale, lack of detail, or illegibility of the Zoning Map accompanying this Ordinance, there is any uncertainty, contradiction, or conflict as to the intended location of any district boundaries shown thereon, interpretation concerning the exact location of district boundary lines shall be determined, upon written application, or upon its own motion, by the Board of Appeals.
3. Where the Board of Appeals finds that an error, omission, or similar likely unintended action has resulted in a district boundary dividing a lot of record in single ownership at the time of adoption of this ordinance amendment, the Board may adjust the boundary of said district.

(Ord. No. 587-18, § 1, 11-19-18)

Editor's note— The zoning map is on file in the office of the City clerk.

302. Zoning of vacated areas.

Whenever any street, alley or other public way, within the City of Sault Ste. Marie shall have been vacated by official governmental action, and when the lands within the boundaries thereof attach to and become a part of the land adjoining such street, alley or other public way, such lands formerly within such vacated street, alley or public way shall automatically, and without further governmental action, thenceforth acquire and be subject to the same zoning regulations as are applicable to the lands to which same shall attach and the same shall be used for that same use as is permitted under this Ordinance for such adjoining lands.

303. Zoning of annexed areas.

Any areas annexed to the City of Sault Ste. Marie shall immediately upon such annexation, be automatically classified as an "R-1" District until a Zoning Map for said area has been adopted by the City Commission. The Planning Commission shall recommend appropriate zoning for such area within three (3) months after the matter is referred to it by the City Commission.

304. District requirements.

All buildings and uses in any district shall be subject to the provisions of, [Section 10-1.17] "GENERAL PROVISIONS" and [Section 10-1.18] "GENERAL EXCEPTIONS".

305. [Office space of a service nature.]

Office space or offices used for professional, executive, administrative, and sales offices of a service nature shall be permitted in any Zoning District except R-1, R-1A, RS-1, RS-2, R-2, RM-1, RM-2, RM-3, and RSV Districts; providing, however, that home-based business offices permitted under this Zoning Ordinance in the above excepted Districts may continue pursuant to the terms of the Zoning Ordinance of the City of Sault Ste. Marie.

(Ord. No. 76, § 10-1.03 (305), 3-16-70; Ord. No. 515-09, § 1, 3-8-10)

SECTION 10-1.04. - R-1, RS-1, AND RS-2 ONE-FAMILY RESIDENTIAL DISTRICTS**Preamble.**

These residential districts are designed to provide for one-family dwelling sites and residentially related uses in keeping with the master plan of the residential development in the City of Sault Ste. Marie. The preservation of natural terrain and wooded areas is reflected in the controls set forth in this Article (Section).

400. Principal uses permitted.

In the One-family Residential Districts (R-1, RS-1 and RS-2) no building or land shall be used and no building erected except for one (1) or more of the following specified uses unless otherwise provided in this Ordinance.

1. One-family detached dwellings.
2. Reserved.
3. Publicly owned and operated libraries, parks, parkways, and recreational facilities.
4. Municipal buildings and uses.
5. Churches which lawfully occupied land at the time of adoption of this Ordinance.
6. Public, parochial and other private pre-school, and/or elementary schools offering courses in general education.
7. Accessory buildings and uses, customarily incident to any of the above permitted uses.

(Ord. No. 271-87, § 1, 6-1-87; Ord. No. 441-99, § 1, 3-15-99; Ord. No. 552-14, § 1, 10-6-14)

401. Uses subject to special conditions.

The following uses shall be permitted, subject to the conditions herein imposed for each use.

1. Utility and public service facilities and uses (without storage yards) when operating requirements necessitate the locating of said facilities within the district in order to serve the immediate vicinity.
2. Colleges, universities and other institutions of higher learning, public and private, offering courses in general, technical, or religious education and not operated for profit, all subject to the following conditions:
 - a. Any use permitted herein shall be developed only on-sites of at least ten (10) acres in area.
 - b. All ingress and egress from said site shall be directly onto a major thoroughfare or secondary thoroughfare.
 - c. No building other than a structure for residential purposes shall be closer than seventy-five (75) feet to any property line.
3. Golf courses, not including driving range or miniature courses, which may or may not be operated for profit, subject to the following:
 - a. Major accessory uses to a golf course which are generally of a commercial nature such as a restaurant and bar shall be housed in a single building with the club house. Minor accessory uses which are strictly related to

the operation of the golf course itself, such as maintenance garage and pro shop or golf shop may be located in separate structures.

- b. Any golf course requiring a structure shall have said structure so located on the site as not to be closer than seventy-five (75) feet from the lot line of any adjacent residential land and from any public right-of-way.
 - c. Off-street parking shall be provided so as to accommodate at least one-half the member families if the golf course is a private club or one (1) space for each one hundred (100) square feet of usable floor area if it is operated for profit. Bylaws of the private club shall be provided in order to establish the membership involved for computing parking requirements.
 - d. Off-street parking areas shall be screened from adjacent residentially zoned properties in accordance with the provisions of Section 1709, Screening, buffering and landscaping.
 - e. All parking areas shall be surfaced as required in Section 10-1.17, General Provisions for off-street parking.
 - f. Whenever a swimming pool is involved, said pool shall be provided with a protective fence, six (6) feet in height, and entry shall be provided by means of a controlled gate or turnstile.
 - g. All ingress and egress from the site shall be directly onto a major thoroughfare.
 - h. All lighting of building areas and parking facilities shall be shielded to reduce glare and shall be so arranged as to reflect the light away from abutting residential areas.
4. Public, parochial and other private intermediate and/or secondary schools offering courses in general education, and not operated for profit, subject to the following condition: The site has frontage or direct access to an existing or planned major thoroughfare or secondary thoroughfare.
 5. Churches, subject to the following condition: The site has frontage or direct access to an existing or planned major thoroughfare or secondary thoroughfare.
 6. Home-based businesses as defined in Section 200(ag), subject to issuance of a temporary one-year permit, renewable annually, to operate a home-based business. Applications for home-based business permits shall be made in writing to the City building official on forms provided by the City. A permit fee may be established by the City Commission. A home-based business permit may be rescinded at any time during its effective annual period upon written 30-day notice to the operator if it is determined that the home based business is not operating according to the following conditions. Operators may appeals any decision of the Building Official to the Zoning Board of Appeals.

Conditions for operating a home-based business:

- a. The home-based business shall be operated entirely within the dwelling unit or a garage or shed belonging to the dwelling unit.
- b. The maximum total area of the dwelling and any garage or shed used for home-based business purposes shall not exceed twenty-five (25) percent of the liveable floor area of the dwelling not including the floor area of the basement.
- c. No internal or external building alterations shall be made that is inconsistent with what is generally recognized for residential use, except as required by State Law for Cosmetologists.
- d. There shall be no exterior display other than one (1) non-illuminated sign no more than four (4) square feet in area and attached flat to the building.
- e. No display of products shall be visible from the street and no commodity other than that produced or processed on the premises shall be sold on the premises.
- f. Parking shall be accommodated in the improved home driveway, which shall be gravel or other hard surface,

and/or, as may be permitted by law or ordinance, on the street within the area adjoining the subject property line.

- g. Not more than one (1) paid assistant shall be employed on the premises other than those residing in the dwelling unit.
 - h. Class size shall be limited to no more than three (3) students at one (1) time. The building official may approve a maximum of up to six (6) students at one (1) time if the applicant can demonstrate that adequate parking as required in item (f) above is available to accommodate all students.
 - i. Customers, clients, and/or students shall be accommodated on an appointment basis only; no regular hours when the premises are generally open to customers shall be maintained or advertised.
 - j. No food or beverage shall be sold to be consumed on the premises.
 - k. No vehicle requiring a commercial operator license or having a nominal rating of more than one (1) ton shall be parked on the premises.
 - l. No home-based business by its nature or conduct shall generate undue traffic in excess of that normally expected in and consistent with the existing character of the residential neighborhood.
 - m. A home-based business shall not be noxious or offensive by reason of noise, vibration, smoke, dust or other particulate matter, odor, heat, humidity, glare, refuse, interference with telecommunications reception or other objectionable emissions, unreasonable use of lights or nighttime operations.
 - n. Home occupation permits valid at the time of the adoption of this Ordinance may continue to be renewed annually as long as both the resident business operator and location remain the same and there is no expansion of the existing operation.
7. Accessory buildings and uses customarily incidental to any of the above permitted uses.
8. Medical marijuana caregiver home-based business as defined in section 10-1.02(200)(cc)B., subject to issuance of a temporary one (1) year permit, renewable annually, to operate a home-based business. Applications for medical marijuana caregiver home-based business permits shall be made in writing to the City building official on forms provided by the City. A permit fee may be established by the City Commission. A medical marijuana home-based business permit may be rescinded at any time during its effective annual period upon written thirty (30) day notice to the operator if it is determined that the home-based business is not operating according to the following conditions. Applicants may appeal any decision of the building official to the Zoning Board of Appeals.
- Conditions for operating a medical marijuana caregiver home-based business:
- a. The medical marijuana caregiver home-based business shall be operated entirely within a single-family detached dwelling unit which is the primary residence of the primary registered caregiver or within a garage or shed belonging to the single-family detached dwelling unit.
 - b. The maximum total area of the dwelling and any garage or shed used for medical marijuana home-based business purposes shall not exceed twenty-five (25) percent of the livable floor area of the dwelling not including the floor area of the basement.
 - c. No internal or external building alterations shall be made that are inconsistent with what is generally recognized for residential use.
 - d. There shall be no exterior display or signage and no display of plants or products shall be visible from the street
 - e. Medical marijuana may be grown, processed, and stored on the premises in accordance with the provisions of the Michigan Medical Marijuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., and the Michigan

Department of Community Health Michigan Medical Marihuana Administrative Rules. No products shall be sold or distributed on the premises. No patient consultations shall take place on the premises. Processed medical marihuana shall be distributed to patients at the patient's primary residence.

- f. Parking shall be accommodated in the improved home driveway, which shall be gravel or other hard surface, and/or, as may be permitted by law or ordinance, on the street within the area adjoining the subject property line.
- g. Not more than one (1) registered primary caregiver shall operate in the dwelling unit or associated garage or shed.
- h. The registered primary caregiver may not care for more than five (5) patients.
- j. No food or beverage shall be sold to be consumed on the premises.
- k. A medical marihuana caregiver home-based business shall not generate undue traffic in excess of that normally expected in and consistent with the existing character of the residential neighborhood.
- l. A medical marihuana caregiver home-based business shall not be noxious or offensive by reason of noise, vibration, smoke, dust or other particulate matter, odor, heat, humidity, glare, refuse, interference with telecommunications reception or other objectionable emissions, unreasonable use of lights or nighttime operations.
- m. Marihuana plants shall be contained within an enclosed, locked area of the dwelling or garage or shed with devices which limit access to only the registered primary caregiver. There shall be no more than twelve (12) plants per registered qualifying patient.
- n. Medical marihuana caregiver home-based business operations may be subject to periodic inspections by the building official.

All information obtained through the medical marihuana caregiver home-based business permitting process that would be deemed confidential pursuant to the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., shall be confidential and disclosed to authorized City employees only as necessary to perform official duties and shall not be subject to disclosure pursuant to the Freedom of Information Act.

Nothing in this Ordinance or in any companion regulatory provision, adopted in any other provision of this Code is intended to grant, nor shall it be construed as granting, immunity from criminal prosecution for growing, sale, consumption, use, distribution, or possession of marihuana not in strict compliance with the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., and the Michigan Department of Community Health Michigan Medical Marihuana Administrative Rules. Also, since federal law is not affected by said act or the administrative rules, nothing in this Ordinance or in any companion regulatory provision adopted in any other provision of this Code is intended to grant, nor shall it be construed as granting, immunity from criminal prosecution or property seizure under federal law.

The operation of medical marihuana cultivation facilities or medical marihuana dispensaries as defined in section 10-1.02(200)(cc)C. and D. is prohibited.

(Ord. No. 103, § 10-1.04, 6-5-72; Ord. No. 242-84, 8-6-84; Ord. No. 441-99, § 1, 3-15-99; Ord. No. 447-01, § 1, 3-5-01; Ord. No. 519-10, 6-21-10; Ord. No. 532-12, 1-16-12)

402. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS" limiting the height and bulk of buildings, the minimum size of lot permitted by land use, and the maximum density permitted.

(Ord. No. 441-99, § 1, 3-15-99)

403. Reserved.

Editor's note— Ord. No. 441-99, § 1, adopted Mar. 15, 1999, repealed § 403, Platting required for issuance of building permit, derived from Ord. No. 53, § 1, adopted 11-6-67)

[SECTION 10-1.045.] - R-1A ONE-FAMILY RESIDENTIAL DISTRICT

450. Preamble.

The R-1A One-Family Residential Districts are designed to provide sites for one-family dwellings and for mobile homes or trailers used as permanent one-family dwellings, and residentially related uses in keeping with the master plan in the City of Sault Ste. Marie.

(Ord. No. 249-85, 8-19-85)

451. Principal uses permitted.

In a R-1A One-Family Residential District, no building or land shall be used and no building shall be erected except for one (1) or more of the following specified uses unless otherwise provided in this Ordinance.

1. One-family detached dwellings in keeping with the building code.
2. Mobile homes or trailers complying with the National Mobile Home Construction and Safety Standards Act of 1974.
3. Reserved.
4. Publicly owned and operated libraries, parks, parkways and recreational facilities.
5. Municipal buildings and uses.
6. Churches.
7. Public, parochial and other private elementary, intermediate and/or high schools offering courses in general education, and not operated for profit.
8. Accessory buildings and uses, customarily incidental to any of the above permitted uses.

(Ord. No. 249-85, 8-10-85; Ord. No. 552-14, § 1, 10-6-14)

452. Uses subject to special conditions.

The following uses shall be permitted, subject to the conditions herein imposed for each use:

1. Utility and public service facilities and uses (without storage yards) when operating requirements necessitate the locating of said facilities within the district in order to serve the immediate vicinity.
2. Home-based businesses as defined in Section 200(ag), subject to issuance of a temporary one-year permit, renewable annually, to operate a home-based business. Applications for home-based business permits shall be made in writing to the City building official on forms provided by the City. A permit fee may be established by the City Commission. A home-based business permit may be rescinded at any time during its effective annual period upon written 30-day notice to the operator if it is determined that the home based business is not operating according to the following conditions. Operators may appeals any decision of the Building Official to the Zoning Board of Appeals.

Conditions for operating a home-based business:

- a. The home-based business shall be operated entirely within the dwelling unit or a garage or shed belonging to the unit.
 - b. The maximum total area of the dwelling and any garage or shed used for home-based business purposes shall not exceed twenty-five (25) percent of the liveable floor area of the dwelling not including the floor area of the basement.
 - c. No internal or external building alterations shall be made that is inconsistent with what is generally recognized for residential use, except as required by State Law for Cosmetologists.
 - d. There shall be no exterior display other than one (1) non-illuminated sign no more than four (4) square feet in area and attached flat to the building.
 - e. No display of products shall be visible from the street and no commodity other than that produced or processed on the premises shall be sold on the premises.
 - f. Parking shall be accommodated in the improved home driveway, which shall be gravel or other hard surface, and/or, as may be permitted by law or ordinance, on the street within the area adjoining the subject property line.
 - g. Not more than one (1) paid assistant shall be employed on the premises other than those residing in the dwelling unit.
 - h. Class size shall be limited to no more than three (3) students at one (1) time. The building official may approve a maximum of up to six (6) students at one (1) time if the applicant can demonstrate that adequate parking as required in item (f) above is available to accommodate all students.
 - i. Customers, clients, and/or students shall be accommodated on an appointment basis only; no regular hours when the premises are generally open to customers shall be maintained or advertised.
 - j. No food or beverage shall be sold to be consumed on the premises.
 - k. No vehicle requiring a commercial operator license or having a nominal rating of more than one (1) ton shall be parked on the premises.
 - l. No home-based business by its nature or conduct shall generate undue traffic in excess of that normally expected in and consistent with the existing character of the residential neighborhood.
 - m. A home-based business shall not be noxious or offensive by reason of noise, vibration, smoke, dust or other particulate matter, odor, heat, humidity, glare, refuse, interference with telecommunications reception or other objectionable emissions, unreasonable use of lights or nighttime operations.
 - n. Home occupation permits valid at the time of the adoption of this Ordinance may continue to be renewed annually as long as both the resident business operator and location remain the same and there is no expansion of the existing operation.
3. Nursery schools, day nurseries and child care centers (not including dormitories); provided that for each child so cared for there is provided and maintained a minimum on one hundred (100) square feet of outdoor play area. Such play space shall have a total minimum area of at least one thousand (1,000) square feet, shall be fenced or screened from any adjoining land with planting. Any use permitted herein shall not be permitted in the interior of any residential block, and shall be located adjacent to a business district.
 4. Mobile homes or trailers not complying with the National Mobile Home Construction and Safety Standards Act of 1974, provided that the mobile home or trailer is modified to meet minimum plumbing, electrical, mechanical and fire code standards established by the U.S. Department of Housing and Urban Development (HUD) for mobile homes.

5. Accessory buildings and uses customarily incident to any of the above permitted uses.
6. Medical marihuana caregiver home-based business as defined in section 10-1.02(200)(cc)B., subject to issuance of a temporary one (1) year permit, renewable annually, to operate a home-based business. Applications for medical marihuana caregiver home-based business permits shall be made in writing to the City building official on forms provided by the City. A permit fee may be established by the City Commission. A medical marihuana home-based business permit may be rescinded at any time during its effective annual period upon written thirty (30) day notice to the operator if it is determined that the home-based business is not operating according to the following conditions. Applicants may appeal any decision of the building official to the Zoning Board of Appeals.

Conditions for operating a medical marihuana caregiver home-based business:

- a. The medical marihuana caregiver home-based business shall be operated entirely within a single-family detached dwelling unit which is the primary residence of the primary registered caregiver or within a garage or shed belonging to the single-family detached dwelling unit.
- b. The maximum total area of the dwelling and any garage or shed used for medical marihuana home-based business purposes shall not exceed twenty-five (25) percent of the livable floor area of the dwelling not including the floor area of the basement.
- c. No internal or external building alterations shall be made that are inconsistent with what is generally recognized for residential use.
- d. There shall be no exterior display or signage and no display of plants or products shall be visible from the street
- e. Medical marihuana may be grown, processed, and stored on the premises in accordance with the provisions of the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., and the Michigan Department of Community Health Michigan Medical Marihuana Administrative Rules. No products shall be sold or distributed on the premises. No patient consultations shall take place on the premises. Processed medical marihuana shall be distributed to patients at the patient's primary residence.
- f. Parking shall be accommodated in the improved home driveway, which shall be gravel or other hard surface, and/or, as may be permitted by law or ordinance, on the street within the area adjoining the subject property line.
- g. Not more than one (1) registered primary caregiver shall operate in the dwelling unit or associated garage or shed.
- h. The registered primary caregiver may not care for more than five (5) patients.
- j. No food or beverage shall be sold to be consumed on the premises.
- k. A medical marihuana caregiver home-based business shall not generate undue traffic in excess of that normally expected in and consistent with the existing character of the residential neighborhood.
- l. A medical marihuana caregiver home-based business shall not be noxious or offensive by reason of noise, vibration, smoke, dust or other particulate matter, odor, heat, humidity, glare, refuse, interference with telecommunications reception or other objectionable emissions, unreasonable use of lights or nighttime operations.
- m. Marihuana plants shall be contained within an enclosed, locked area of the dwelling or garage or shed with devices which limit access to only the registered primary caregiver. There shall be no more than twelve (12) plants per registered qualifying patient.
- n. Medical marihuana caregiver home-based business operations may be subject to periodic inspections by the

building official.

All information obtained through the medical marihuana caregiver home-based business permitting process that would be deemed confidential pursuant to the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., shall be confidential and disclosed to authorized City employees only as necessary to perform official duties and shall not be subject to disclosure pursuant to the Freedom of Information Act.

Nothing in this Ordinance or in any companion regulatory provision, adopted in any other provision of this Code is intended to grant, nor shall it be construed as granting, immunity from criminal prosecution for growing, sale, consumption, use, distribution, or possession of marihuana not in strict compliance with the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., and the Michigan Department of Community Health Michigan Medical Marihuana Administrative Rules. Also, since federal law is not affected by said act or the administrative rules, nothing in this Ordinance or in any companion regulatory provision adopted in any other provision of this Code is intended to grant, nor shall it be construed as granting, immunity from criminal prosecution or property seizure under federal law.

The operation of medical marihuana cultivation facilities or medical marihuana dispensaries as defined in section 10-1.02(200)(cc)C. and D. is prohibited.

(Ord. No. 249-85, 8-19-85; Ord. No. 447-01, § 1, 3-5-01; Ord. No. 532-12, 1-16-12)

453. Area and bulk requirements.

See Section 10-1.16, Schedule of Regulations, limiting the height and bulk of buildings and the maximum density permitted.

(Ord. No. 249-85, 8-19-85)

454. Required conditions.

1. No building permit shall be issued for any construction in an R-1A One-Family Residential District unless the property upon which the building is to be constructed is subdivided and platted; providing, however, that the Zoning Board of Appeals shall have the power to alter or vary this requirement and to authorize a variance upon an appeal for good cause shown to the satisfaction of said Zoning Board of Appeals.
2. Every dwelling unit must be properly connected to City water and sewer systems.
3. Every dwelling unit must be placed on a permanent foundation constructed on the site which meets building code requirements. If the dwelling is a mobile home, it must additionally be installed to manufacturers set up requirements, be secured by an anchoring system that meets Mobile Home Commission requirements, have its wheels removed and its towing mechanism and undercarriage must not be exposed.
4. Every dwelling must comply with pertinent building and fire codes and meet or exceed snow load and strength requirements, and contain no additions or rooms not of the same or better workmanship than the original structure.
5. There shall be provided, at the time of construction or placement of any dwelling, internal or external storage space equal to ten (10) percent of the square footage of the dwelling.
6. A building permit will be required for all construction, including placement and removal of mobile homes.

(Ord. No. 249-85, 8-19-85)

Preamble.

The R-2 TWO-FAMILY RESIDENTIAL DISTRICTS are designed to provide for two-family dwellings in those areas where housing accommodation of this nature have established a development pattern.

500. Principal uses permitted.

In a Two-Family Residential District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses, unless otherwise provided in this Ordinance:

1. All principal uses permitted and as regulated in the R-1 One-Family Residential Districts. The standards of the [Section 10-1.16] SCHEDULE OF REGULATIONS applicable to the R-1 One-Family Residential District, shall apply as minimum standards when one-family detached dwellings are erected.
2. Two-family dwellings.
3. Accessory buildings and uses, customarily incident to any of the above permitted uses.

(Ord. No. 272-87, § 1, 6-1-87)

501. Uses subject to special conditions.

The following uses shall be permitted, subject to the conditions herein imposed:

1. Uses permitted subject to special conditions and as regulated in the R-1 Districts.
2. Tourist homes and tourist rooms as a part of a dwelling.
 - a. Such use shall be permitted only within a dwelling occupied by the proprietor and shall be incidental to the use as a year around residential dwelling.
 - b. Off-street parking as required under [Section 10-1.17] GENERAL PROVISIONS shall be provided.
 - c. Such use shall display not more than a total of four (4) square feet of sign area. When such sign is illuminated such illumination shall be of a non-flashing type and shall be screened from abutting residences.
3. Accessory buildings and uses customarily incident to any of the above permitted uses.

502. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS," limiting the height and bulk of buildings, the minimum size of lot permitted by land use, and maximum density permitted.

SECTION 10-1.06. - RM-1 AND RM-2 MULTIPLE-FAMILY RESIDENTIAL DISTRICTS**Preamble.**

The RM-1 AND RM-2 MULTIPLE-FAMILY RESIDENTIAL DISTRICTS are designed to provide sites for multiple dwelling structures which will generally serve as zones of transition between the nonresidential districts and lower density single-family districts. The multiple dwelling is further provided to serve the needs for the apartment type of unit in an otherwise single-family residential community convenient to facilities which will service such dwellings.

600. Principal uses permitted.

In a Multiple-Family District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses, unless otherwise provided in this Ordinance:

1. All principal uses permitted and all uses subject to special conditions in R-1 and R-2 Residential Districts with the

lot area, yards, and coverage requirements equal to the requirements of the R-1 and R-2 Districts.

2. Multiple-family dwellings.
 - a. Row Houses
 - b. Terraces
 - c. Apartments
4. Accessory buildings and uses customarily incident to any of the above permitted uses.

Editor's note— There was no paragraph 3, in the original ordinance.

601. Uses subject to special conditions.

The following uses shall be permitted subject to the conditions herein imposed for each use.

1. General hospitals, except those for criminals and those solely for the treatment of persons who are mentally ill or have contagious disease, when the following conditions are met:
 - a. All such hospitals shall be developed only on sites consisting of at least two (2) acres in area.
 - b. The proposed site shall have at least one (1) property line abutting a major thoroughfare or a secondary thoroughfare.
 - c. The minimum distance of any main or accessory building from bounding lot lines or streets shall be at least fifty (50) feet for front, rear, and side yards for all two (2) story structures. For every story above two (2) the minimum yard distance shall be increased by at least ten (10) feet.
 - d. Ambulance and delivery areas shall be screened from all residential view with a wall, obscuring fence or landscape buffer five (5) feet in height constructed in accordance with the provisions of Section 1709. Ingress and egress to the site shall be directly from a major or secondary thoroughfare.
 - e. All ingress and egress to the off-street parking area, for guests, employees, staff, as well as any other uses of the facilities, shall be from a major or secondary thoroughfare.
2. Convalescent homes, not to exceed a height of two (2) stories when the following conditions are met:
 - a. The maximum coverage shall not exceed fifty (50) percent for all buildings including principal structures and those incident to the principal structure.
 - b. The maximum extent of development shall not exceed thirty (30) patient units per acre.
3. Funeral homes, not to exceed two (2) stories in height when the following conditions are met:
 - a. The proposed site shall have at least one (1) property line abutting a major thoroughfare or secondary thoroughfare.
 - b. The service entrances to such facility shall be completely screened from view of adjacent residential properties with a wall, obscuring fence or landscape buffer five (5) feet in height constructed in accordance with the provisions of Section 1709.
4. Accessory buildings and uses customarily incident to any of the above uses.
5. Museums, art galleries, playhouses, and other similar cultural facilities subject to the following conditions:
 - a. The proposed site shall have at least one (1) property line abutting a major or secondary thoroughfare; and
 - b. All ingress and egress to the off-street parking area shall be from a major or a secondary thoroughfare.

(Ord. No. 213-81, 3-16-81; Ord. No. 519-10, 6-21-10)

602. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS," limiting the height and bulk of buildings, the minimum size of lot permitted by land use, and the maximum density permitted.

SECTION 10-1.065. - RM-3 MULTIPLE-FAMILY RESIDENTIAL DISTRICT

Preamble.

The RM-3 Multiple-Family Residential Districts are designed to provide sites for the housing of fraternities, sororities and other forms of cooperative housing as well as apartment structures that cater to the housing needs of students.

650. Principal uses permitted.

In an RM-3 Multiple-Family District, no buildings or land shall be used and no building shall be erected except for one (1) or more of the following specified uses, unless otherwise provided in this Ordinance:

1. All principal uses permitted and uses subject to special conditions in the RM-1 Multiple-Family Residential Districts, subject to the conditions, yards, lot area and coverage requirements as specified in the RM-1 District.
2. Fraternities, sororities and cooperative housing.
3. Other uses similar to the above permitted use.
4. Accessory buildings and uses customarily incident to any of the above permitted uses. (Ord. No. 354-91, § 1, 6-17-91)

651. Area and bulk requirements.

See (section 10-1.16) "Schedule of Regulations" limiting the height and bulk of buildings, the minimum size of lot permitted by land use, and maximum density permitted for the RM-1 Multiple-Family District.

(Ord. No. 354-91, § 1, 6-17-91)

Footnotes:

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Editor's note— Ord. No. 354-91, § 1, adopted June 17, 1991, added Appendix A, § 10-1.065, subsections 600, 601. As there were already subsections 600, 601 in § 10-1.06, the added subsections were renumbered as subsections 650, 651 at the editor's discretion.

SECTION 10-1.07. - RSV RESIDENTIAL RESERVE DISTRICTS

Preamble.

These districts are designed to preserve the natural features of areas lying outside the immediate concentrated growth pattern of the City and to provide adequate lot areas to assure safe living conditions for areas not serviceable by municipal utilities. This district will serve as the future area for growth of the City in keeping with the long range Master Plan of the City.

700. Principal uses permitted.

In a Residential Reserve District no building or land shall be used and no building shall be erected except for one or more of the following specified uses unless otherwise provided in this Ordinance.

1. One family detached dwellings.
2. Farms.
3. Publicly owned and operated libraries, parks, parkways and recreational facilities.
4. Municipal buildings and uses.

5. Public, parochial and other private elementary, intermediate, and/or high schools offering courses in general education not operated for profit.
6. Public utility service facilities without storage yards.
7. Accessory buildings and uses customarily incident to any of the above permitted uses.

701. Uses subject to special conditions.

1. Churches.
 - a. A site of not less than two (2) acres shall be provided.
 - b. Such site shall have direct access to an improved major or secondary thoroughfare.
2. Golf courses provided all conditions of the R-1 district, Section 401, paragraph 3 are complied with.
3. Private and institutional recreation areas.
 - a. A site of not less than two (2) acres shall be provided.
 - b. Front, side, and rear yards of not less than eighty (80) feet shall be provided.
 - c. All drainage, water supply and sewage disposal areas shall be approved by the City Engineer and the appropriate health authority.
 - d. Buildings erected on the premises shall not exceed one (1) story or fourteen (14) feet in height.
4. Airports and Related Uses. Airports, landing fields and platforms, hangars, masts and other facilities for the operation of aircraft subject to the following:
 - a. No permit for the erection of a structure of a height exceeding fifty (50) feet shall be issued within five hundred (500) feet of an actively used runway of an airport.
 - b. No permit for the erection of a structure of a height exceeding one hundred (100) feet shall be issued within one thousand (1000) feet of an actively used runway of an airport.
 - c. Accessory uses shall be allowed such as motels, restaurants, private hangars and other uses necessary to serve the needs of passengers or freight handling incident to the operation of an airport.
5. Home-based businesses as defined in Section 200(ag), subject to issuance of a temporary one-year permit, renewable annually, to operate a home-based business. Applications for home-based business permits shall be made in writing to the City building official on forms provided by the City. A permit fee may be established by the City Commission. A home-based business permit may be rescinded at any time during its effective annual period upon written 30-day notice to the operator if it is determined that the home based business is not operating according to the following conditions. Operators may appeal any decision of the Building Official to the Zoning Board of Appeals.

Conditions for operating a home-based business:

- a. The home-based business shall be operated entirely within the dwelling unit or a garage or shed belonging to the dwelling unit.
- b. The maximum total area of the dwelling and any garage or shed used for home-based business purposes shall not exceed twenty-five (25) percent of the liveable floor area of the dwelling not including the floor area of the basement.
- c. No internal or external building alterations shall be made that is inconsistent with what is generally recognized for residential use, except as required by State Law for Cosmetologists.
- d. There shall be no exterior display other than one (1) non-illuminated sign no more than four (4) square feet in area and attached flat to the building.

- e. No display of products shall be visible from the street and no commodity other than that produced or processed on the premises shall be sold on the premises.
 - f. Parking shall be accommodated in the improved home driveway, which shall be gravel or other hard surface, and/or, as may be permitted by law or ordinance, on the street within the area adjoining the subject property line.
 - g. Not more than one (1) paid assistant shall be employed on the premises other than those residing in the dwelling unit.
 - h. Class size shall be limited to no more than three (3) students at one (1) time. The building official may approve a maximum of up to six (6) students at one (1) time if the applicant can demonstrate that adequate parking as required in item (f) above is available to accommodate all students.
 - i. Customers, clients, and/or students shall be accommodated on an appointment basis only; no regular hours when the premises are generally open to customers shall be maintained or advertised.
 - j. No food or beverage shall be sold to be consumed on the premises.
 - k. No vehicle requiring a commercial operator license or having a nominal rating of more than one (1) ton shall be parked on the premises.
 - l. No home-based business by its nature or conduct shall generate undue traffic in excess of that normally expected in and consistent with the existing character of the residential neighborhood.
 - m. A home-based business shall not be noxious or offensive by reason of noise, vibration, smoke, dust or other particulate matter, odor, heat, humidity, glare, refuse, interference with telecommunications reception or other objectionable emissions, unreasonable use of lights or nighttime operations.
 - n. Home occupation permits valid at the time of the adoption of this Ordinance may continue to be renewed annually as long as both the resident business operator and location remain the same and There is no expansion of the existing operation.
6. Medical marihuana caregiver home-based business as defined in section 10-1.02(200)(cc)B., subject to issuance of a temporary one (1) year permit, renewable annually, to operate a home-based business. Applications for medical marihuana caregiver home-based business permits shall be made in writing to the City building official on forms provided by the City. A permit fee may be established by the City Commission. A medical marihuana home-based business permit may be rescinded at any time during its effective annual period upon written thirty (30) day notice to the operator if it is determined that the home-based business is not operating according to the following conditions. Applicants may appeal any decision of the building official to the Zoning Board of Appeals.
- Conditions for operating a medical marihuana caregiver home-based business:
- a. The medical marihuana caregiver home-based business shall be operated entirely within a single-family detached dwelling unit which is the primary residence of the primary registered caregiver or within a garage or shed belonging to the single-family detached dwelling unit.
 - b. The maximum total area of the dwelling and any garage or shed used for medical marihuana home-based business purposes shall not exceed twenty-five (25) percent of the livable floor area of the dwelling not including the floor area of the basement.
 - c. No internal or external building alterations shall be made that are inconsistent with what is generally recognized for residential use.
 - d. There shall be no exterior display or signage and no display of plants or products shall be visible from the street

- e. Medical marihuana may be grown, processed, and stored on the premises in accordance with the provisions of Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., and the Michigan Department of Community Health Michigan Medical Marihuana Administrative Rules. No products shall be sold or distributed on the premises. No consultations shall take place on the premises. Processed medical marihuana shall be distributed to patients at primary residence.
- f. Parking shall be accommodated in the improved home driveway, which shall be gravel or other hard surface, and/or, as may be permitted by law or ordinance, on the street within the area adjoining the subject property line.
- g. Not more than one (1) registered primary caregiver shall operate in the dwelling unit or associated garage or shed.
- h. The registered primary caregiver may not care for more than five (5) patients.
- j. No food or beverage shall be sold to be consumed on the premises.
- k. A medical marihuana caregiver home-based business shall not generate undue traffic in excess of that normally expected in and consistent with the existing character of the residential neighborhood.
- l. A medical marihuana caregiver home-based business shall not be noxious or offensive by reason of noise, vibration, smoke, dust or other particulate matter, odor, heat, humidity, glare, refuse, interference with telecommunications reception or other objectionable emissions, unreasonable use of lights or nighttime operations.
- m. Marihuana plants shall be contained within an enclosed, locked area of the dwelling or garage or shed with devices which limit access to only the registered primary caregiver. There shall be no more than twelve (12) plants per registered qualifying patient.
- n. Medical marihuana caregiver home-based business operations may be subject to periodic inspections by the building official.

All information obtained through the medical marihuana caregiver home-based business permitting process that would be deemed confidential pursuant to the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., shall be confidential and disclosed to authorized City employees only as necessary to perform official duties and shall not be subject to disclosure pursuant to the Freedom of Information Act.

Nothing in this Ordinance or in any companion regulatory provision, adopted in any other provision of this Code is intended to grant, nor shall it be construed as granting, immunity from criminal prosecution for growing, sale, consumption, use, distribution, or possession of marihuana not in strict compliance with the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421, et seq., and the Michigan Department of Community Health Michigan Medical Marihuana Administrative Rules. Also, since federal law is not affected by said act or the administrative rules, nothing in this Ordinance or in any companion regulatory provision adopted in any other provision of this Code is intended to grant, nor shall it be construed as granting, immunity from criminal prosecution or property seizure under federal law.

The operation of medical marihuana cultivation facilities or medical marihuana dispensaries as defined in section 10-1.02(200)(cc)C. and D. is prohibited.

It is the intention that this Section shall not be construed to be an exercise on the part of the City, of the power of eminent domain; but that it is strictly to be construed as an exercise of the police power to promote health, safety, morals, and general welfare of the community under and by virtue of state law.

(Ord. No. 302-89, § 1, 6-6-89; Ord. No. 447-01, § 1, 3-5-01; Ord. No. 532-12, 1-16-12)

702. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS," limiting the height and bulk of buildings, the minimum size of lot permitted by land use, and the maximum density permitted.

SECTION 10-1.08. - O-S OFFICE-SERVICE DISTRICTS

Preamble.

The O-S Office-Service Districts are designed to accommodate office buildings and uses necessary to the servicing of the office district. Only those limited business activities of a retail nature necessary to the servicing of the Office Districts are allowed within these districts.

800. Principal uses permitted.

1. Office buildings for any of the following occupations:

Executive, administrative, professional and sales offices.

2. Medical and dental offices, including clinics.
3. Banks.
4. Funeral homes (mortuaries).
5. Churches.
6. Municipal buildings, utility and public service facilities and uses (without storage yards) when operating requirements necessitate the locating of such facilities within the district to serve the immediate vicinity.
7. Other uses similar to the above uses.
8. Accessory buildings and uses customarily incidental to any of the above permitted uses, including an accessory dwelling.
9. One-, two- and multiple-family dwelling subject to the Schedule of Regulations requirements of the R-1, R-2 and RM-1 Districts, respectively, as set forth in Section 1600 of this Ordinance.

(Ord. No. 148, § 1 (10-1.08), 11-4-75; Ord. No. 220-81, § 1, 12-21-81; Ord. No. 321-89, § 1, 11-20-89)

801. Uses subject to special conditions.

The following uses shall be permitted subject to special conditions herein imposed.

1. Business service uses provided:
 - a. Businesses shall be clearly necessary as service uses to the office uses of the district or for the servicing of the work day needs of the personnel employed in the Office-Service District. These uses may include such business uses as drug stores, pharmacies, restaurants (not including drive-in restaurants), office supply stores, barber and beauty shops and other similar types of retail services.
 - b. Business uses shall meet all requirements for off-street parking and loading as required under the [Section 10-1.17] GENERAL PROVISIONS of this Ordinance.
2. Reserved.
3. Private clubs and lodge halls provided:
 - a. Where such use abuts a side yard of a residence or a residential district a side yard of twenty (20) feet shall

be provided on the side yard abutting the residence or residential district. Such side yard shall not be utilized for parking and shall be planted to provide an effective buffer to abutting residences.

- b. All activities shall be conducted within an enclosed building.

(Ord. No. 321-89, § 1, 8-21-89)

802. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS" limiting the height and bulk of buildings, the minimum size of lot permitted by land use, and the maximum density permitted.

SECTION 10-1.09. - B-1 LOCAL BUSINESS DISTRICTS

Preamble.

The B-1 Local Business Districts are designed solely for the convenience shopping of persons residing in adjacent residential areas to permit only such uses as are necessary to satisfy those limited basic day to day shopping and/or service needs.

900. Principal uses permitted.

In the B-1 Local Business District no building or land shall be used and no building shall be erected except for one (1) or more of the following specified uses, unless otherwise provided in this Ordinance.

1. All Principal Uses Permitted and all uses subject to special conditions of the Office-Service District and subject to all regulations and requirements of the O-S District except as hereinafter modified.
2. Any generally recognized retail business which supplies commodities on the premises, for persons residing in adjacent residential areas, such as: Groceries, meats, dairy products, baked goods or other foods, drugs, dry goods and notions, or hardware.
3. Restaurants but not including bars or drive-in restaurants.
4. Any personal service establishment which performs services, on the premises, for persons residing in adjacent residential areas, such as: Shoe repair, tailor shops, beauty parlors, or barber shops.
5. Other uses similar to the above uses.
6. All uses shall be subject to the following restrictions:
 - a. All business establishments shall be retail or service establishments dealing directly with consumers. All goods produced on the premises shall be sold at retail on premises where produced.
 - b. All business, servicing, or processing, except for off-street parking or loading, shall be conducted within a completely enclosed building.
7. Accessory buildings and uses customarily incidental to any of the above permitted uses, including an accessory dwelling.

(Ord. No. 145, § 1 (10-1.09), 11-4-74; Ord. No. 220-81, § 1, 12-21-81; Ord. No. 322-89, § 1, 11-20-89)

901. Uses subject to special conditions.

The following uses may be permitted, subject to the conditions herein imposed:

1. Gasoline service station for sale of gasoline, oil, and minor accessories and subject to all codes and ordinances governing gasoline service stations of the City of Sault Ste. Marie.
 - a. The minimum lot area shall be ten thousand (10,000) square feet, and so arranged that ample space is

available for motor vehicles which are required to wait.

b. The development shall be screened from adjacent residentially zoned properties in accordance with the provisions of Section 1709, Screening, buffering and landscaping.

c. All lighting shall be shielded from adjacent residential districts.

2. Publicly owned buildings, utility and public service facilities and uses (without storage yards) when operating requirements necessitate the locating of such facilities within the district to serve the immediate vicinity.

3. Accessory buildings and uses normally incidental to the above uses.

(Ord. No. 519-10, 6-21-10)

902. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS," limiting the height and bulk of buildings, the minimum size of lot permitted by land use, and the maximum density permitted.

SECTION 10-1.10. - B-2 CENTRAL BUSINESS DISTRICTS

Preamble.

The B-2 Central Business District is designed to provide for office buildings and the great variety of large retail stores and related activities which occupy the prime retail frontage by serving the comparison, convenience and service needs of the entire City as well as substantial area beyond the City Limits. The district regulations are designed to promote convenient pedestrian shopping and the stability of retail development by encouraging a continuous retail frontage and by prohibiting automotive related services and non-retail uses which tend to break up such continuity.

1000. Principal uses permitted.

In a Central Business District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses, unless otherwise provided in this Ordinance:

1. Any generally recognized retail business which supplies commodities on the premises such as, but not limited to: Foods, drugs, liquor, furniture, clothing, dry goods, notions, gifts or hardware.
2. Any personal service establishment which performs services on the premises such as, but not limited to: repair shops (watches, radio, television, shoe, etc.) Tailor shops, beauty parlors, barber shops, interior decorators, photographers and dry cleaners.
3. Hotels and motels.
4. Restaurants and taverns wherein said establishment does not extend as an integral part of or accessory thereto, any service of a drive-in restaurant.
5. Private clubs and lodge halls.
6. Theaters.
7. Offices and office buildings of an executive, administrative or professional nature.
8. Banks with drive-in facilities permitted when said drive-in facilities are incidental to the principal function.
9. Municipal buildings and post office.
10. Offices and showrooms of plumbers, electricians, decorator or similar trades, in connection with which not more than twenty-five (25) per cent of the floor area of the building or part of the building occupied by said establishment is used for making, assembling, remodeling, repairing, altering, finishing, or refinishing its

products or merchandise, and provided that: The ground floor premises facing upon, and visible from any abutting street shall be used only for entrances, offices, or display. All storage or materials on any land shall be within the confines of a building or part thereof occupied by said establishment.

11. Business schools, or private schools operated for profit. Examples of private schools permitted herein include, but are not limited to, the following: Dance studios, music and voice schools, and art studios.
12. Newspaper offices and printing plants.
13. Warehouse and storage facilities when incident to any principal use permitted, provided that such facility be within the confines of the building or part thereof occupied by said establishment.
14. Other uses which are similar to the above and subject to the following restrictions.
 - a. All business establishments shall be retail or service establishments dealing directly with consumers. All goods produced on the premises shall be sold at retail from premises where produced.
 - b. Outdoor storage of commodities shall be expressly prohibited. Commodities available for sale may be displayed outdoors during business hours.
15. Publicly owned buildings, utility and public service facilities and uses (without storage yards) when operating requirements necessitate the locating of such facilities within the district to serve the immediate vicinity.
16. Accessory buildings and uses customarily incidental to any of the above permitted uses, including an accessory dwelling.
17. Apartment complexes of four (4) or more dwelling units.
18. Bus passenger station.
19. One-, two- and multiple-family dwellings provided that the dwelling units shall not be located below the second floor.

(Ord. No. 146, § 1 (10-1.10), 11-4-74; Ord. No. 220-81, §, 12-21-81; Ord. No. 277-87, § 1, 8-3-87; Ord. No. 313-89, § 1, 8-21-89; Ord. No. 478-04, § 1, 9-20-04)

1001. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS" limiting the height and bulk of buildings, and the minimum size of lot permitted.

SECTION 10-1.11. - B-3 GENERAL BUSINESS DISTRICTS

Preamble.

The B-3 General Business Districts are designed to furnish areas served typically by the Central Business District with a variety of automotive services and goods incompatible with the uses and with the pedestrian movement in such Central Business District. The General Business Districts are characterized by more diversified business types and are often located so as to serve the passer-by traffic.

1100. Principal uses permitted.

In a General Business District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses unless otherwise provided in this Ordinance:

1. All principal uses permitted in the B-2 Central Business District subject to all requirements of the B-2 District, provided the maximum height controls of the B-3 District are complied with. All uses permitted and as regulated in T Tourist Service District.

2. Wholesale and retail activities.
3. New automobile sales or showroom.
4. Auto repair garage.
5. Funeral homes.
6. Automobile car wash, when completely enclosed in building.
7. Bus passenger stations.
8. Bottling works and food packaging.
9. Private clubs or lodge halls.
10. Governmental offices or other governmental uses; public utility offices, exchanges, transformer stations, pump stations, and service yards, but not including outdoor storage.
11. Clinics.
12. Retail cold storage establishments.
13. Self-service laundry and dry cleaning establishments.
14. Other uses which are similar to the above uses.
15. Accessory buildings and uses customarily incidental to any of the above permitted uses, including an accessory dwelling.
16. Apartment complexes of four (4) or more dwelling units, subject to the Schedule of Regulations requirements of the RM-1 District as set forth in Section 1600 [10-1.16] of this Ordinance.

(Ord. No. 147, § 1 (10-1.11), 11-4-74; Ord. No. 220-81, § 1, 12-21-81; Ord. No. 314-89, § 1, 8-21-89)

1101. Uses subject to special conditions.

The following uses shall be permitted subject to the conditions herein imposed.

1. Outdoor sales space for sale or retail of automobiles or house trailers or camp trailers subject to the following:
 - a. All lighting shall be shielded from adjacent residential districts.
 - b. Ingress and egress to the outdoor sales area shall be at least twenty (20) feet from the intersection of any two (2) streets.
 - c. Outdoor sale space areas shall be screened from adjacent residentially zoned properties in accordance with the provisions of Section 1709, Screening, buffering and landscaping.
 - d. No major repair or major refinishing shall be done on the lot.
2. Self-storage facilities used to provide temporary storage needs for businesses, apartment dwellers, mobile home dwellers and other individuals on a self-service basis subject to the following:
 - a. The use of the premises shall be limited to storage only and shall not be used for operating any other business or activity other than the storage of personal and business items.
 - b. No storage of combustible or flammable liquids, combustible fibers or explosive materials as defined in the fire codes, or toxic materials, shall be permitted within the self-storage facilities.
 - c. No storage outside of the self-storage buildings shall be permitted.
 - d. Maximum building height of any structure shall be twenty (20) feet.
 - e. No building shall be located closer than twenty (20) feet to any property line, provided that where the property line of the site abuts a residential district, then no building shall be located closer than forty (40) feet to the contiguous residential-zoned property.

- f. The facility shall be screened from adjacent residentially zoned properties in accordance with the provisions of Section 1709, Screening, buffering and landscaping.
 - g. All maneuvering and parking areas shall have a surfacing of dust-free material or shall be treated to be dust free at all times. Such areas shall be so drained so as to dispose of all surface water accumulated in the maneuvering areas.
 - h. All lighting used to illuminate the site shall not exceed twenty (20) feet in height and shall be installed so as to be confined and directed on the site only.
 - i. Maximum lot coverage may not exceed forty (40) percent.
3. Adult use—principal, subject to the provisions set forth in section 1707.1, subsection 1.
 4. Other uses which are similar to the above uses.

(Ord. No. 301-89, § 1, 4-3-89; Ord. No. 450-01, § 1, 12-3-01; Ord. No. 501-08, § 1, 4-21-08; Ord. No. 519-10, 6-21-10)

1102. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS" limiting the height and bulk of buildings and the maximum density permitted.

SECTION 10-1.12. - T TOURIST SERVICE DISTRICTS

Preamble.

The T Tourist Service Districts are designed to accommodate those activities necessary to service tourist needs including retail activities, tourist accommodations, parks and public uses of interest to the tourist.

1200. Principal uses permitted.

In a Tourist Service District, no building or land shall be used and no building shall be erected except for one (1) or more of the following specified uses, unless otherwise provided in this Ordinance:

1. All principal uses permitted in the B-2 Central Business District subject to all requirements of the B-2 District, provided the area and bulk requirements of the T-Tourist Service District are complied with.
2. Tourist residence facilities including but not limited to: Rooming houses, motels, hotels, camping sites and travel trailer sites.
3. Gift and souvenir shops.
4. Restaurants, taverns and bars.
5. Bowling alleys and pool or billiard parlors.
6. Private clubs or lodge halls.
7. Marina and boat livery facilities including boat sales and service facilities.
8. Churches.
9. Accessory buildings and uses customarily incident to any of the above permitted uses, including an accessory dwelling.
10. Other uses of a character similar to the above uses.
11. Museums, art galleries, theaters and other similar cultural facilities.
12. Tourist services and attractions, including land or water-based tour or transportation facilities, convention centers, public arenas or auditoriums, historic displays and parks and recreational facilities.

13. Nonrecreational ship and boat docking and tie-up facilities, including public ports, together with their normal and customary accessory uses.
14. Apartment complexes of four (4) or more dwelling units, subject to the Schedule of Regulations requirements of the RM-1 District as set forth in Section 1600 [10-1.16] of this Ordinance.

(Ord. No. 286-87, § 1, 10-5-87; Ord. No. 312-89, § 1, 8-21-89; Ord. No. 315-89, § 1, 8-21-89; Ord. No. 408-96, § 1, 5-26-96)

1201. Uses subject to special conditions.

The following uses shall be permitted subject to the conditions herein imposed.

1. Business in the character of a drive-in restaurant subject to the following:
 - a. A setback of at least sixty (60) feet from the right-of-way line of any existing street must be maintained.
 - b. Ingress and egress points shall be located at least sixty (60) feet from the intersection of any two (2) streets.
 - c. All lighting shall be shielded from adjacent residential districts.
2. Commercially used outdoor recreational space for children's amusement parks, carnivals, miniature golf courses, subject to the following:
 - a. Children's amusement park must be fenced on all sides with a four-foot wall, obscuring fence or landscape buffer constructed in accordance with the provisions of Section 1709.
 - b. Adequate parking shall be provided off the road right-of-way and shall be fenced with a four-foot, six-inch (4'-6") wall or obscuring fence where adjacent to the recreation facility.
3. Gasoline service station for sale of gasoline, oil, and minor accessories and subject to all codes and ordinances governing gasoline service stations of the City of Sault Ste. Marie and subject further to the following:
 - a. The curb cuts for ingress and egress to a service station shall not be permitted at such locations that will tend to create traffic hazards in the streets immediately adjacent thereto. Entrances shall be no less than twenty (20) feet from a street intersection (measured from the road right-of-way) or from adjacent residential districts.
 - b. The minimum lot area shall be ten thousand (10,000) square feet, and so arranged that ample space is available for motor vehicles which are required to wait.
 - c. The development shall be screened from adjacent residentially zoned properties in accordance with the provisions of Section 1709, Screening, buffering and landscaping.
 - d. All lighting shall be shielded from adjacent residential districts.
 - e. Major engine and body repair, steam cleaning and undercoating when conducted on the site shall be within a completely enclosed building. The storage of wrecked automobiles on the site shall be obscured from public view. No automobile or vehicle of any kind, shall be stored in the open for a period exceeding one (1) week.
4. Rebound tumbling facilities (trampoline) and similar devices may be located in the "T" District subject to the following requirements:
 - a. Fencing shall be provided on all sides of the area used for trampoline activity. Said fence shall be no less than six (6) feet high and shall be constructed to discourage climbing on such fence during hours when the trampoline facility is not open for business. The facility property shall be screened from adjacent residentially zoned properties in accordance with the provisions of Section 1709, Screening, buffering and landscaping.
 - b. Trampolines shall be located on the lot to provide the following minimum distances measured from the outside of frames.
 - (1) At least six (6) feet at ends to nearest obstacle.

- (2) At least four (4) feet on exposed sides to nearest obstacle.
 - (3) At least four (4) feet between rows of trampolines.
 - (4) In any row, at least three (3) feet between frames or three (3) feet of approved padding between trampoline beds.
- c. Pits shall not exceed four (4) feet in depth, without special permission, and shall be adequately drained. The construction of the pits, the framing and the padding shall be according to manufacturers plans and specifications.
 - d. The ground area surrounding the trampolines shall have a level surface of sod, or of pea gravel or equivalent type of material to prevent a dust nuisance.
 - e. All trampolines shall be equipped with protective padding.
 - f. Automobile entrance and exit points shall not be provided from residential streets and such entrance and exit points shall not conflict with adjacent business uses.
 - g. Off-street parking shall be provided at a ratio of one (1) space per trampoline to service those using trampolines and for spectators at the trampoline facility.
 - h. Outdoor lighting shall be shielded to reduce glare and shall be so arranged as to reflect the light away from residential districts.
 - i. No loud speaker or public address system shall be used.
 - j. In the event the trampoline facility is discontinued, all excavations shall be filled to the grade of the property prior to its use as a trampoline facility.
5. Publicly owned buildings, utility and public service facilities and uses (without storage yards) when operating requirements necessitate the locating of such facilities within the district to serve the immediate vicinity.
 6. Temporary or intermittent research facilities, including automobile, tire and related testing facilities, subject to the following:
 - a. All activities relating to the facility shall take place within a completely enclosed building.
 - b. No such facility shall be located closer than one hundred (100) feet to any residential district.

(Ord. No. 312-89, § 1, 8-21-89; Ord. No. 478-04, § 1, 9-20-04; Ord. No. 519-10, 6-21-10)

1202. Area and bulk requirements.

See [Section [10-1.16](#)] "SCHEDULE OF REGULATIONS" limiting the height and bulk of buildings and the maximum density permitted.

SECTION 10-1.13. - I-1 INDUSTRIAL DISTRICTS

Preamble.

The I-1 Industrial District is designed so as to primarily accommodate wholesale activities, warehouses, and industrial operations whose external physical effects are restricted to the area of the district and in no manner affect in a detrimental way any of the surrounding districts.

1300. Principal uses permitted.

1. Uses permitted in B-3 General Business District subject to the regulations applicable to such uses.
2. Any of the following uses when conducted wholly within a completely enclosed building, or within a designated area enclosed on all sides with a six-foot fence. Said fence shall be obscuring and constructed in accordance with

the provisions of Section 1709 on those sides which abut upon or are adjacent to districts zoned for residential use.

- a. Warehousing and wholesale establishments, and trucking facilities.
- b. The manufacture, compounding, processing, packaging, or treatment of such products as bakery goods, candy, cosmetics, pharmaceuticals, toiletries, food products, hardware and cutlery; tool, die, gauge, and machine shops.
- c. The manufacture, compounding, assembling, or treatment of articles or merchandise from the following previously prepared materials: Bone, canvas, cellophane, cloth, cork, feathers, felt, fiber, fur, glass, hair, horn, leather, paper, plastics, precious or semi-precious metals or stones, shell, textiles, tobacco, wax, wood (excluding rough saw and rough planing mills), and yarns.
- d. The manufacture of articles or merchandise from sheet metal (including stampings of metals of seven (7) gauge or lighter) hot or cold forging of products made from wire of no greater diameter than five-sixteenths ($5/16$) inch.
- e. The manufacture of pottery and figurines or other similar ceramic products using only previously pulverized clay, and kilns fired only by electricity or gas.
- f. Manufacture of musical instruments, toys, novelties, and metal or rubber stamps, or other small molded rubber products.
- g. Manufacture or assembly of electrical appliances, electronic instruments and devices, radios and phonographs.
- h. Laboratories—Experimental, film or testing.
 - i. Manufacture and repair of electronic or neon signs, light sheet metal products, including heating and ventilating equipment, cornices, eaves and the like.
 - j. Warehouse, storage and transfer and electric and gas service buildings and yards, excluding gas treatment and gas pumping stations, railroad transfer and storage yards. Water supply and sewage disposal plants. Water and gas tanks and holders.
 - k. Building contractor's storage yards for equipment and materials.
 - l. Building material storage and sales.
 - m. Utility and public service facilities and uses including storage yards.
3. Accessory buildings and uses customarily incident to any of the above permitted uses.
4. Other uses of a similar character to the above uses.

(Ord. No. 519-10, 6-21-10; Ord. No. 561-15, § 1, 8-17-15)

1301. - Uses subject to special conditions.

The following uses shall be permitted subject to the conditions herein imposed:

1. Automobile or other machinery assembly plants subject to adequate control of noise and/or other nuisances.
2. Painting, varnishing and undercoating shops when set back at least seventy-five (75) feet from any adjacent residential district and provided further that such operation be conducted within a completely enclosed building.
3. Metal plating, buffing and polishing, subject to appropriate measures to control the type of process to prevent noxious results and/or nuisances.
4. Other uses of a similar and no more objectionable character, and which will not be injurious or have an adverse

affect on adjacent areas, and may therefore be permitted subject to such conditions, restrictions and safeguards as may be deemed necessary in the interest of public health, safety, and welfare.

5. Accessory buildings and uses customarily incident to any of the above uses.

1302. Required conditions.

Any use established in the I-1 District shall be operated so as to comply with the performance standards set forth in the [Section 10-1.17] "GENERAL PROVISIONS" of this Ordinance.

1303. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS" limiting height and bulk of a building.

SECTION 10-1.14. - I-2 INDUSTRIAL DISTRICTS

Preamble.

The I-2 Industrial District is designed primarily for manufacturing, assembling, and fabrication activities including large scale or specialized industrial operations, whose external physical effects will be felt to some degree by surrounding districts.

1400. Principal uses permitted.

1. Any principal use first permitted in an "I-1" District.
2. Any production, processing, cleaning, servicing, testing, repair or storage of materials, goods, or products which shall conform with the performance standards set forth in Section 10-1.17, General Provisions," and which shall not be injurious or offensive to the occupants of adjacent premises by reason of the emission or creation of noise, vibration, smoke, dust or other particulate matter, toxic and noxious materials, odors, fire or explosive hazards, or glare or heat.
3. Warehouse, storage and transfer and electric and gas service buildings and yards. Water supply and sewage disposal plants. Water and gas tank holders. Railroad transfer and storage tracks. Heating and electric power generating plants, and all necessary uses. Railroad rights-of-way.
4. Storage facilities for building materials, sand, gravel, stone, lumber, open storage of contractor's equipment and supplies, provided such is enclosed within a building or within an obscuring wall or fence on those sides abutting all residential, business or office districts, and on any front yard abutting a public thoroughfare. The fence or wall shall meet or exceed the height of the materials being stored, provided, however, that such fence or wall shall not be less than five (5) feet in height, and may, depending on land usage, be required to be eight (8) feet in height. The wall or obscuring fence shall be constructed in accordance with the provisions of Section 1709.
5. Any of the following uses provided they are located not less than three hundred (300) feet distant from any residential district.
 - a. Blast furnace, steel furnace, blooming or rolling mill.
 - b. Petroleum or other flammable liquids, production or refining.
 - c. Smelting or refining of metals or ores.
6. Accessory buildings and uses customarily incident to any of the above permitted uses.

(Ord. No. 242A-84, 8-6-84; Ord. No. 519-10, 6-21-10)

1401. Uses subject to special conditions.

The following uses shall be permitted subject to the conditions herein imposed:

1. Junk yards and places for the dismantling, wrecking and disposing or salvaging of the junk and/or refuse material of agricultural and automotive vehicles, paper, glass and other materials of a similar nature provided:
 - a. All ordinances of the City as applied to these activities are complied with.
 - b. The location for such facilities shall be allowed only where property abuts railroad tracks or yards.
 - c. No such use shall be allowed within two hundred (200) feet of a residential district.
 - d. Burning of materials or the burning of junk cars shall be prohibited.
2. Incinerators for the disposal or burning of garbage and/or refuse, provided all requirements of this Ordinance are complied with, and provided all other ordinances of the City are complied with. No incinerator shall be located closer than two hundred (200) feet to a residential district.
3. Activities involving storage, utilization or manufacturing of materials or products which decompose by detonation shall not be permitted within the City, except such as are approved by the Fire Marshall and subject further to all other laws and ordinances of the State of Michigan and the City of Sault Ste. Marie.
4. Mining operations, including sand, gravel, or deposits of ore and similar materials provided such operations where open pits or strip mining are conducted are adequately fenced to protect the public and shall be so operated as to allow for the reclamation of lands to a usable purpose in keeping with this ordinance.
5. Accessory structures and uses customarily incident to the above uses.

(Ord. No. 242A-84, 8-6-84)

1402. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS," limiting the height and bulk of buildings.

SECTION 10-1.15. - P-1 VEHICULAR PARKING DISTRICTS

Preamble.

The P-1 Vehicular Parking Districts are designed to accommodate the off-street parking for those uses which are not able to provide adequate space within their own district boundaries.

1500. Uses permitted.

Premises in such district shall be used only for an off-street vehicular parking area, except as otherwise provided, and shall be developed and maintained subject to such regulations as are hereinafter provided.

(Ord. No. 537-13, § 1, 8-19-13)

1501. Limitation of use.

1. The parking area shall be accessory to, and for use in connection with one or more business, research or industrial establishments, or in connection with one or more existing mixed use, professional or institutional office buildings, or institutions.
2. Parking areas associated with non-residential uses shall be used solely for parking of private passenger vehicles, for periods of less than 24 hours.
3. No signs of any kind, other than signs designating entrances, exits and conditions of use, shall be maintained on such parking area.
4. Except as otherwise provided, no building other than those for shelter of attendants shall be erected upon premises and they shall not exceed fifteen (15) feet in height.

5. Applications for P-1 District use shall be made to the Planning Commission by submitting a layout of the area requesting showing the intended parking plan.
6. Residential uses which were legally established on a parcel of land prior to that parcel being rezoned to P-1, shall be continue to be considered conforming uses.

(Ord. No. 537-13, § 1, 8-19-13)

1502. Parking layout, entrance and exit.

1. Such off-street parking lots shall be laid out, constructed, and maintained in accordance with the standards set forth in Section 1705.

1503. Minimum distances and setbacks.

1. *Side yards*—Where the P-1 District is contiguous to side lot lines of premises within a residentially zoned district, a four-foot wall, obscuring fence or landscape buffer shall be provided in accordance with the provisions of Section 1709 regarding off-street parking.
2. *Front yards*—Where the P-1 District is contiguous to a residentially zoned district which has a common frontage on the same block with residential structures, or wherein no residential structures have been yet erected, there shall be a setback equal to the required residential setback for said residential district, or a minimum of fifteen (15) feet, or whichever is the greater. That land falling between the setback line and the street shall be planted in lawn and shrubs and trees including a greenbelt area meeting the minimum requirements of Section 1709, Greenbelt and landscaping requirements. All such planting shall be maintained in a healthy, growing condition, neat and orderly in appearance.

(Ord. No. 519-10, 6-21-10)

1504. Surface of parking area.

1. The entire parking area, including parking spaces and maneuvering lanes, shall have a surfacing of concrete, bituminous paving, bituminous sealcoat, brick pavers or similar paving units or other dust-free material as approved by the City engineer. Such facilities shall be so drained as to dispose of all surface water accumulated in the parking area.
2. The parking area shall be surfaced or treated within one (1) year of the date of rezoning for P-1 Vehicular Parking use if the parking area is to serve an existing use or uses.

(Ord. No. 349-91, § 1, 4-15-91)

1505. Lighting.

All lighting used to illuminate any P-1 District off-street parking area shall not exceed twenty (20) feet in over-all height above ground level and shall be so installed as to be confined within and directed on the parking area only.

1506. Approval and modification.

1. The Board of Appeals, upon application by the property owner of the parking area, may modify the yard and wall requirements where, in unusual circumstances no good purpose would be served by compliance with the requirements of this Article [Section].
2. In all cases where a wall, obscuring fence or landscape buffer extends to an alley which is a means of ingress and egress to a parking area, it shall be permissible to end the wall, fence or buffer not more than ten (10) feet from such alley line in order to permit a wider means of access to the parking area.

3. In addition to the above requirements, such parking area shall comply with such further requirements or conditions prescribed by the Board of Appeals for the protection of the residence district abutting such parcel or parcels in which parking area is to be located.

(Ord. No. 519-10, 6-21-10)

Footnotes:

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Cross reference— *Parking, stopping and standing generally, Ch. 24 Art. III.*

SECTION 10-1.15A. - MS MARINE SERVICES DISTRICTS

Preamble.

The Marine Services Districts are designed to accommodate uses which depend upon direct access to the St. Marys River to function and/or directly serve recreational or commercial waterway users. The district regulations are designed to promote uses which utilize adjacent water resources and are aesthetically and functionally compatible with surrounding uses.

15A00. Principal uses permitted.

In a Marine Services District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses unless otherwise provided in this Ordinance:

1. Public and private marinas.
2. Recreational watercraft sales, rental, service, and seasonal storage facilities.
3. Retail businesses supplying commodities such as the sales of fishing equipment, bait, boating accessories, and other items of a similar character.
4. Water-based tour facilities.
5. Public and private recreation areas.
6. Marine provisioning and resupply services.
7. Nonrecreational watercraft docking and tie-up facilities, including public ports, together with their normal and customary accessory uses.
8. Marine fuel sales.
9. Nonrecreational watercraft repair.
10. Restaurants, taverns, or bars.
11. Private clubs and lodges.
12. Public and private campgrounds.
13. Underwater log recovery and drying.
14. Accessory buildings and uses customarily incident to any of the above permitted uses.
15. Other uses of a similar character to the above uses.

(Ord. No. 560-15, § 1, 8-3-15)

15A01. Uses subject to special conditions.

The following uses shall be permitted subject to the conditions herein imposed.

1. Seasonal nonrecreational watercraft storage.

- a. Nonrecreational watercraft removed from the water for seasonal storage shall be screened from view when located more than 100 feet to a non-waterfront property line.
2. Long-term nonrecreational watercraft storage.
 - a. Watercraft removed from the water for long-term, non-seasonal storage shall be stored within a building or screened from the view of adjacent properties and right-of-ways if stored outside.
3. Dismantling for salvage, spares, or recycling of watercraft.
 - a. All materials and equipment removed from a watercraft being dismantled shall be removed from the site or placed within a building within one calendar week of being separated from the watercraft from which it originated.
 - b. Prior to removal from the site or placement within a building, salvaged materials and equipment may be temporarily stored outside provided that it is not visible from an adjacent property or right-of-way and in no cases closer than 15 feet to a property line except when located inside of a building.
 - c. All work shall be performed in accordance with applicable state and federal environmental regulations.
4. Dredging.
 - a. Upon the completion of dewatering, uncontaminated spoil piles shall be removed from the site or graded into the existing site topography. Spoils incorporated into the existing topography shall be immediately stabilized with grass or similar suitable natural cover to minimize erosion by water and wind.
 - b. Spoils which are found to contain contaminants requiring special handling may be dewatered on site provided that the leachate is collected and disposed of off-site in compliance with all applicable state and federal regulations. Contaminated spoils shall be removed from the site within 30 days of the completion of dewatering.

(Ord. No. 560-15, § 1, 8-3-15)

15A02. Area and bulk requirements.

See [Section 10-1.16] "SCHEDULE OF REGULATIONS" limiting the height and bulk of buildings and the maximum density permitted.

(Ord. No. 560-15, § 1, 8-3-15)

SECTION 10-1.15B. - AP AIRPORT DISTRICTS

Preamble.

The AP zoning district is intended to implement the Master Plan's Airport District Future Land Use designation by providing for not only the airport and its accessory uses, but also provide for those uses which will benefit from direct runway access from property immediately adjacent to the airport.

15B00. Principal uses permitted.

In an Airport District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses unless otherwise provided in this Ordinance:

1. Airports.
2. Air passenger and freight terminals.
3. Aircraft fueling facilities.

4. Aircraft storage hangars.
5. Aircraft sales and rental.
6. Scheduled and charter flying services.
7. Aviation-related retail sales.
8. Flight instruction.
9. Aviation-related repair and maintenance facilities.
10. Motor vehicle rental operations.
11. U.S. Customs clearance offices.
12. Accessory buildings and uses customarily and incident to any of the above permitted uses.
13. Other aviation-related uses of a similar character to the above uses.

(Ord. No. 602-21, § 1, 6-21-21)

15B01. Area and bulk requirements.

See [Section 10-1.16] "Schedule of Regulations" limiting the height and bulk of buildings and the maximum density permitted.

(Ord. No. 602-21, § 1, 6-21-21)

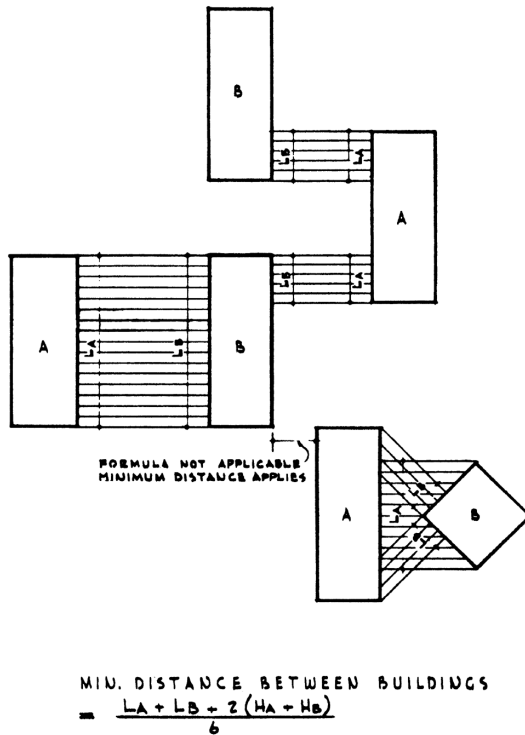
SECTION 10-1.16. - SCHEDULE OF REGULATIONS

1600. Limiting height, bulk, density and area by land use.

Use Districts	Minimum size lot for dwelling unit		Maximum height of structures		Minimum yard setback (per lot in feet)			Maximum percentage of lot coverage (area of all buildings)	
	Area in sq. ft.	Width in ft.	In stories	In feet	Front	Sides			Rear
						Least one	Total of two		
R-1 One-Family Residential	5,000	50	2	30	20(a)	3(b, c)	11(b, c)	35(m)	35
RS-1 One-Family Residential	8,400	70	2	30	20(a)	5(c)	15(c)	35(m)	35
RS-2 One-Family Residential	20,000	100	2	30	20(a)	5(c)	15(c)	35(m)	35
R-1A One-Family Residential	6,000	60	2	30	20	5(c)	15(c)	25	35

R-2 Two-Family Residential	4,000	40	2	30	20(a)	8(b, c)	16(b, c)	35(m)	35
RM-1 Multiple-Family Residential	(d, c)	(d, c)	3	40	20(h)	10(h, i)	20(h, i)	35(h, i)	35
RM-2 Multiple-Family Residential	(e, f)	(e, f)	8(j)	80(j)	20 (g, h)	10 (g, h, i)	20 (g, h, i)	35 (h, i)	40
RSV Residential Reserve	2 acres	100	2	30	20(a)	10(c)	20(c)	35	35
C-S Office-Services	—	—	2	30	—	5(k)	10(k)	10(l)	
B-1 Local Business	—	—	2	30	—	5(k)	10(k)	10(l)	—
B-2 Central Business	—	—	8	80	—	5(k)	10(k)	10(l)	—
B-3 General Business	—	—	3	40	—	5(k)	10(k)	10(l)	—
T Tourist-Service	—	—	3	40	—	5(k)	10(k)	10(l)	—
I-1 Industrial	—	—	8	85	20(a)	5(k)		10(l)	—
I-2 Industrial	—	—	—	—	—	5(k)		10(l)	—
MS Marine Services	—	—	3	40	20	5(k)	10(k)	10(l)	—
AP Airport	—	—	—	50(o)	20	5	10	100	—

(Ord. No. 249-85, 8-19-85; Ord. No. 273-87, § 1, 6-1-87; Ord. No. 307-89, § 1, 7-17-89; Ord. No. 329-90, § 1, 3-30-90; Ord. No. 410-96, § 1, 7-15-96; Ord. No. 441-99, § 2, 3-15-99; Ord. No. 560-15, § 2, 8-3-15; Ord. No. 602-21, § 2, 6-21-21)



DISTANCE SPACING FOR MULTIPLE DWELLINGS

Distance Spacing for Multiple Dwellings

NOTES TO 1600.

- (a) In a block on one side of the street fifty per cent (50%) or more occupied, the depth of the front yard need not be more than the average depth of front yards of existing buildings and in no instance less than twenty (20) feet.
- (b) Where a side yard abuts a street, the minimum width of such yard shall be five (5) feet.
- (c) Any side yard for a principal use or a use permissible on special condition allowed in this district, other than one and two family dwellings, shall not be less than one-half (½) the height of the building at the side yard.
- (d) The following minimum lot area per dwelling unit shall be provided:
 - (1) Efficiency Unit—1,100 square feet per unit.
 - (2) One Bedroom Unit—1,800 square feet per unit.
 - (3) Two Bedroom Unit—2,400 square feet per unit.
 - (4) Three Bedroom Unit—3,000 square feet per unit.
 - (5) Four Bedroom Unit—3,600 square feet per unit.
- (e) A den or extra room shall count the same as a bedroom.
- (f) The following minimum lot area per dwelling unit shall be provided:
 - (1) Efficiency Unit—600 square feet per unit.
 - (2) One Bedroom Unit—900 square feet per unit.
 - (3) Two Bedroom Unit—1,200 square feet per unit.
 - (4) Three Bedroom Unit—1,500 square feet per unit.
 - (5) Four Bedroom Unit—1,800 square feet per unit.
- (g) For buildings above three (3) stores in RM-2 Districts, the minimum yards shall be equal to the height of the

building, except that where a lot line abuts a public street, up to one-half of the width of the right-of-way may be calculated as part of the required yard setback, provided that at least forty (40) feet of the required yard setback must be located within the property lines.

- (h) In all RM-1 and RM-2 Multiple Residence Districts, the minimum distance between any two buildings shall be regulated according to the length and height of such buildings. The formula regulating the required minimum distance between two buildings is as follows:

S	=	$\frac{L/A + L/B + 2(H/A + H/B)}{6}$; where
S	=	Required minimum horizontal distance between any wall of <i>building A</i> and any wall of <i>building B</i> or the vertical prolongation of either.
L/A	=	Total length of <i>building A</i> .
		The total length of <i>building A</i> is the length of that portion or portions of a wall or walls of <i>building A</i> from which, when viewed directly from above, lines drawn perpendicular to <i>building A</i> will intersect any wall of <i>building B</i> .
L/B	=	The total length of <i>building B</i> .
		The total length of <i>building B</i> is the length of that portion or portions of a wall or walls of <i>building B</i> from which, when viewed directly from above, lines drawn perpendicular to <i>building B</i> will intersect any wall of <i>building A</i> .
H/A	=	Height of <i>building A</i> .
		The height of <i>building A</i> at any given level is the height above natural grade level of any portion or portions of a wall or walls along the length of <i>building A</i> . Natural grade level shall be the mean level of the ground immediately adjoining the portion or portions of the wall or walls along the total length of the <i>building</i> .
H/B	=	Height of <i>building B</i> .
		The height of <i>building B</i> at any given level is the height above natural grade level of any portion or portions of a wall or walls the length of <i>building B</i> . Natural level shall be the mean level of the ground immediately adjoining the portion or portions of the wall or walls along the total length of the <i>building</i> .

- (i) Any side or rear yard for a principal use or a use permissible on special condition allowed in this district, other than R-1, R-2, and Multiple-Family dwellings shall not be less than the height of the structure at the side or rear

lot line.

- (j) Buildings or parts of buildings, not exceeding two (2) per cent of the lot area may be erected to a height of one hundred (100) feet if the side yard is increased to one-third ($\frac{1}{3}$) of the height of such part at the eighty (80) foot level.
- (k) Side yards may be omitted if walls abutting a side yard comply with the applicable requirements of the State Construction Code or if the side lot line abuts a public street or alley.
- (l) If a rear yard abuts an alley, such yard may be measured from the center of the alley.
- (m) If a main building includes a structurally attached garage, the minimum rear yard setback may be twenty-five (25) feet.
- (n) For the purpose of this Ordinance, a condominium subdivision, encompassing all of the property identified in the condominium consolidating master deed, shall be considered a single lot. Development density and spacing between buildings in such a development shall be regulated as follows:
 - (1) Site condominium subdivisions composed of single-family detached buildings shall not exceed a gross density of 6.7 dwelling units per acre in the R-1 and R-1A districts and 8.4 dwelling units per acre in the R-2 district.
 - (2) The minimum distance between any two (2) buildings in a single-family condominium development shall be regulated according to the length and height of such buildings. The formula regulating the required minimum distance between two (2) buildings is set forth in footnote (h), provided, however, yard setbacks from any public roads shall be as set forth in the district in which the development is located.
- (o) Where a lesser height than fifty (50) feet is required by the approach, transitional, conical and inner horizontal surfaces which establish the height limitation under this Ordinance are denoted on the Airport Layout Plan, approved June 21, 2016, as amended, and are established in conformance with approach standards or regulations of the Michigan Aeronautics Commission (MAC) or the Federal Aviation Administration (FAA), that height shall be considered the maximum permissible. Where MAC and FAA provisions are in conflict, the most restrictive requirement will prevail. In acting upon applications for site plan review, the administering official will arrive at proper height limitations by ensuring FAA Form 7460-1 is completed with FAA determination of no hazard to aviation. Air traffic control towers are exempt from this height requirement.

(Ord. No. 307-89, § 1, 7-17-89; Ord. No. 329-90, § 1, 3-30-90; Ord. No. 417-96, § 1, 10-21-96; Ord. No. 566-16, § 1, 4-18-16; Ord. No. 602-21, § 2, 6-21-21)

1601. Subdivision open space plan.

1. The intent of the subdivision open space plan is to promote the following objectives:
 - a. Provide a more desirable living environment by preserving the natural character of open fields, stands of trees, brooks, hills and similar natural assets;
 - b. Encourage developers to use a more creative approach in the development of residential areas;
 - c. Encourage a more efficient, aesthetic and desirable use of open area while recognizing a reduction in development costs and by allowing the developer to by-pass natural obstacles on the site;
 - d. Encourage the provision of open space within reasonable distance to all lot development of the subdivision and to further encourage the development of recreational facilities.
2. Modifications to the standards as outlined in section 1600, "SCHEDULE OF REGULATIONS", may be made in the RS-1 and RS-2 one (1) family districts under the following terms and when the following conditions are met:
 - a. The lot area and width in all RS-1 and RS-2 one (1) family districts which are served by sanitary sewer may be

reduced as follows: the required lot area may be reduced by twenty (20) percent and the required lot widths may be reduced to sixty (60) feet in the RS-1 districts and reduced to eighty (80) feet in the RS-2 districts. These lot area and width reductions shall be permitted, provided that the dwelling unit density shall be no greater than if the land area to be were developed in the minimum square foot lot areas as required for the RS-1 and RS-2 one (1) family districts under section 1600, Schedule of Regulations. All calculations shall be predicated upon the districts having the following gross densities:

RS-1 = 3.82 dwelling units per acre

RS-2 = 1.79 dwelling units per acre

- b. Under the provisions of subsection 2.a., for each square foot of land gained within a residential subdivision through the reduction of lot size below the minimum requirements as outlined in section 1600, schedule of regulations, at least equal amounts of land shall be dedicated to the common use of the lot owners of the subdivision or to the City by means of a conservation easement, plat dedication, restrictive covenant, or other legal means that runs with the land under such conditions, stipulations and maintenance requirements as approved by the City.
 - c. The area to be dedicated for subdivision open space purposes shall constitute a minimum of twenty (20) percent of the parcel to be developed and in no instance be less than one (1) acre and shall be in a location and shape approved by the Planning Commission.
 - d. The land area necessary to meet the minimum requirements of this section shall not include bodies of water. All land dedicated shall be so graded and developed as to have natural drainage.
3. This plan, for reduced lot sizes, shall be permitted only if it is mutually agreeable to the City and the subdivider or developer.
 4. The development of land under this section is subject to other applicable ordinances, laws, and rules, including rules relating to suitability of groundwater for on-site water supply for land not served by public water and rules relating to suitability of soils for on-site sewage disposal for land not served by public sewers.
 5. Under this subdivision open space plan approach, the developer or subdivider shall dedicate the total open space area at the time of filing of the final plat on all or any portion of the plat or at the time of filing the master deed under a condominium subdivision.

(Ord. No. 533-12, § 1, 6-18-12)

SECTION 10-1.17. - GENERAL PROVISIONS

1700. Conflicting regulations.

Wherever any provision of this Ordinance imposes more stringent requirements, regulations, restrictions or limitations than are imposed or required by the provisions of any other law or ordinance, then the provisions of this Ordinance shall govern. Whenever the provisions of any other law or ordinance impose more stringent requirements than are imposed or required by this Ordinance, then the provisions of such law or ordinance shall govern.

1701. Scope.

No building or structure, or part thereof, shall hereafter be erected, constructed, or altered and maintained, and no new use or change shall be made or maintained of any building, structure or land, or part thereof, except in conformity with the provisions of this Ordinance.

1702. Nonconforming lots, nonconforming uses of land, nonconforming structures, and nonconforming uses of structures and premises.

1. *Intent.* Within the districts established by this Ordinance or amendments that may later be adopted there exist lots, structures, and uses of land and structures which were lawful before this Ordinance was passed or amended, but which would be prohibited, regulated, or restricted under the terms of this Ordinance or future amendment.

It is the intent of this Ordinance to permit these nonconformities to continue until they are removed. Such uses are declared by this Ordinance to be incompatible with permitted uses in the districts involved and shall not be enlarged upon, expanded or extended unless it can be conclusively shown to the Board of Appeals that such enlargement, expansion or extension will substantially improve the use and the environment of abutting uses and will not make abutting properties unusable as zoned.

To avoid undue hardship, nothing in this Ordinance shall be deemed to require a change in the plans, construction, or designated use of any building on which actual construction was lawfully begun prior to the effective date of adoption or amendment of this Ordinance and upon which actual building construction has been diligently carried on. Actual construction is hereby defined to include the placing of construction materials in permanent position and fastened in a permanent manner; except that where demolition or removal of an existing building has been substantially begun preparatory to rebuilding, such demolition or removal shall be deemed to be actual construction, provided that work shall be diligently carried on until completion of the building involved.

2. *Nonconforming lots.* In any district in which single-family dwellings are permitted, notwithstanding limitations imposed by other provisions of this Ordinance, a single-family dwelling and customary accessory buildings may be erected on any single lot of record at the effective date of adoption or amendment of this Ordinance. This provision shall apply even though such lot fails to meet the requirements for area or width, or both, that are generally applicable in the district; provided that yard dimensions and other requirements not involving area or width, or both, of the lot shall conform to the regulations for the district in which such lot is located. Variance to yard requirements may be obtained through the Board of Appeals. Where two or more lots or combinations of lots and portions of lots with continuous frontage in single ownership at the time of passage or amendment of this Ordinance, and if all or part of the lots do not meet the requirements for lot width and area as established by this Ordinance, the lands involved shall be considered to be an undivided parcel for the purposes of this Ordinance, and no portion of said parcel shall be used or occupied which does not meet lot width and area requirements as established by this Ordinance, nor shall any division of the parcel be made which leaves remaining any lot with width or area below the requirements stated in this Ordinance.
3. *Nonconforming use of land.* Where, at the effective date of adoption or amendment of this Ordinance lawful use of land exists that is made no longer permissible under the terms of this Ordinance as enacted or amended, such use may be continued, so long as it remains otherwise lawful, subject to the following provisions:
 - a. No such nonconforming use shall be enlarged or increased nor extended to occupy a greater area of land than was occupied at the effective date of adoption or amendment of this Ordinance unless it can be conclusively shown to the Board of Appeals that such enlargement, expansion or extension will substantially improve the use and the environment of abutting uses and will not be cause for making abutting properties unusable as zoned.
 - b. No such nonconforming use shall be moved in whole or in part to any other portion of the lot or parcel occupied by such use at the effective date of adoption or amendment of this Ordinance.

- c. If such nonconforming use of land ceases for any reason for a period of more than 30 days, any subsequent use conform to the regulations specified by this Ordinance for the district in which such land is located.
4. *Nonconforming structures.* Where a lawful structure exists at the effective date of adoption or amendment of this Ordinance that could not be built under terms of this Ordinance by reason of restrictions on area, lot coverage, height, yards, or other characteristics of the structure or its location on the lot, such structure may be continued so long as it remains otherwise lawful, subject to the following provisions:
 - a. No such structure may be enlarged or altered in a way which increases its nonconformity unless it can be conclusively shown to the satisfaction of the Board of Appeals that such enlargement or alteration will substantially improve the structure and the environment of abutting uses and will not be cause for making abutting properties unusable as zoned.
 - b. Should such structure be damaged by any means to an extent of more than seventy-five (75%) percent of its replacement cost at the time of damage, it shall not be reconstructed except in conformity with the provisions of this Ordinance.
 - c. Should such structure be moved for any reason for any distance whatever, it shall thereafter conform to the regulations for the district in which it is located after it is moved.
 5. *Nonconforming uses of structure and land.* If a lawful use of a structure, or of structure and land in combination, exists at the effective date of adoption or amendment of this Ordinance, that would not be allowed in the district under the terms of this Ordinance, the lawful use may be continued so long as it remains otherwise lawful, subject to the following provisions:
 - a. No existing structure devoted to a use not permitted by this Ordinance in the district in which it is located shall be enlarged, extended, constructed, reconstructed, moved or structurally altered except in changing the use of the structure to a use permitted in the district in which it is located, or unless it can be conclusively shown to the Board of Appeals that such action would substantially improve the use of structure and land and would improve the environment of abutting uses and would not be cause for making abutting properties unusable as zoned.
 - b. Any nonconforming use may be extended throughout any parts of a building which were manifestly arranged or designed for such use, and which existed at the time of adoption or amendment of this Ordinance, but no such use shall be extended to occupy any land outside such building.
 - c. If no structural alterations are made, any nonconforming use of a structure, or structure and premises, may be changed to another nonconforming use provided that the Board of Appeals, either by general rule or by making findings in the specific case, shall find that the proposed use is equally appropriate or more appropriate to the district than the existing nonconforming use. In permitting such change, the Board of Appeals may require appropriate conditions and safeguards in accord with the purpose and intent of this Ordinance.
 - d. Any structure, or structure and land in combination, in or on which a nonconforming use is superseded by a permitted use, shall thereafter conform to the regulations for the district in which such structure is located, and the nonconforming use may not thereafter be resumed;
 - e. When a nonconforming use of a structure, or structure and premises in combination, is discontinued or ceases to exist for six consecutive months, the structure, or structure and premises in combination, shall not thereafter be used except in conformance with the regulations of the district in which it is located. Structures occupied by seasonal uses shall be excepted from this provision;
 - f. Where nonconforming use status applies to a structure and premises in combination, removal or destruction

of the structure shall eliminate the nonconforming status of the land.

6. *Repairs and maintenance.* On any building devoted in whole or in part to any nonconforming use, work may be done in any period of 12 consecutive months on ordinary repairs, or on repair or replacement of non-bearing walls, fixtures, wiring or plumbing to an extent not exceeding 50 percent of the assessed value of the building, provided that the cubic content of the building as it existed at the time of passage or amendment of this Ordinance shall not be increased.

Nothing in this Ordinance shall be deemed to prevent the strengthening or restoring to a safe condition of any building or part thereof declared to be unsafe by any official charged with protecting the public safety, upon order of such official.

7. *Uses under exception provisions not nonconforming uses.* Any use for which a general exception or special condition is permitted as provided in this Ordinance shall not be deemed a nonconforming use, but shall without further action be deemed a conforming use in such district.
8. *Change of tenancy or ownership.* There may be a change of tenancy, ownership or management of any existing nonconforming uses of land, structures and premises provided there is no change in the nature or character of such nonconforming uses.

1703. Accessory buildings.

Accessory buildings, except as otherwise permitted in this Ordinance shall be subject to the following regulations:

1. Where the accessory building is structurally attached to a main building, it shall be subject to, and must conform to, all yard regulations of this Ordinance, applicable to main buildings.
2. Accessory residential buildings shall not be erected in any required yard, except a rear yard.
3. The area of an accessory building shall not exceed the ground floor area of the main building.
4. No detached residential accessory building shall be located closer than ten (10) feet to any main building.
5. No detached accessory residential building in an R-1, RS-1, RS-2, R-1A, R-2, RM-1, RM-2 or RM-3 District shall exceed fifteen (15) feet in height. Accessory buildings in all other districts may be constructed to equal the permitted maximum height of structures in said district.
6. No detached residential accessory building on a corner lot shall be located closer than fifteen (15) feet to any side or rear lot line that abuts a street right-of-way except that if the minimum front yard setback along said street is less than 15 feet, then the lesser front yard setback shall apply. No detached residential accessory building shall be located closer than five (5) feet to any side or rear lot line that abuts an alley right-of-way. In no instance shall an accessory building be located within a dedicated easement right-of-way.
7. No detached accessory building shall be located closer than three (3) feet to any side lot line or three (3) feet to any rear lot line when there is no alley or street right-of way at the side or rear.

(Ord. No. 242A-84, 8-6-84; Ord. No. 437-98, § 1, 11-16-98; Ord. No. 441-99, § 3, 3-15-99; Ord. No. 524-11, 1-7-11)

1704. Parking requirements.

There shall be provided in all districts at the time of erection or enlargement of any main building or structure, automobile off-street parking space with adequate access to all spaces.

1. Off-street parking for other than residential uses shall be either on the same lot or within four hundred (400) feet of the building it is intended to serve, measured from the nearest point of the building to the nearest point of the off-street parking lot. Ownership shall be shown of all lots or parcels intended for use as parking by the

applicant.

2. Residential off-street parking spaces shall consist of a parking strip, driveway, garage, or combination thereof and shall be located on the premises they are intended to serve and subject to the provisions of Section 1703, Accessory Buildings, of this Ordinance.
3. Any area once designated as required off-street parking shall not be changed to any other use unless and until equal facilities are provided elsewhere.
4. Two (2) or more buildings or uses may collectively provide the required off-street parking in which case the required number of parking spaces shall not be less than the sum of the requirements for the several individual uses computed separately.
5. In the instance of dual function of off-street parking spaces where operating hours of buildings do not overlap, the Board of Appeals may grant a variance.
6. The storage of merchandise, motor vehicles for sale, trucks, or the repair of vehicles is prohibited.
7. For those uses not specifically mentioned, the requirements for off-street parking facilities shall be in accord with a use which the Board of Appeals considers as being similar in type.
8. For the purposes of computing the number of parking spaces required, the definition of "usable floor area" shall govern.
9. Where off-street parking is provided through special assessments, the number of spaces required may be reduced by the Board of Appeals by that number of spaces which can be prorated to the use which was specially assessed.
10. The number of minimum parking spaces per unit of measure as required in this Ordinance shall apply fully to the erection, alteration or extension of residential uses within the developed central business area, however, the provisions of parking spaces as required in the following item may be reduced by one-half (½) the minimum required spaces for all other uses within the developed central business area, being that area zoned B-2 on the zoning district map of this Ordinance and amendments thereto.
11. Business and office buildings existing at the time of passage of this Ordinance in O-S, B-1, B-2, B-3 and T Districts shall not be required to provide parking space in addition to that provided at the time of passage of this Ordinance when remodelling or altering existing buildings; provided no increase in floor area is made. In those instances where floor areas are to be increased, parking spaces shall be provided for such increased area in accord with the provisions of this Ordinance.
12. The minimum number of off-street parking spaces by type of use shall be determined in accordance with the following schedule:

	<i>Use</i>	<i>Number of minimum parking spaces per unit of measure</i>
1.	Residential:	
	One-family	One (1) for each dwelling unit
	Two-family	One (1) for each dwelling unit

	Multiple-family	Two (2) for each dwelling unit
	Rooming houses	One (1) for the owner or resident manager and one (1) for each guest room
	Fraternities, sororities, and cooperative housing	One (1) for each one (1) bed
2.	Banks	One (1) for each three hundred (300) square feet of usable floor area
3.	Business offices or professional offices except as indicated in the following item (4)	One (1) for each four hundred (400) square feet of usable floor area
4.	Professional offices of doctors, dentists, or similar professions	One (1) for each one hundred and fifty (150) square feet of usable floor area in waiting room
5.	Retail stores except as otherwise specified herein	One (1) for each one hundred and fifty (150) square feet of usable floor area
6.	Furniture and appliance, hardware stores, household equipment repair shops, showroom of a plumber, decorator, electrician, or similar trade, shoe repair, and other similar uses	One (1) for each eight hundred (800) square feet of usable floor area
7.	Supermarkets (self-serve food stores)	One (1) for each one hundred and fifty (150) square feet of usable floor area
8.	Beauty parlor or barber shops	One (1) for each beauty or barber shop chair

9.	Mortuary (funeral) establishments	One (1) for each one hundred (100) square feet of assembly room usable floor space, parlors and slumber rooms
10.	Motor vehicles sales and service establishments	One (1) for each four hundred (400) square feet of usable floor area of sales room and one (1) for each auto service stall in the service room
11.	Pool hall or club	One (1) for each one (1) game table or one (1) for each one hundred and fifty (150) square feet of usable floor space in game rooms, or whichever is greater
12.	Bowling alleys	Four (4) for each bowling lane
13.	Establishments for sale and consumption, on the premises, of beverages, food or refreshments	One (1) for each one hundred and fifty (150) square feet of usable floor area
14.	Churches or temples	One (1) for each four (4) seats in the main unit of worship
15.	Theaters and auditoriums (except schools)	One (1) for each four (4) seats
16.	Elementary and junior high schools	One (1) for each two (2) teachers, employees, or administrators
17.	High school and college or university	One (1) for each two (2) teachers, employees, or administrators and one (1) for each ten (10) students
18.	Laundromats and coin operated dry cleaners	One (1) for each three (3) machines
19.	Dance halls, roller rinks, exhibition halls, and assembly halls without fixed seats	One (1) for each one hundred (100) square feet of usable floor area. Where legal capacity is established, one (1) for each four (4) persons of the established legal capacity
20.	Private clubs, or lodges	One (1) for each four (4) members, or one (1) for each one hundred (100) square feet of usable floor area whichever is the greater

	<i>Use</i>	<i>Number of minimum parking spaces per unit of measure</i>
21.	Hospitals	One (1) for each four (4) beds and one (1) for each two (2) employees and/or members of the staff
<u>22.</u>	Homes for the aged and convalescent homes	One (1) for each six (6) beds and one (1) for each two (2) employees and/or members of the staff
<u>23.</u>	Housing for the elderly	One (1) for each three (3) dwelling units
24.	Hotels, motels, cabins and tourist homes	One (1) for each rental unit
25.	Stadium and sports arena or similar outdoor place of assembly	One (1) for each six (6) seats or one (1) for each twelve (12) feet of benches
26.	Auto service stations	One (1) for each service stall, rack or pit; and one (1) for each one (1) single or dual gasoline pump
27.	Auto wash	Adequate waiting space shall be provided off the street right-of-way
28.	Industrial or research establishments	One (1) for each two (2) employees in the largest working shift. Space on the site shall also be provided for all construction workers during periods of plant construction.
29.	Wholesale establishments	One (1) for every one (1) employee in the largest working shift, or one (1) for every seventeen hundred (1,700) square feet of usable floor space, whichever is greater
30.	Trailer court	One (1) for each trailer site and one (1) for each employee of the trailer court.
31.	Video game arcades	One (1) for each one hundred fifty (150) square feet of usable floor area.
32.	Laser tag arenas	One (1) for each five hundred (500) square feet of usable floor area.

33.	Indoor go kart tracks	One and one-half (1.5) spaces per go kart, except spares.
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(Ord. No. 242A-84, 8-6-84; Ord. No. 352-91, § 1, 7-15-91; Ord. No. 354, § 1, 6-17-91; Ord. No. 551-14, § 1, 10-6-14)

1705. ;hg;Off-street parking space layout, standards, construction and maintenance.

Wherever the off-street parking requirements in 1704 above, require the building of an off-street parking facility, or where P-1 Vehicular Parking Districts are provided, such off-street parking lots shall be laid out, constructed and maintained in accordance with the following standards and regulations:

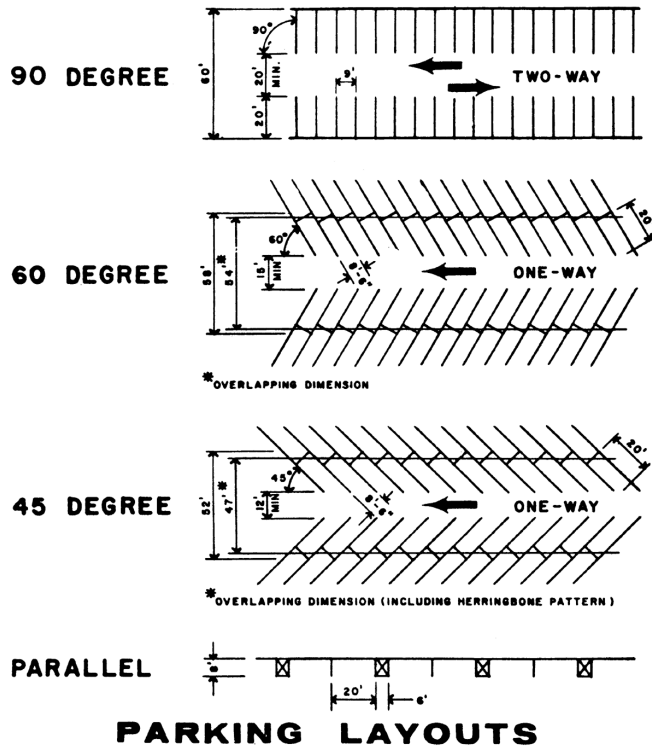
1. No parking lot shall be constructed unless and until a permit therefor is issued. Applications for a permit shall be submitted with two (2) copies of plans for the development, and construction of the parking lot showing the provisions of this section will be fully complied with.
2. Adequate ingress and egress to the parking lot shall be provided and shall receive the review and approval of the City Engineer, in order to provide for the greatest possible public safety and welfare. Such necessary directional signs and controls as are required shall be established and maintained by the owner or lessee of the parking lot.
3. All spaces shall be provided adequate access by means of maneuvering lanes.
4. Plans for the layout of off-street parking facilities shall be in accord with the following minimum requirements:

Parking pattern	Maneuvering lane width	Parking space width	Parking space length	Total width of one tier of spaces plus maneuvering lane	Total width of two tiers of spaces plus maneuvering lane
76° to 90°	20 ft.	9 ft.	20 ft.	40 ft.	60 ft.
61° to 75°	18 ft.	9 ft.	20 ft.	38 ft.	58 ft.
40° to 60°	15 ft.	9 ft.	20 ft.	35 ft.	54 ft.
0° to 45°	12 ft.	9 ft.	20 ft.	31 ft.	50 ft.
45° Herring-bone	12 ft.	9 ft.	20 ft.	—	43 ft.

5. All maneuvering lane widths shall require one-way traffic movement, with the exception of the 90° pattern where two-way movement may be permitted.
6. Off-street parking areas shall be provided with a wall, obscuring fence or landscape buffer in accordance with the specifications of minimum distance and setback requirements of the P-1 District and the provisions of Section

1709, on all sides where the next adjacent zoning district is designated as a residential district.

7. With the exception of parking spaces for one-and two-family residential dwelling units and except as provided elsewhere in this ordinance, the entire parking area, including parking spaces and maneuvering lanes, shall have a surfacing of concrete, bituminous paving, bituminous seal-coat, brick pavers or similar paving units or other dust-free material as approved by the City engineer. Such facilities shall be so drained as to dispose of all surface water accumulated in the parking area.
8. All lighting used to illuminate any off-street parking area shall not exceed twenty (20) feet in overall height above ground level and shall be so installed as to be confined within and directed on the parking area only.



(Ord. No. 349-91, § 1, 4-15-91; Ord. No. 519-10, 6-21-10)

1706. Off-street loading and unloading.

On the same premises with every building, structure or part thereof, involving the receipt or distribution of vehicles or materials or merchandise, there shall be provided and maintained on the lot, adequate space for standing, loading, and unloading in order to avoid undue interference with public use of dedicated streets or alleys. Such space shall be provided as follows:

1. All spaces in O-S, B-1, B-2 and B-3 Districts shall be provided in the ratio required in 10-1.14 [Section 10-1.16], Schedule of Regulations as minimum rear yard.
2. All spaces in I-1 and I-2 Districts shall be laid out in the dimension of at least ten by fifty feet (10'x50'), or five hundred (500) square feet in area, with a clearance of at least fourteen (14) feet in height. All spaces in I-1 and I-2 Districts shall be provided in the following ratio of spaces to gross floor area:

<i>Gross floor area (in square feet)</i>	<i>Loading and unloading space required in terms of square feet of gross floor area</i>
0—1,400	None

1,401—20,000	One (1) space
20,001—100,000	One (1) space plus one (1) space for each 20,000 square feet in excess of 20,001 square feet
100,001 and over	Five (5) spaces

1707. Conditional uses authorized by special permit.

Because the uses hereinafter referred to possess unique characteristics making it impractical to include them in a specific use district classification, they shall be permitted by the Planning Commission after the conditions specified and after public hearing notice of such hearing to be provided in accordance with the provisions of Section 1912. In every case, the uses hereinafter referred to shall be specifically prohibited from any R-1, RS-1, RS-2, R-2, RM or O-S Districts. These uses require special consideration since they service an area larger than the City and require sizable land areas, creating problems of control with reference to abutting use districts. Reference to those uses falling specifically within the intent of this section is as follows:

1. *Outdoor theaters.* Because outdoor theaters possess the unique characteristic of being used only after darkness and since they develop a concentration of vehicular traffic in terms of ingress and egress from their parking area, they shall be permitted in I-1 Districts only. Outdoor theaters shall further be subject to the following conditions:
 - a. The proposed internal design shall require approval from the Building Inspector and City Engineer as to adequacy of drainage, lighting and other technical aspects.
 - b. Points of ingress and egress shall be available to the outdoor theater from abutting major thoroughfares and shall not be available from any residential street. Approval of ingress and egress points by the City Engineer shall be required.
 - c. All vehicles, waiting or standing to enter the facility, shall be provided off-street waiting space. No vehicle shall be permitted to wait or stand within a dedicated right-of-way.
 - d. The area shall be so laid out as to prevent the movie screen from being viewed from residential areas or adjacent major thoroughfares. All lighting used to illuminate the area shall be so installed as to be confined within and directed on to the premises of the outdoor theater site.
2. *Commercial television and radio towers and public utility microwaves, and public utility T.V. transmitting towers.* Radio and television towers, public utility microwaves and public utility T.V. transmitting towers, and their attendant facilities shall be permitted in I-1 and I-2 Districts provided said use shall be located centrally on a continuous parcel of not less than one (1) time the height of the tower measured from the base of said tower to all points on each property line.
3. *Trailer courts.*^[4] Trailer courts may be permitted in the B-3 General Business Districts by the Planning Commission after it finds the use as not being contrary to the spirit and purpose of this Ordinance and subject further to the following requirements and conditions:
 - a. The land parcel being proposed for trailer courts shall be of such land area as to provide for a minimum of at least twenty-five (25) trailer coach sites and shall not exceed a maximum of seven (7) trailer coach sites per acre.
 - b. Eighty (80) percent of the trailer coach sites shall contain a minimum area of at least three thousand (3,000)

square feet, and twenty (20) percent shall contain a minimum area of at least two thousand four hundred (2,400) square feet. All such trailer site areas shall be computed exclusive of service drives, facilities, and recreation space.

- c. All trailer courts shall have access to major or secondary thoroughfares within the City by directly abutting thereon. Frontage on said thoroughfare shall be equal to at least two hundred (200) feet in width.
 - d. The trailer court shall be screened from adjacent residentially zoned properties in accordance with the provisions of Section 1709, Screening, buffering and landscaping.
 - e. All trailer court developments shall further comply with Act 243 of Public Acts of the State of Michigan, 1959, (MCL § 125.1001 et seq.) as amended, and shall further comply with all codes and ordinances of the City.
4. *Race tracks (including midget auto and karting tracks).* Because race tracks develop a concentration of vehicular traffic in terms of ingress and egress from their parking area and cause noise levels which may project beyond the property so used, they shall be permitted in the I-1 Districts when located abutting a major thoroughfare and shall be located on a parcel of land which is abutting land zoned for industrial purposes on all sides of the parcel in question, and shall be subject further to the following conditions and such other controls as the Planning Commission deems necessary to promote health, safety and general welfare in the City.
- a. All parking shall be provided as off-street parking within the boundaries of the development.
 - b. All access to the parking areas shall be provided from major thoroughfares. Approval of ingress and egress points by the City Engineer and the Chief of Police shall be required.
 - c. The race track shall be screened from adjacent residentially zoned properties in accordance with the provisions of Section 1709, Screening, buffering and landscaping.
5. *Public Utility and Railroad Facilities.* Water supply and sewage disposal plants; heating and electrical power generating plants; railroad transfer and storage yards, including freight depots or stations, loading platforms, train sheds and car or locomotive shops; railroad rights-of-way; and similar public utility (including transportation) facilities may be permitted in any nonprohibited district subject to conditions as set forth in section 1910.

(Ord. No. 116, § 10-1.17(1707), 2-5-73; Ord. No. 242A-84, 8-6-84; Ord. No. 407-96, § 1, 5-26-96; Ord. No. 441-99, § 4, 3-15-99; Ord. No. 489-06, § 1, 9-18-06; Ord. No. 519-10, 6-21-10; Ord. No. 533-12, § 1, 6-18-12)

1707.1. Specified uses subject to special conditions.

Because the uses hereinafter provided for possess unique characteristics making it impractical to include them in the specific use district classification, they shall be permitted subject to the conditions imposed for each use.

1. *Adult uses.* The nature of adult uses is such that they are recognized as having adverse secondary characteristics, particularly when they are accessible to minors and located near residential property or related residential uses such as schools, day care centers, libraries or parks, or to pedestrian-oriented businesses frequented by minors. Furthermore, the concentration of adult uses has an adverse effect upon the use and enjoyment of adjacent areas. The nature of adult uses requires that they not be allowed within certain zoning districts, or within minimum distances from each other or residential uses. Special regulation of adult uses is necessary to ensure that the adverse secondary effects would not contribute [to] or enhance criminal activity in the area of such uses nor will it contribute to the blighting or downgrading of the surrounding property and lessening of its value. As such, Adult Uses as defined in this Ordinance shall be subject to the following general provisions:

A. General Provisions.

- (1) Activities classified as obscene are not permitted and are prohibited. In no instance shall the application

or interpretation of this ordinance be construed to allow an activity otherwise prohibited by law.

- (2) Adult uses, either principal or accessory, shall be prohibited from locating in any building which is also utilized for residential purposes.
 - (3) An adult use which does not qualify as an accessory use pursuant to Section 200, "Definitions," shall be classified as an adult use—principal.
- B. Adult Use—Principal. Adult use—principal shall be permitted in the B-3, General Business Districts, subject to the conditions herein imposed:
- (1) Adult use—principal shall be located at least five hundred (500) radial feet, as measured in a straight line from the closest point of the property line of the building upon which the adult use—principal is located to the property line of:
 - (a) A residential zoning district.
 - (b) A licensed day care center.
 - (c) A public or private educational facility classified as an elementary, junior high or senior high.
 - (d) A public library.
 - (e) A public park.
 - (f) Another adult use—principal.
 - (g) Any church or church related organization.
 - (2) No adult use—principal shall be located in the same building or upon the same property as another adult use—principal.
 - (3) Adult use—principal shall adhere to the following signing regulations in addition to the sign regulations of section 1710 and the City Sign Code.
 - (a) Sign messages shall be generic in nature and shall only identify the name of business.
 - (b) Signs shall comply with the requirements of size and number for the district in which they are located.
- C. *Adult use—accessory.* Adult uses—accessory, shall be permitted in the B-3, "General Business Districts," subject to the conditions herein imposed:
- (1) Adult use—accessory shall comprise no more than ten (10) percent of the floor area of the establishment in which it is located.
 - (2) Adult use—accessory shall comprise no more than twenty (20) percent of the gross receipts of the entire business operation.
 - (3) Adult use—accessory shall not involve or include any activity except the sale or rental of merchandise.
 - (4) Adult use—accessory shall be restricted from and prohibit access to minors by the physical separation of such items from areas of general public access:
 - (a) Movie rentals. Display areas shall be restricted from general view and shall be located within a separate room, the access of which is in clear view and under the control of the persons responsible for the operation.
 - (b) Magazines. Publications classified or qualifying as adult uses shall not be physically accessible to minors and shall be covered with a wrapper or other means to prevent display of any material other than the publication title.
 - (5) Adult use—accessory shall be prohibited from both internal and external advertising and signing of adult materials and products.

(Ord. No. 450-01, § 1, 12-3-01)

1708. Performance standards.

No use otherwise allowed shall be permitted within any Use District which does not conform to the following standards of use, occupancy, and operation, which standards are hereby established as the minimum requirements to be maintained within said area:

1. *Smoke, dust, dirt and fly ash.* ^[5] It shall be unlawful for any person, firm or corporation to permit the emission or discharge of any smoke, dust, dirt or fly ash in quantities greater than prescribed in the codes and ordinances of the City.
2. *Open storage.* ^[6] The open storage of any equipment, vehicles and all materials, including wastes, shall be screened from public view, from public street and from adjacent properties by an enclosure consisting of a wall, obscuring fence or landscape buffer constructed in accordance with the provisions of Section 1709 and of a height of not less than six (6) feet to obscure such stored materials. Scrap, junk cars and other junk materials shall not be piled or stacked as open storage to a height in excess of twenty (20) feet. Dumpsters shall be screened in accordance with Section 1709.
3. *Glare and radioactive materials.* Glare from any process (such as or similar to arc welding or acetylene torch cutting) which emits harmful rays shall be performed in such a manner as not to extend beyond the property line, and as not to create a public nuisance or hazard along lot lines. Radioactive materials and wastes, and including electromagnetic radiation such as X-ray machine operation, shall not be emitted to exceed quantities established as safe by the U.S. Bureau of Standards, when measured at the property line.
4. *Fire and explosive hazards.* ^[7]
 - a. The storage, utilization or manufacture of materials or products ranging from incombustible to moderate burning, is [as] determined by the Fire Chief, is permitted, subject to compliance with all other performance standards above mentioned.
 - b. The storage, utilization, or manufacture of materials, goods, or products ranging from free or active burning to intense burning, as determined by the Fire Chief, is permitted subject to compliance with all other yard requirements and performance standards previously mentioned, and provided that the Fire Chief finds that said storage, utilization, or manufacture of goods, or products complies with the fire prevention standards in use by the City's Fire Department.

(Ord. No. 519-10, 6-21-10; Ord. No. 536-13, § 1, 7-15-13)

1709. Screening, buffering and landscaping.

Wherever in this Ordinance a greenbelt, obscuring fence, wall or planting is required, such greenbelt, obscuring fence, wall and/or planting shall be shall be constructed and/or planted in accordance with the provisions of this section.

1. *Screening requirements.*
 - a. *Off-street parking for uses other than one- and two-family residential.* A four-foot (4') high wall, obscuring fence, landscape buffer, or combination landscape buffer and berm shall be provided on all sides of the off-street parking area where adjacent property is zoned residential.
 - b. *Outdoor sale space for sale or retail of automobiles or house trailers or camp trailers.* A four-foot (4') high wall, obscuring fence, landscape buffer, or combination landscape buffer and berm shall be provided on all sides of the outdoor sales space area where adjacent property is zoned residential.
 - c. *Self-storage facilities.* A four-foot (4') high wall, obscuring fence, landscape buffer, or combination landscape

buffer and berm shall be provided on all sides of the facility where adjacent property is zoned residential.

- d. *Gasoline service stations.* A four-foot (4') high wall, obscuring fence, landscape buffer, or combination landscape buffer and berm shall be provided on all sides of the development where adjacent property is zoned residential.
- e. *Rebound tumbling facilities and similar devices.* A four-foot (4') high wall, obscuring fence, landscape buffer, or combination landscape buffer and berm shall be provided on all sides of the facility where adjacent property is zoned residential.
- f. *Outdoor storage of specified industrial uses and materials.* A six-foot (6') high wall, obscuring fence, landscape buffer, or combination landscape buffer and berm shall be provided on all sides of the designated outside storage area that abut a public street or an adjacent property.
- g. *Trailer courts.* A four-foot (4') high wall, obscuring fence, landscape buffer, or combination landscape buffer and berm shall be provided on all sides of the trailer court where adjacent property is zoned residential.
- h. *Race tracks.* A four-foot (4') high wall, obscuring fence, landscape buffer, or combination landscape buffer and berm shall be provided on all sides of the development where adjacent property is zoned residential.
- i. *Dumpsters.* A wall, obscuring fence, landscape buffer, or combination landscape buffer and berm at least four feet (4') high or the height of the dumpster, whichever is greater, shall be provided on all sides of the dumpster that face a public street or an adjacent property.

2. *Greenbelt and landscaping requirements.*

- a. *Off-street parking along a public street.* Except for one- and two-family residential uses, where off-street parking abuts a public street, a greenbelt shall be provided contiguous with the street frontage that abuts the lot, and provided with one (1) deciduous tree or evergreen tree and one (1) approved shrub per each twenty-five (25) lineal feet of street frontage or fraction thereof. Trees and shrubs may be planted anywhere along the street frontage provided that the total number are planted, each tree has a minimum bed of forty (40) square feet, with no dimension less than five (5) feet, and the distance between beds does not exceed ninety (90) feet.
- b. *Interior off-street parking.* Interior off-street parking lot landscaping is required when parking exceeds seventy-five (75) spaces. Such landscaping is required to break up the large interior expanse of the parking lot, and shall be provided at the rate of five (5) square feet per parking space. The minimum planting area shall be eighty (80) square feet with no dimension less than eight feet (8').

3. *Development standards.*

- a. *Walls.* When used to meet the screening requirements of this section, a wall shall be constructed on both sides with face brick, poured-in-place simulated face brick, precast panels having simulated face brick, other decorative masonry material or stone.
- b. *Obscuring fences.* When used to meet the screening requirements of this section, an obscuring fence shall meet the following minimum specifications:
 - (1) Fences shall be constructed of naturally durable or pressure-treated lumber or equivalent, with a minimum nominal one inch thickness and minimum nominal four- by four-inch (4 x 4) wood posts spaced not more than eight feet on centers. The finished side of the wood shall face abutting properties. Stockade fencing made up of closely fitted vertical boards with pointed tops is not permitted.
 - (2) A slatted chain link fence may be constructed in the B-3, I-1 and I-2 districts only. The fence must not exceed the ratio of one part open to six parts of solid fencing.
- c. *Landscape buffer.* When used to meet the screening requirements of this section, a landscape buffer

consisting of plant materials as specified in this section shall meet the following requirements:

- (1) The buffer may be developed with two rows of planting materials in a planting bed with a minimum width of eight feet (8').
 - (2) In the B-3, I-1 and I-2 districts, a buffer may be developed with a chain link fence with one row of planting materials on the inside and with a minimum width of three feet (3').
 - (3) The planting bed shall provide year round screening, be continuous along the screened boundary.
 - (4) The buffer must achieve a minimum opacity of at least eighty (80) percent based on the reasonable anticipated growth of the plants over a period of four years.
- d. *Berms.* Earth berms may be included as part of the required screening height, allowing for lower planting material. Side slopes of berms are not to exceed a ratio of one (1) foot rise to three (3) feet of run unless properly engineered. All slopes to be protected from erosion.

Suggested plantings that will provide the required eighty (80) percent opacity for screening alone or in combination with a berm are listed in Section 1709.1.

e. *General greenbelt plant materials.*

- (1) *Spacing of plant material (except as provided for screening in section 1709.1).*
 - (a) Plant materials shall not be closer than four feet (4) feet from the fence line or property line.
 - (b) Where planting materials are planted in two (2) or more rows, plantings shall be staggered in rows.
 - (c) Evergreen trees shall be planted not more than thirty (30) feet on centers.
 - (d) Narrow evergreens shall be planted not more than three (3) feet on centers.
 - (e) Deciduous trees shall be planted not more than thirty (30) feet on centers.
 - (f) Tree-like shrubs shall be planted not more than ten (10) feet on centers.
 - (g) Large deciduous shrubs shall be planted not more than four (4) feet on centers.
- (2) *Minimum size of plant materials (except as provided for screening in Section 1709.1).*
 - (a) *Evergreen Trees:* Juniper, Red Cedar, White Cedar, Pine, Spruce: Six (6) feet in height.
 - (b) *Narrow Evergreens:* Pyramidal Arborvitae, Columnar Juniper, Irish Juniper: Three (3) feet in height.
 - (c) *Tree-like Shrubs:* Flowering Crabs, Mountain Ash, Redbud, Rose of Sharon: Six (6) feet in height.
 - (d) *Large Deciduous Shrubs:* Honey suckle, Viburnum, Mock-orange, Forsythia, Lilacs, Ninebark: Four (4) feet in height.
 - (e) *Large Deciduous Trees:* Oaks, Hard Maples, Ash, Hackberry, Sycamore: Two inch (2") caliper.
- (3) *Trees not permitted:* Box Elder, Soft Maples (Silver Maple), Elms, Poplars (Lombardi and Cottonwood), Ailanthus (Tree of Heaven), Russian Olive.
- (4) *General planting standards:*
 - (a) All plant materials shall be healthy, suitable for the site conditions and hardy to the project area.
 - (b) Required landscape planting beds shall contain a minimum depth of twelve (12) inches of fertile topsoil and shall be protected from vehicle damage.
 - (c) All required landscape-planting beds should be top-dressed and maintained with a minimum of four-inch (4") shredded hardwood bark mulch.
 - (d) Trees and shrubs required under this section shall not be planted in a public right-of-way, nor shall they be planted under or over power lines, or underground utilities unless pre-approval in writing is

obtained from the utility.

4. *General screening, buffering and landscaping provisions.*

- a. Suitable materials equal in characteristics to the plant materials listed with the spacing as required may be provided, subject to horticultural confirmation.
- b. Required screening shall be located along the lot line except where underground utilities interfere or where this chapter requires conformance with front yard setback lines in abutting residential districts. Upon review of the site plan, the Planning Commission may approve or require an alternate location for the screening or may waive the requirements.
- c. Required screening may, upon approval of the Planning Commission be located on the opposite side of an alley right-of-way where a non-residential zone abuts a residential zone when mutually agreeable to affected property owners. The continuity of the required wall on a given block will be a consideration of the Planning Commission when making its determination.
- d. In the event of unusual conditions of a site such as unusual topography, size of the parcel to be developed, the soil or other sub-surface conditions, the presence of existing vegetation on the site that can act as partial or full screening, existing developed screening on an adjacent developed property, and other similar conditions that would make strict adherence to the requirements of this chapter serve no meaningful purpose or would make it physically impossible to install or maintain the required buffer or screen, the Planning Commission may alter these requirements as long as the existing site features and any additional buffer materials stipulated will screen the proposed use as effectively as the required buffer or screening.
- e. In cases where an adjacent residential district is considered to be an area or use in transition and will become nonresidential in the future as depicted in the Master Plan, the Planning Commission may waive or modify the screening, buffering and landscaping requirements when cause can be shown that no good purpose would be served.

(Ord. No. 519-10, 6-21-10; Ord. No. 533-12, § 1, 6-18-12)

1709.1 Suggested plantings for screening.

SUGGESTED PLANTINGS FOR MINIMUM 6' TALL LANDSCAPE BUFFER					
COMMON NAME	BOTANICAL NAME	VARIETY	SIZE AT PLANTING	SINGLE ROW SPACING (ON CENTER)	DOUBLE ROW SPACING (ON CENTER)
Eastern Red Cedar	Juniperus virginiana	Glauca	4' tall min.	4' o.c.	8' o.c. in staggered rows 4' apart
		'Manhattan Blue'		4' o.c.	
Norway Spruce	Picea abies		6' tall min.	—	8' o.c. in staggered rows 10' apart

Black Hills Spruce	<i>Picea glauca</i>	'Densata'	6' tall min.	—	8' o.c. in staggered rows 10' apart
Colorado Blue Spruce	<i>Picea pungens</i>	—	6' tall min.	—	8' o.c. in staggered rows 10' apart
Anglo Jap Yew	<i>Taxus x media</i>	'Hattfieldii'	6' tall min.	5' o.c.	10' o.c. in staggered rows 5' apart
		'Hicksii'			
Arborvitae	<i>Thuja occidentalis</i>	'Techny'	5' tall min.	3' o.c.	8' o.c. in staggered rows 4' apart

SUGGESTED PLANTINGS FOR MINIMUM 4' TALL LANDSCAPE BUFFER

Chinese Juniper	<i>Juniperus chinensis</i>	'Hetzii'	30" tall min.	4' o.c.	8' o.c. in staggered rows 4' apart
		'Wintergreen'			
Eastern Red Cedar	<i>Juniperus virginiana</i>	'Hillii'	24" tall min.	4' o.c.	8' o.c. in staggered rows 4' apart
Dwarf Alberta Spruce	<i>Picea glauca</i>	'Conica'	5' tall min.	4' o.c.	8' o.c. in staggered rows 4' apart
Arborvitae	<i>Thuja occidentalis</i>	'Techny'	3' tall min.	2' o.c.	3' o.c. staggered rows 4' apart

NOTE: ALTERNATE PLANTINGS WHEN COMBINED WITH 2' TALL EARTH BERM

COMMON NAME	BOTANICAL NAME	VARIETY	SIZE AT PLANTING	SINGLE ROW SPACING (ON CENTER)	DOUBLE ROW SPACING
Bird's Nest Spruce	<i>Picea abies</i>	'Nidiformis'	16" tall	2' o.c.	4' o.c. in staggered rows 3' between rows
Eastern Red Cedar	<i>Juniperus virginiana</i>	'Grey Owl'	16" tall	3' o.c.	6' o.c. in staggered rows 3' between rows
Chinese Juniper	<i>Juniperus chinensis</i>	'Sea Green'	16" tall	3' o.c.	6' o.c. in staggered rows 3' between rows
		'Pfitzeriana'			
		'Blue vase'			
		'Aurea'			
Dwarf Norway Spruce	<i>Picea abies</i>	'Pumila'	16" tall	3' o.c.	6' o.c. in staggered rows 4' between rows
Mugo Pine	<i>Pinus mugo</i>	—	16" tall	3' o.c.	6' o.c. in staggered rows 3' between rows
Spreading Yew	<i>Taxus x media</i>	'Dark Green'	18" tall	4 o.c.	8' o.c. in staggered rows 6' between rows
		'Densifformis'			
		'Tauntonii'			
		'Wardii'			
Holmstrup Arborvitae	<i>Thuja occidentalis</i>	'Holmstrup'	18" tall	2' o.c.	

NOTE: Plantings suggested for 4' tall landscape buffer, when used in conjunction with a 2' tall earth berm, satisfy the requirements of a 6' tall landscape berm.

(Ord. No. 519-10, 6-21-10)

1710. Signs.

Any publicly displayed sign, symbol or notice on a premise to advertise the business there transacted, or name of person or firm conducting said business on premise, or directing to some other locale, shall be regulated as follows:

1. All plans for the erection of signs shall be submitted to the City Engineer for review and approval and shall be further subject to all codes and ordinances of the City.
2. Prior to the erection of a sign in a public right-of-way or overhanging a public right-of-way, the sponsor of such sign shall receive the approval of the proper governmental agency (City, County or State) having jurisdiction over such right-of-way.
3. Billboards and signs not pertaining to the use conducted on the property on which they are located may be permitted only in I-1 and I-2 Districts.

Cross reference— Signs, Ch. 20.

1711. Condominium subdivisions.

Pursuant to the authority conferred by section 141 of Public Act 59 of 1978 (MCL 559.241), all condominium subdivisions must be reviewed by the Planning Commission to determine compliance with City development regulations.

- (1) *Information required.* Concurrently with the notice required to be given to the City pursuant to section 71 of Public Act 59 of 1978 (MCL 559.171), a person, firm or corporation intending to develop a condominium subdivision shall provide the following information with respect to the condominium subdivision.
 - a. All information required by section 66 of Public Act 59 of 1978 (MCL 559.166);
 - b. A staging plan for the project, if applicable;
 - c. A draft copy of the proposed master deed;
 - d. A site plan showing the location, size, shape, area and width of all condominium units;
 - e. Specific locations, sizes, shapes and dimensions of all condominium units, general common elements and limited common elements as such terms are defined in Public Act 59 of 1978;
 - f. A street construction, paving and maintenance plan for all private streets within the proposed condominium subdivision.
 - g. A utility plan showing all sanitary sewer, water and storm sewer lines and systems and an indication of whether these utilities are intended to be developed as part of the City utility system or as an on-site community system or systems.

All information is to be kept current and updated until such time as a certificate of occupancy has been issued.
- (2) *Site plans.* Prior to recording of the master deed required by section 72 of Public Act 59 of 1978 (MCL 559.172), the condominium project shall undergo site plan review and approval pursuant to this ordinance. In addition, the City shall require appropriate engineering plans and inspections prior to the issuance of any certificates of occupancy.
- (3) *Monuments required.* All condominium projects which consist in whole or in part of condominium units which are building sites, mobile home sites or recreational sites shall be marked with monuments demarcating proposed ownership boundaries.

- (4) *Streets and roads.* All streets and roads in a single-family or two-family condominium project intended to be dedicated public streets shall meet the design and construction standards set forth in articles VI and VII of the City subdivision regulations (chapter 23 of the City Code). All streets intended to be private shall be developed to construction, align geometric specifications established by the engineering department as will insure adequacy of public safety access.
- (5) *Utilities.* All utilities proposed to develop and granted to the City shall be constructed to City specifications.
- (6) *Easements.* The condominium subdivision plan shall include all necessary easements granted to the City for the purpose of operating and providing public utilities.
- (7) *Review.* In its review, the Planning Commission may require such easements, road dedications and public improvements as are required to provide for continuity of utility, street and circulation systems, and to meet the public health, safety and welfare.

(Ord. No. 416-96, § 1, 10-21-96; Ord. No. 533-12, § 1, 6-18-12)

1712. Residential fences, walls, and similar protective barriers.

Fences, walls and similar protective barriers which are accessory to residential dwelling units are permitted subject to the following provisions.

1. Fences, walls and similar protective barriers located within a side or rear yard shall not exceed six (6) feet in height.
2. Fences, walls and similar protective barriers shall not be located in the front yard except as follows:
 - a. Fences up to four (4) feet in height and of no more than seventy (70) percent solid construction with open spaces spread uniformly over the entire length may be located in the front yard.
3. For the purposes of this section, in the case of double frontage lots, the entire front yard at the front of the main structure and also the required front yard setback area at the rear of the main structure shall be considered front yards, subject to the provisions of subsection 2. Any additional yard area at the rear of the main structure shall be considered a rear yard.
4. For the purposes of this section, in the case of lots fronting on both a street and the St. Mary's River, the entire yard area between the main structure and the river and also the required front yard setback area along the street shall be considered front yards, subject to the provisions of subsection 2. Any additional yard area along the street shall be considered a rear yard.
5. For the purposes of this section, in the case of corner lots, the side and rear lot areas between the main building setback line and the street or within twenty (20) feet of the street, whichever distance is less, shall be considered front yards, subject to the provisions of subsection 2.
6. Fences, walls and similar protective barriers up to twenty-five (25) feet in total length which are designed to serve as privacy screens and are located in the side or rear yard at least eight (8) feet from any property line may be up to eight (8) feet in height.
7. No fences, walls and similar protective barriers above a height of three (3) feet from the established street grades shall be permitted within the triangular area formed at the intersection of any street right-of-way lines by a straight line drawn between said right-of-way lines at a distance along each line of twenty-five (25) feet from their point of intersection.
8. Fences, walls and similar protective barriers shall not in any way obstruct or encroach upon any public street, sidewalk, or alley right-of-way.
9. Fences, walls and similar protective barriers shall not contain sharp-pointed materials, barbed wire, electric

current or charge of electricity.

10. All height dimensions are measured from the surface on the ground. Height measurement may exclude up to two (2) inches for open space between the bottom of a fence panel and the ground surface in most areas and up to six (6) inches for open space between the bottom of a fence panel and the ground in the occasional area of noticeably uneven ground. The height measurement may also exclude up to four (4) inches for decorative post tops.

(Ord. No. 425-97, § 1, 5-19-97; Ord. No. 531-12, 1-3-12)

1712.1. Commercial fences, walls, and similar protective barriers.

Fences, walls, and similar protective barriers within the O-S, B-1, B-2, B-3, and T districts are permitted subject to the following provisions.

1. Fences, walls, and similar protective barriers located within a side or rear yard shall not exceed six (6) feet in height.
2. Fences, walls, and similar protective barriers shall not be located in the front yard except as follows:
 - a. Fences up to four (4) feet in height and of no more than seventy (70) percent solid construction with open spaces spread uniformly over the entire length may be located in the front yard.
3. Fences, walls, and similar protective barriers shall not be located within five (5) feet of a property line which is immediately adjacent to an improved public street or alley.
4. Fences, walls, and similar protective barriers installed for the purposes of securing the perimeter of an active construction or demolition site, undeveloped parcel, or lands which contain otherwise hazardous conditions, may be secured by a perimeter fence not to exceed six (6) feet in height. The setback requirements in subsection 3 shall not apply.
5. Fences, walls, and similar protective barriers installed for the purposes of securing seasonal outdoor or semi-outdoor retail spaces which are subordinate to a larger, adjacent indoor retail space may be enclosed by a fence not to exceed eight (8) feet in height when such fence is more than ten (10) feet from a property line. When within ten (10) feet of a property line, the height of the fence shall be limited to six (6) feet.
6. No fences, walls, and similar protective barriers above a height of three (3) feet from the established street grades shall be permitted within the triangular area formed at the intersection of any street right-of-way lines by a straight line drawn between said right-of-way lines at a distance along each line of twenty-five (25) feet from their point of intersection.
7. Fences, walls, and similar protective barriers shall not in any way obstruct or encroach upon any public street, sidewalk, or alley right-of-way.
8. All height dimensions are measured from the surface on the ground. Height measurement may exclude up to two (2) inches for open space between the bottom of a fence panel and the ground surface in most areas and up to six (6) inches for open space between the bottom of a fence panel and the ground in the occasional area of noticeably uneven ground. The height measurement may also exclude up to four (4) inches for decorative post tops.
9. Except as otherwise provided in subsection 10, barbed wire is only permitted within the B-3 district and shall be subject to the following provisions:
 - a. Not more than three (3) strands of barbed wire may be installed.
 - b. Barbed wire may only be installed in a horizontal orientation.

- c. The distance between the outer-most strands may not exceed two (2) feet.
 - d. Where a fence utilizing barbed wire is within ten (10) feet of a property line, the barbed wire may only project vertically or toward the interior of the enclosure.
 - e. Only common barbed wire is permitted. Razor wire, concertina wire, and their equivalents are prohibited.
 - f. The bottom strand of barbed wire may not be less than six (6) feet above the established grade.
 - g. For the purposes of determining the overall height of a fence, barbed wire sections shall not be considered.
10. Barbed wire may be permitted within the O-S, B-1, B-2, and T districts to discourage unauthorized access to critical infrastructure sites operated by utility providers including, but not limited to, electrical substations, water towers/booster stations, and sewage lift stations. Such sites utilizing barbed wire shall otherwise adhere to the provisions of subsection 9. Wireless telecommunications facilities shall be subject to the provisions of Section 23.5, Article V.
11. Fences, walls, and similar protective barriers shall not contain electric current or charge of electricity.

1712.2. Industrial and Marine Services fences, walls, and similar protective barriers.

Fences, walls, and similar protective barriers within the I-1, I-2, and MS districts are permitted subject to the following provisions.

1. Fences, walls, and similar protective barriers located within a side or rear yard shall not exceed eight (8) feet in height.
2. Fences, walls, and similar protective barriers shall not be located in the front yard except as follows:
 - a. Fences up to six (6) feet in height may be located in the front yard.
3. Fences, walls, and similar protective barriers shall not be located within five (5) feet of a property line which is immediately adjacent to an improved public street or alley.
4. Fences, walls, and similar protective barriers installed for the purposes of securing the perimeter of an active construction or demolition site, undeveloped parcel, or lands which contain otherwise hazardous conditions, may be secured by a perimeter fence not to exceed six (6) feet in height. The setback requirements found in subsection 3 shall not apply.
5. Fences, walls, and similar protective barriers installed for the purposes of securing seasonal outdoor or semi-outdoor retail spaces which are subordinate to a larger adjacent indoor retail space may be enclosed by a fence not to exceed eight (8) feet in height when further than ten (10) feet from a property line. Within ten (10) feet of a property line, the height shall be limited to six (6) feet.
6. Fences, walls, and similar protective barriers installed for the purposes of securing open storage areas may be enclosed by a fence not to exceed ten (10) feet in height when located further than ten (10) feet from a property line. When located within ten (10) feet of a property line, the height shall be limited to eight (8) feet.
7. No fences, walls, and similar protective barriers above a height of three (3) feet from the established street grades shall be permitted within the triangular area formed at the intersection of any street right-of-way lines by a straight line drawn between said right-of-way lines at a distance along each line of twenty-five (25) feet from their point of intersection.
8. Fences, walls, and similar protective barriers shall not in any way obstruct or encroach upon any public street, sidewalk, or alley right-of-way.
9. All height dimensions are measured from the surface on the ground. Height measurement may exclude up to two (2) inches for open space between the bottom of a fence panel and the ground surface in most areas and up to six (6) inches for open space between the bottom of a fence panel and the ground in the occasional area of

noticeably uneven ground. The height measurement may also exclude up to four (4) inches for decorative post tops.

10. The installation of barbed wire shall be subject to the following provisions:
 - a. Not more than three (3) strands of barbed wire may be installed.
 - b. Barbed wire may only be installed in a horizontal orientation.
 - c. The distance between the outer-most strands may not exceed two (2) feet.
 - d. Where a fence utilizing barbed wire is within ten (10) feet of a property line, the barbed wire may only project vertically or toward the interior of the enclosure.
 - e. Only common barbed wire is permitted. Razor wire, concertina wire, and their equivalents are prohibited.
 - f. The bottom strand of barbed wire may not be less than six (6) feet above the established grade.
 - g. For the purposes of determining the overall height of a fence, barbed wire sections shall not be considered.
 - h. Wireless telecommunications facilities shall be subject to the provisions of Section 23.5, Article V.
11. Fences, walls and similar protective barriers shall not contain electric current or charge of electricity.

(Ord. No. 570-17, § 1, 3-6-17)

1713. Accessory small wind energy turbines.

Accessory small wind energy turbines are wind energy systems as defined in Section 200(cb) [Definitions]. Accessory small wind energy turbines are permitted in all districts subject to the following requirements:

1. *Manufacture and installation:* Accessory small wind energy turbines shall be commercially manufactured units and must be installed by an authorized manufacturer's representative, certified technician, or under the supervision of a registered engineer.
2. *Maximum nameplate capacity:* The nameplate capacity of maximum output shall not exceed twenty (20) kilowatts for tower-mounted accessory small wind energy turbines or ten (10) kilowatts for structure-mounted accessory small wind energy turbines.
3. *Maximum number of turbines per site:* No more than one (1) tower-mounted accessory small wind energy turbine or two (2) structure-mounted accessory small wind energy turbines may be installed on any one (1) site.
4. *Maximum height:* The height of a tower-mounted small wind energy turbine shall not exceed sixty-five (65) feet. The height of a structure-mounted small wind energy turbine shall not exceed fifteen (15) feet above the highest point of adjoining roof or structure, excluding chimneys, antennae or similar features. Tower-mounted small wind energy turbines more than thirty (30) feet to sixty-five (65) feet in height shall be considered a conditional or special land use subject to the general conditions and process set forth in Section 1910.
5. *Location and setbacks:* Tower-mounted small wind energy turbines shall be located in the rear yard. A minimum setback equal to the height of the tower-mounted small wind energy turbine shall be required from any property line, public right-of-way, public easement or overhead utility lines.
Structure-mounted small wind energy turbines shall be set back from any property line, public right-of-way, public easement or overhead utility lines a minimum distance of the height of the wind energy system including the top of the blade in its vertical position as measured from where the turbine is attached to the structure.
6. *Clearance:* The lowest extension of any rotor blade or other exposed moving component of a tower-mounted or structure-mounted small wind energy turbine shall be at least fifteen (15) feet above the ground, as measured from the highest point of grade within thirty (30) feet of the base of the small wind energy turbine, and also

above the floor level of any outdoor habitable areas such as balconies, porches or decks.

7. *Appearance standards:* Tower-mounted small wind energy turbines shall be of monopole design and shall not include guy wires or similar apparatus. Accessory small wind energy turbines shall not contain signage, banners, flags or advertising logos except for the identification of the turbine manufacturer and unit specifications for regulatory purposes. Exterior lighting shall be permitted only to meet FAA mandatory requirements.
8. *Construction and performance standards:* Accessory small wind energy turbines shall meet the following construction and performance standards:
 - a. *[Standards:]* Small wind energy turbines shall conform to all applicable state construction and electrical codes and local building permit requirements.
 - b. *[Control systems:]* Accessory small wind energy turbines shall include an automatic braking, governing or feathering system in order to prevent uncontrolled rotation, over speeding or excessive pressure on the turbine.
 - c. *Vibration limits:* An accessory small wind energy turbine shall not produce vibrations that are perceptible to a reasonable person of normal sensibilities beyond any property line of the site upon which it is located.
9. *Building permit required:* Accessory small wind energy turbines shall require the issuance of a building permit. The building permit application must include a scaled site layout plan, turbine specifications, and any other information necessary for the administrating official to determine that the proposed wind turbine installation will meet the requirements of this section. The wind turbine must be installed and operational within six (6) months of the issuance of a building permit.
10. *Minimum site size:* The site, as defined in Section 200(cb) above, where an accessory small wind energy turbine is installed shall be a minimum of two (2) acres in size.

Provided all other requirements of Section 1713 are met, a site of less than two (2) acres in size may be permitted if the owners, as identified in the City Assessor's records, of all adjacent properties, as defined in Section 200(bx), consent in writing to the installation of the proposed wind turbine on a site less than two (2) acres in size.

Upon determination that a building permit application for installation of an accessory small wind energy turbine on a site less than two (2) acres in size meets all other requirements, the administrating official shall notify the adjacent property owners of the applicant's request and include copies of the proposed site layout plan and turbine specifications.
11. *Annual inspection, maintenance and repair certification:* The owner shall notify the administrating official of the date the wind turbine becomes operational. Beginning one (1) year after this date, the owner must submit documentation annually to the administrating official that the turbine has been inspected, maintained, repaired as necessary, and determined to be fully operating in good working order by a certified manufacturer or installer's representative or other qualified technician.

If such annual documentation is not submitted, the administrating official shall notify the owner in writing. If the owner does not submit the necessary documentation to the administering official within three (3) months of receipt of initial notification, the wind turbine shall be considered to be at the end of its useful life.
12. *Decommissioning:* An accessory small wind energy turbine shall be decommissioned within six (6) months after the end of its useful life at the expense of the current property owner. If decommissioning does not take place within this six-month time period, the accessory small wind energy turbine shall thereafter be considered a public nuisance subject to abatement as provided by law.

Footnotes:

--- (4) ---

Editor's note— *Mobile homes, Ch. 17.*

--- (5) ---

Cross reference— *Air pollution prevention control, Ch. 4.*

--- (6) ---

Cross reference— *Garbage, rubbish, litter, junk, Ch. 13.*

--- (7) ---

Cross reference— *Fire prevention and control, Ch. 12.*

SECTION 10-1.18. - GENERAL EXCEPTIONS

1800. Area, height and use exceptions.

The regulations in this Ordinance shall be subject to the following interpretations and exceptions:

1. *Essential services.* Essential services shall be permitted as authorized and regulated by law and other ordinances of the City; it being the intention hereof to exempt such essential services from the application of this Ordinance.
2. *Voting place.* The provisions of this Ordinance shall not be construed as to interfere with the temporary use of any property as a voting place in connection with a municipal or other public election.
3. *Height limit.* The height limitations of this Ordinance shall not apply to chimneys, church spires, flag poles, public monuments or wireless transmission towers, television towers (not including commercial uses); provided, however, that the Board of Appeals may specify a height limit for any such structure when such structure requires authorization as a use permitted on special condition or under 1507 [subsection 1707] of this Ordinance.
4. *Lots adjoining alleys.* In calculating the area of a lot that adjoins a dedicated alley or line, for the purpose of applying lot area requirements of this Ordinance, one-half (½) the width of such alley abutting the lot shall be considered as part of such lot.
5. *Yard regulations.* When yard regulations cannot reasonably be complied with, as in the case of a planned development in the multiple-family district, or where their application cannot be determined on lots existing and of record at the time this Ordinance became effective, and on lots of peculiar shape, topography, or due to architectural or site arrangement, such regulations may be modified or determined by the Board of Appeals.
6. *Multiple dwelling side yard.* For the purpose of side yard regulations, a two-family, a terrace, a row house, or multiple dwelling shall be considered as one (1) building occupying one (1) lot.
7. *Projections into required open spaces.*
 - a. Outside stairways, fire escapes, vestibules, balconies, bay windows and similar projections from the face of a building extending more than four (4) feet above the established grade shall be considered part of the building and shall not extend into any required yard or open space.
 - b. Obscuring fences, not exceeding six (6) feet in height on the side yard and six (6) feet in height on the rear yard may occupy a required side yard or rear yard.
 - c. Walls, chimneys or other obstructions more than four (4) feet above the established grade required for the proper maintenance of the land, may occupy parts of the side yard but may not extend more than sixteen (16) inches.

- d. Accessory buildings not over one story or 15 feet in height may occupy part of the rear yard but not a side yard. occupancy shall not exceed 40% of the total rear yard in a residential district. Accessory buildings attached to the building shall be treated as a principal building. In a business district or industrial district, accessory buildings, if dwelling purposes, may occupy only the ground the principal building is permitted to occupy.
- e. Unenclosed vehicle storage or loading space may occupy parts of a side or rear yard and the area thus used shall not be computed in the total percentage of lot occupancy as long as it remains unenclosed.
- f. Structures four (4) feet in height or less shall not be considered in computing maximum percent of lot coverage in residential districts.
- g. An unenclosed terrace or porch not more than two (2) feet high may project into a front yard for a distance not to exceed six (6) feet and may include a fixed canopy or awning but this shall not be interpreted to include enclosed sides from the floor to the roof.
- h. Unenclosed travel trailer storage for not exceeding one (1) such travel trailer may occupy parts of a rear yard of a lot in a residential district and the area thus used shall not be computed in the total percentage of lot occupancy as long as it remains unenclosed.
- i. No person shall install a fire escape on the street facade of a building in any district; provided, however that in cases where exceptional conditions relating to the building are present which would result in undue hardship or exceptional practical difficulties as to the use of the property, the Zoning Board of Appeals may grant a variance in accordance with the provisions of section 2003(3) upon sufficient and compelling evidence of such undue hardship or exceptional practical difficulty.
- j. Uncovered decks, porches and associated stairways to ground level may be constructed within the front setback as a means to provide access to the front entry of a dwelling unit subject to the following standards:
 - 1. Decks shall not project into the front yard more than six (6) feet, as measured from the immediately adjacent front wall of the dwelling, or three (3) feet from the front property line, whichever is less.
 - 2. The total width of a deck constructed under this provision may not exceed the width of the dwelling, or twenty (20) feet, whichever is less.
 - 3. The height of the deck floor shall be less than or equal to the finished floor level of the dwelling as measured at the front entry door.
 - 4. Decks constructed under this provision shall not be covered nor enclosed except as provided in subsection (k) of this Section.
 - 5. Where variations in the front façade of a dwelling result in the creation of independent deck sections, the deck sections may be connected by walkways not exceeding three (3) feet in width.
 - 6. For the purposes of calculating the average front yard setback, in accordance with Section 1600, Note (a), decks landings and stairways constructed under this provision shall not be considered.
- k. To provide for protection from the elements, landings constructed pursuant to the provisions of subsection (j) of this Section may be protected with a roof or canopy no wider than five (5) feet. Such roof or canopy shall not project more than three (3) feet from the front wall of the dwelling and shall not be supported by means other than attachment to the building.

(Ord. No. 240-83, § 1, 11-7-83; Ord. No. 365-92, § 1, 4-20-92; Ord. No. 544-14, § 1, 1-6-14; Ord. No. 586-18, § 1, 11-19-18)

SECTION 10-1.19. - ADMINISTRATION

1900. Administering officer.

The provisions of this Ordinance shall be administered by the City Manager, or by such deputies of his office as he may delegate for such work. He shall make general rules and prescribe the use of such forms and methods consistent with the intent of the Ordinance as may facilitate the work.

(Ord. No. 362-91, § 1, 12-16-91)

1901. Records.

A record of each certificate of occupancy issued or applied for and each application for a building permit issued or applied for shall be kept on file in the department and such record shall be available at all times.

(Ord. No. 362-91, § 1, 12-16-91)

1902. Building permit.

No building permit shall be issued for the erection of or alteration to any structure or part thereof which is not in accordance with the provisions of this Ordinance.

(Ord. No. 362-91, § 1, 12-16-91)

1903. Certificate of occupancy.

No structure shall be occupied nor land used until a certificate of occupancy has been issued for such occupancy or use, which occupancy of use shall be in compliance with the provisions of this Ordinance. No structure or use shall be changed until a certificate has been issued for the changed structure or use.

(Ord. No. 362-91, § 1, 12-16-91)

1904. Performance guarantees.

In lieu of completing certain site improvements that are required by the provisions of this Ordinance in order to obtain a Certificate of Occupancy, a performance guarantee, as set forth below, may be deposited with the City. Such performance guarantee will provide assurance that the specified improvements will be accomplished and, upon the deposit of the guarantee, a Temporary Certificate of Occupancy may be issued. The City may also require that certain temporary improvements be completed as a condition for issuing a Temporary Certificate of Occupancy.

1. *Scope of improvements.* A performance guarantee may be deposited to insure completion of specific site improvements required as a condition of a proposed use as stipulated in any of the provisions of this Ordinance or as may be required as a condition of Site Plan Review or Conditional Use approval. Such improvements may include any or all of the following: surfacing of parking areas, lighting improvements, sidewalks, fences, greenbelt screening, walls, landscaping, utilities and/or drainage improvements.
2. *Form of the performance guarantee.* Performance guarantee shall mean a cash deposit, certified check, or irrevocable bank letter of credit. Such performance guarantee shall be in an amount sufficient to cover the estimated cost of the designated improvements and shall be deposited with the Clerk of the City of Sault Ste. Marie to insure faithful completion of the designated improvements. The amount of the guarantee shall be sufficient to insure completion of the specified improvements and shall be initially determined by the applicant, but subject to final verification or determination by the administering official. Upon deposit of the performance guarantee the City shall cause the guarantee to be placed in an interest-bearing account with the interest accruing to the applicant.
3. *Rebates.* At the minimum, the City shall rebate to the applicant fifty (50) percent of the deposited funds when fifty (50) percent of the required improvements are completed as confirmed by the administering official, and

the remaining fifty (50) percent when the designated improvements are completed in accordance with the approved plans. An accelerated rebate schedule is permitted if both the applicant and the administering official agree, provided that there are always sufficient funds left in the performance guarantee deposit to insure completion of the designated improvements.

4. *Default.* If the improvements for which the performance guarantee has been deposited have not been completed with sixty (60) days of the date of the issuance of the Temporary Certificate of Occupancy, then the applicant shall be deemed to have forfeited the performance guarantee. The time period of November 15 through April 15, inclusive, shall not be counted in the calculation of required time period for completion of the improvements. The sixty (60) days may be extended for good cause at the sole discretion of the administering official.
5. *Completion of improvements by City.* In the event the applicant defaults in making the improvements for which the performance guarantee was required, the City shall have the right to use the performance guarantee to complete the improvements through contract or otherwise, including specifically, the right to enter upon the subject property to make the improvements. Should the City use the performance guarantee or portion thereof, to complete the required improvements, any amounts remaining after said completion shall be applied first to the City's administrative costs in completing the improvements, with any balance remaining being refunded to the applicant.
6. *Agreement required.* At the time the performance guarantee is deposited with the City, the applicant shall enter into an agreement incorporating the provisions hereof with the City regarding the performance guarantee.

(Ord. No. 362-91, § 1, 12-16-91)

1905. Certificates for dwelling accessory buildings.

Buildings accessory to dwellings shall not require separate Certificates of Occupancy but may be included in the Certificate of Occupancy for the dwelling when constructed at the same time as such dwelling.

(Ord. No. 362-91, § 1, 12-16-91)

1906. Application for Certificate.

Application for Certificate of Occupancy shall be made in writing to the administering official on forms furnished by him, and such Certificates shall be issued within seven (7) days after receipt of such application if the official determines that the building or structure, or part thereof, or the use of land is in compliance with the provisions of this Ordinance.

If such Certificate is refused for cause, the applicant shall be notified in writing of such refusal and cause thereof, within the aforesaid seven-day period.

(Ord. No. 362-91, § 1, 12-16-91)

[1907—1909. Reserved.]

1910. Conditional uses, exceptions and special land uses.

There are some uses which may be compatible with principal permitted uses in specific zoning districts if certain conditions are met. The Planning Commission shall review each such use to determine whether the conditions so identified, and the general conditions listed below, have been met. Upon a determination that conditions have been satisfied, a conditional use permit shall be issued.

1. *General conditions.* The Planning Commission shall review each conditional use and may attach such conditions as deemed necessary to ensure that:

- a. The use is so located and arranged on the site as to avoid undue noise and other nuisances and dangers;
 - b. The development of the use is such that the proper use and enjoyment of adjoining property is not significantly impaired;
 - c. The size and scale of the use is such that existing public services and facilities are adequate to serve the proposed use;
 - d. The specific development proposal is consistent and in harmony with the master plan, the surrounding land uses and the zoning ordinance;
 - e. The granting of the conditional use will not be harmful to the public safety, health or welfare.
2. *Application.* An application for a conditional use permit shall be filed in writing with the Administrating Officer, and verified by the owner. The application shall include the following information:
- a. Name, address, and telephone number of the person seeking the conditional use;
 - b. Legal description of the land;
 - c. A detailed description of the proposed use and a description of neighboring land use including any map and graphics;
 - d. A detailed site plan, to scale, showing property line dimensions; existing and proposed structures, drives parking areas, streets, alleys, sidewalks, walls, fences and landscaping; the size and location of all utility and the existing and proposed drainage systems.
 - e. A fee payable to the City of Sault Ste. Marie shall accompany an application for a conditional use permit. The fee amount shall be as established or as change from time to time by the City Commission.
3. *Procedure.* If the application is complete, the administrating officer shall schedule a public hearing and provide notice of such hearing in accordance with the provisions of section 1912.
- a. At the hearing, the applicant may present his proposal and the public shall be heard.
 - b. Conditions as may be attached to the approval of a conditional use shall be binding and failure to meet the conditions shall be deemed a violation of this section.
 - c. The decision on a conditional use shall be incorporated in a statement of findings and conclusions relative to the request under consideration.
 - d. The decision by the Planning Commission shall be final, except that an aggrieved party may appeal a decision to the Board of Appeals under its jurisdiction of administrative review.
4. *Permit; expiration, extension.* A conditional use permit expires six (6) months after Planning Commission action if no building permit is obtained. The Commission may grant time extensions upon a finding that circumstances have not changed sufficiently to warrant reconsideration of the approval of the conditional use. No public hearing shall be required prior to granting a time extension.

(Ord. No. 242A-84, 8-6-84; Ord. No. 375-93, § 1, 6-21-93; Ord. No. 489-06, § 1, 9-18-06; Ord. No. 533-12, § 1, 6-18-12)

1911. Site plan review.

In order to determine compliance with the provisions of this Ordinance and to ensure that public services and facilities affected by a proposed land use or development will be capable of accommodating increased service and facility loads, to protect the natural environment and conserve natural resources and energy, to ensure compatibility with adjacent uses of land and to promote the use of land in a desirable manner, a site plan shall be required as set forth below. No land use or development for which a site plan is required shall commence construction, nor shall any building permit be issued, until the site plan has been reviewed and approved by the Planning Commission or the administrating official.

1. *When required.* A site plan shall be submitted to the City for approval of:
 - a. Any land use or development for which the submission of a site plan is required by any provision of this Ordinance.
 - b. Any land use or development, except single-family and two-family dwellings, for which off-street parking areas are required.
 - c. Any land use or development for which an obscuring fence, wall or greenbelt is required.
 - d. All site condo and condominium subdivisions developed pursuant to the Condominium Act.
 - e. Any expansion of or change in an existing land use if more parking in addition to that already provided is required.
2. *Application.* Five (5) copies of a site plan containing the following information shall be submitted for review.
 - a. A scale of not less than fifty (50) feet to the inch if the property is less than three (3) acres in size and one hundred (100) feet to the inch if the property is three (3) acres or more.
 - b. Date, northpoint and scale.
 - c. The dimensions of all lot and property lines, showing the relationship of the subject property to abutting properties.
 - d. The location of all existing and proposed structures on the subject property and all existing structures within one hundred (100) feet of the subject property.
 - e. The location, dimensions, and details of all existing and proposed drives, parking areas, loading and unloading areas, signs, curb cuts, lighting, access easements, trash receptacles, streets, alleys, sidewalks, walls, fences, required landscaping, and other associated site features.
 - f. The size and location of all existing and proposed public and private utilities.
 - g. Location and method for collecting and disposing of surface water drainage.
 - h. A legal description of the land included in the site plan.
 - i. The name, address and telephone number of the owner, developer and designer, together with a signed statement that the applicant is the owner of the property or officially acting on the owner's behalf.
 - j. Any other information necessary to establish compliance with this Ordinance.
3. *Major projects; procedure.* All developments greater than three thousand five hundred (3,500) square feet of structure, or larger than two (2) acres in size, or which are adjacent to or within a single-family or two-family residentially zoned district, and exceed two thousand (2,000) square feet of structure, or which are regulated as conditional uses in this Ordinance, are considered major projects which require review and action by the Planning Commission pursuant to the requirements below. If the application is complete, the administrating official shall place the site plan on the next Planning Commission meeting agenda.
 - a. The Planning Commission shall review the site plan in accordance with the provisions of this Ordinance. Each site plan shall comply with the "Standards for Granting a Site Plan Approval" as described in subsection 5 below.
 - b. The Planning Commission shall obtain recommendations from such appropriate City departments as may be required in order to determine compliance with such ordinances and standards administered by such respective department.
 - c. The Planning Commission may take any of the following actions with regard to a site plan review.
 1. *Approval:* If the site plan is in compliance with all provisions of this Ordinance and the particular

provisions of this section, the Planning Commission shall approve the site plan.

2. *Conditional approval:* If the site plan is in substantial compliance with all provisions of this Ordinance and section and can be modified to be brought into full compliance, the Planning Commission may conditionally approve the site plan, with the provisions that no building or development permits may be issued until the plan has been modified in accordance with the conditions. Conditions as may be attached to the approval of a site plan shall be binding, and failure to meet these conditions shall be deemed a violation of this Ordinance.
 3. *Denial:* If the site plan is not in compliance with all the provisions of this ordinance and section the Planning Commission shall deny the site plan.
- d. All site plans shall be acted upon within forty-five (45) days of receipt of a complete application meeting the requirements set forth in subsection 2 above.
 - e. Upon action by the Planning Commission, the plans shall be marked with the action of the Commission, signed by the Chairman, and distributed to the Building Department for filing and one (1) copy returned to applicant.
 - f. The decision by the Planning Commission shall be final, except that any aggrieved party may appeal a decision to the Zoning Board of Appeals under its jurisdiction of administrative review. The appeal must be filed within twenty-one (21) days of formal notice of the decision and shall state the factual basis for the appeal. An appeal shall stay action on the issuance of any permit pursuant to an approved site plan. The Zoning Board of Appeals shall review the record of action taken on the site plan and determine whether the record of action taken on the site plan supports the action taken. No new evidence shall be presented. The Zoning Board of Appeals shall make written findings in support of its decision on the appeal. Such decision shall be final unless an appeal shall be made within twenty-eight (28) days to the Chippewa County Circuit Court. Review by the Circuit Court shall be limited in accordance with applicable statutes and court rules.
4. *Minor projects; procedure.* All developments, other than those enumerated under the procedure for major projects are minor projects, which require review and action by the administrating official. In addition, the following developments are minor projects, subject to review and action by the administrating official:
 - [a.] Accessory uses incidental to a conforming existing use.
 - [b.] Expansions and/or additions to an existing conforming use, providing such expansion is not larger than three thousand five hundred (3,500) square feet of structure or two (2) acres in project size, or not larger than two thousand (2,000) square feet of structure when adjacent to or within a single-family or two-family residentially zoned district.
 - [c.] Increases in off-street parking areas and loading spaces.
 - [d.] Any other site plan not delegated for review to the Planning Commission.

If the application is complete, the administrating official shall date the application.

 - a. The administrating official shall review the site plan in accordance with the provisions of the Ordinance. Each site plan shall comply with the "Standards for Granting a Site Plan Approval" as described in section 5 below.
 - b. The administrating official shall obtain recommendations from such appropriate City departments as may be required in order to determine compliance with such ordinances and standards administered by such respective departments.
 - c. The administrating official may take any of the following actions with regard to a site plan review:
 1. *Approval:* If the site plan is in compliance with all provisions of this Ordinance and the particular

provisions of this section, the administering official shall approve the site plan.

2. *Conditional approval:* If the site plan is in substantial compliance with all provisions of this Ordinance and section and can be modified to be brought into full compliance, the administering official may conditionally approve the site plan, with the provision that no building or development permits may be issued until the plan has been modified in accordance with the conditions. Conditions as may be attached to the approval of a site plan shall be binding, and failure to meet these conditions shall be deemed a violation of this Ordinance.
3. *Denial:* If the site plan is not in compliance with all the provisions of this Ordinance and section, the administering official shall deny the site plan.
- d. All site plans shall be acted upon with[in] forty-five (45) days receipt of a complete application meeting the requirements set forth in subsection 2 above.
- e. Upon action by the administering official, the plans shall be marked with the action taken, and distributed to the Building Department for filing and one (1) copy returned to applicant.
- f. A decision by the administering official may be appealed to the Planning Commission. The appeal must be filed with[in] twenty-one (21) days of formal notice of the decision and state the factual basis for the repeal. The Planning Commission shall review the application in accordance with the provisions of subsection 3 of this Chapter.
5. *Standards for granting a site plan approval.* Each site plan shall conform to all applicable provisions of this Zoning Ordinance, and shall be so designed and laid out [so that it] will ensure that:
 - a. All elements of the development will be harmoniously and efficiently organized in relation to topography, the size and type of the lot, the character of adjoining property and the type and size of buildings.
 - b. The site will be so developed as to not impede the normal and ordinary development or improvement of surrounding property for uses permitted in this Ordinance.
 - c. Satisfactory and harmonious relationships between the development on the site and existing and prospective development on contiguous land will exist.
 - d. Site drainage is adequate and will not adversely affect neighboring properties.
 - e. Vehicular and pedestrian traffic both within and adjacent to the site is safe and convenient and respective of the pattern of existing or planned streets, pedestrian or bicycle pathways in the area.
 - f. Reasonable visual and sound privacy is ensured for adjacent residential areas.
 - g. Emergency vehicles have practical means of access to all buildings or groups of buildings.
 - h. All loading and unloading areas, trash storage areas, trash receptacles and any outside storage areas are properly screened from residential areas or public streets.

In its review of a site plan, the Planning Commission or the administering official may require such landscaping, fences, walls or greenbelts or such other changes as may be required in pursuance of these standards, and same shall be provided as a condition of the use to which they are appurtenant.
6. *Conformity to site plan required.* Following approval of a site plan by the Planning Commission or administering official, the applicant shall construct the site plan improvements in complete conformity with the approved plan. Failure to do so is a violation of this Ordinance and subject to the sanctions of section 10-1.25.
7. *Expiration, extensions.* A site plan review approval or conditional approval expires twelve (12) months after the Planning Commission or Administering Official action if no building permit is obtained. The original approving authority (the Commission or administering official) may grant time extensions upon a finding that

circumstances have not changed sufficiently to warrant reconsideration of the approval or conditional approval.

8. *Amendments to approved site plan.* Amendments to an approved site plan may be made by the Planning Commission or the administrating official provided that such changes conform to the Zoning Ordinance. The applicant shall submit any proposed amendments in writing to the administrating official.
 - a. Minor changes in any site plan may be approved by the administrating official provided no such change results in any of the following:
 - (1) A significant change in the use or character of the development;
 - (2) An increase in overall coverage of main structures;
 - (3) A reduction in required off-street parking and loading.

Such minor changes may include: Minor changes in the location of building walls, not to exceed ten (10) feet, changes in the design of lighting fixtures, moving of ingress or egress drives a distance of not more than one hundred (100) feet, changing the angle of parking spaces or aisle width; or substituting landscaping plant species.
 - b. If the administrating official finds that a proposed amendment to an approved site plan does not qualify as a minor change, he shall advise the applicant in writing that the proposed amendment must be submitted to the original approving authority for approval.
9. *Other approvals.* In cases when a development project must meet other local, state or federal laws or regulations in addition to the provisions of the Ordinance, it is the sole responsibility of the applicant to obtain approval from the local, state, or federal agency administering such law or regulations. If such approval requires a change in an approved site plan, the applicant must obtain an amendment to the site plan in accordance with the criteria set forth in subsection 8 above.

(Ord. No. 363-91, § 1, 12-16-91; Ord. No. 533-12, § 1, 6-18-12; Ord. No. 583-18, § 1, 6-18-18)

1912. Public hearing notice requirements.

Wherever a provision of this section requires a public hearing, notice of such public hearing shall comply with the Michigan Zoning Enabling Act, PA 110 of 2006, as amended, and any other provisions of this section with regard to public notification.

1. Notice shall be published in a newspaper of general circulation not less than fifteen (15) days before the date of the public hearing.
2. Notice shall be given by first-class mail or personal delivery to the owners of property that is the subject of the request. Notice shall also be given by mail or personal delivery to all persons to whom real property is assessed within three hundred (300) feet and to the occupants of all structures within three hundred (300) feet of the property that is the subject of the request regardless of whether the property or occupant is located in the zoning jurisdiction. Notification need not be given to more than one (1) occupant of each dwelling unit or separately owned or leased spatial area. If a single structure contains more than four (4) dwelling units or separately owned or leased spatial areas, notice may be given to the manager of the structure who shall be requested to post the notice at the primary entrance to the structure. If an occupant's name is not known, the term "occupant" may be used. The notice shall be given not less than fifteen (15) days before the date of the public hearing. The notice shall include the following:
 - a. Describe the nature of the request;
 - b. Identify the property that is the subject of the request, including the street address or addresses if they exist;
 - c. State when and where the request will be considered;

- d. Indicate when and where written comments will be received concerning the request.
3. If eleven (11) or more adjacent properties are proposed for rezoning, then notice shall be published in a newspaper of general circulation according to section 1912.1. Addresses as specified under section 1912.2(b) shall not be required to be included in the notice. Giving notice to property owners and occupants as specified in section 1912.2 shall not be required.
 4. Notice shall be given by first-class mail or personal delivery to each electric, gas, and pipeline public utility company, each telecommunications service provider, each railroad operating within the district or zone affected, and the airport manager of each airport, that registers its name and mailing address with the City clerk for the purpose of receiving such notice. The notice shall be given not less than fifteen (15) days before the date of the public hearing.
 5. Notice shall be considered given when personally delivered or when deposited during normal business hours for delivery with the United States postal service or other public or private delivery service.

(Ord. No. 489-06, § 1, 9-18-06; Ord. No. 533-12, § 1, 6-18-12)

Footnotes:

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Cross reference— *Administration, Ch. 2.*

SECTION 10-1.20. - BOARD OF APPEALS

2000. Creation and leadership.

There shall be established and appointed by the City Commission, in accordance with Act 207 of the Public Acts of 1921 (MCL § 125.581 et seq.) as amended, a Zoning Board of Appeals. The board shall consist of seven (7) members and two (2) alternate members. The appointments shall be as follows: one (1) member appointed for a period of one (1) year; three (3) members appointed for a period of two (2) years; and three (3) members appointed for a period of three (3) years. One (1) of the regular members of the Zoning Board of Appeals may be a member of the Planning Commission. After the initial appointments, except for a member serving because of his or her membership on the Planning Commission, whose term shall be limited to the time he or she is a member of that body each member shall be appointed to hold office for the full three (3) year term. The appointments of the two (2) alternate members shall be as follows: one (1) alternate member appointed for a one (1) year term; one (1) alternate member appointed for a two (2) year term; thereafter, each alternate member shall be appointed to hold office for a full three (3) year term. Any vacancies on the board shall be filled by the City Commission not more than one (1) month after the term of the preceding member has expired for the remainder of the unexpired term the board shall annually elect its own chairman, vice chairman, and secretary. The alternate members shall attend each Board of Appeals meeting. The alternate members shall sit as a regular member in the absence of a regular member or when a regular member has abstained from acting on a matter coming before the Board of Appeals. The alternate members shall be called to sit on a rotating basis as needed.

(Ord. No. 383-94, § 1, 7-18-94; Ord. No. 533-12, § 1, 6-18-12)

2001. Procedure of Zoning Board of Appeals.

Meetings of the board shall be heard at the call of the chairman and at such other times as the board may determine by rule. Such chairman, or in his absence the acting chairman, may administer oaths and compel the attendance of witnesses. All meetings of the board shall be open to the public. The board shall adopt his [its] own rules or procedures and shall maintain a record of its proceedings which shall be filed in the office of the City clerk and shall be a public record provided, however, that a

member of the Zoning Board of Appeals who is also a member of the Planning Commission, shall not participate in a public hearing on or vote on the same matter that the member voted on as a member of the Planning Commission. However, the member may consider and vote on other unrelated matters involving the same property. The fees to be charged for appeals shall be set by resolution of the City Commission. In those instances wherein lot area and yard requirements in lots existing of record cannot be complied with and must therefore be reviewed by the board, the required fees for appeal, in whole or in part, may be refunded to the petitioner at the discretion of the Board of Appeals.

(Ord. No. 533-12, § 1, 6-18-12)

2002. Appeals, how taken.

The Board of Appeals shall hear and decide appeals from a person aggrieved, or by an officer, department, board, or bureau of this state or the City, and review any order, requirements, decisions, or determinations, made by an administrative official or body charged with the enforcement of an ordinance adopted under Act 207, Public Acts of 1921 (MCL § 125.581 et seq.).

Appeals shall be taken within ten (10) days after the occurrence of the event which forms the basis for the appeal, by filing in writing a request for an appeal with the official from whom an appeal is taken who shall forthwith transmit to the board all papers constituting the record upon which the appeal is taken.

An appeal stays all the proceedings in furtherance of the action appealed from unless the official from whom the appeal was taken [certifies to the board, after the notice of appeal shall have been filed with him, that by reason of facts stated in the certificate] a stay would in his opinion, cause imminent peril to life and property, in which case proceedings shall not be stayed otherwise than by a restraining order which may be granted by the board, circuit court or other court of jurisdiction of notice on the application to the official from whom the appeal was taken and on due cause shown. All requests for Board of Appeals actions shall be made in writing upon forms adopted for such purposes.

(Ord. No. 383-94, § 1, 7-18-94; Ord. No. 533-12, § 1, 6-18-12)

2003. Powers and duties.

The Zoning Board of Appeals shall not have the power to alter or change the zoning district classification of any property, nor to make any change in the terms of this section, but does have power to act on those matters where this section provides for an administrative review, interpretation, exception or special approval permit and to authorize a variance as defined in this section and laws of the state. Said powers include:

1. *Administrative review.* To hear and decide appeals where it is alleged by the appellant that there is error in any order, requirement, permit, decision or refusal made by the administrative official in carrying out or enforcing any provisions of this section.
2. *Interpretation.* To hear and decide, in accordance with the provisions of this section, requests for interpretation on which the section specifically authorizes the board to act.
3. *Variance.* To authorize, upon an appeal, a variance from the strict applications of the provisions of this section where by reason of exceptional narrowness, shallowness, shape or area of a specific piece of property at the time of enactment of this section or by reason of exceptional topographic conditions or other extraordinary or exceptional conditions of such property, the strict application of the regulations enacted would result in peculiar or exceptional practical difficulties to, or in the case of a use variance, an unnecessary and exceptional undue hardship as to the use of the property in question upon the owner of such property, provided such relief may be granted without substantial detriment to the public good and without substantially impairing the intent and purpose of this section. In granting a variance the board may attach thereto such conditions regarding the location, character, and other features of the proposed uses as it may deem reasonable in furtherance of the

purpose of this section. In granting a variance, the board shall state the grounds upon which it justifies the granting of a variance. A vote of two-thirds (2/3) of the members of the Zoning Board of Appeals is required to approve a use variance.

4. *Modification of parking requirements.* Permit the modification of automobile parking space requirements where, in the particular instance, such modification will not be inconsistent with the purpose and intent of such requirements, or where the provisions of the required amount of parking spaces would create undue hardship in existing business areas, in the opinion of the board.

(Ord. No. 242A-84, 8-6-84; Ord. No. 533-12, § 1, 6-18-12)

2003a. Hearings.

1. Following receipt of a written request concerning a request for a variance, the Zoning Board of Appeals shall fix a reasonable time for the hearing of the request and give notice as provided in section 1912.
2. Upon receipt of a written request seeking an interpretation of the zoning ordinance or an appeal of an administrative decision, a notice stating the time, date, and place of the public hearing shall be published in a newspaper of general circulation and shall be sent to the person requesting the interpretation not less than fifteen (15) days before the public hearing. In addition, if the request for an interpretation or appeal of an administrative decision involves a specific parcel, written notice stating the nature of the interpretation request and the time, date, and place of the public hearing on the interpretation request shall be given as provided in section 1912.

(Ord. No. 489-06, § 1, 9-18-06; Ord. No. 533-12, § 1, 6-18-12)

2004. Standards.

Each case before the Zoning Board of Appeals shall be considered as individual case and shall conform to the detailed application of the following standards in a manner appropriate to the particular circumstances of such case.

1. *Dimensional variance.* The Zoning Board of Appeals may grant a variance from the dimensional requirements of this ordinance where it finds that a request has met all conditions listed below:
 - a. The spirit of this Zoning Code shall be observed, public safety secured, and substantial justice done.
 - b. The practical difficulties or unnecessary hardships are unique to the property under consideration and not to the general neighborhood, and shall only apply to property that is under the control of the applicant.
 - c. It shall be necessary for the preservation of a substantial property right possessed by other properties in the same zoning district.
 - d. There is a clear showing of an unnecessary hardship in that the property as a whole cannot reasonably be put to a use authorized by this Zoning Code.
 - e. The alleged hardship or difficulty is not solely economic and is based on the reasonable use of a particular piece of land.
 - f. The practical difficulties or hardship do not result from the actions of the applicant.
 - g. The requested variance is the minimum necessary that will make possible the reasonable use of the land, building, or structure.
 - h. The need for the variance is immediate and not anticipatory of future conditions or situations which may or may not occur.
2. *Use variance.* All uses as listed in any district requiring board approval for a permit shall be of such location, size and character that, in general, it will be in harmony with the appropriate and orderly development of the district

in which it is situated and will not be detrimental to the orderly development of adjacent districts. The board shall give consideration to the following:

- a. The location and size of the use.
- b. The nature and intensity of the operations involved in or conducted in connection with it.
- c. Its size, layout and its relation to pedestrian and vehicular traffic to and from the use.
- d. The assembly of persons in connection with it will not be hazardous to the neighborhood or be incongruous therewith or conflict with normal traffic of the neighborhood.
- e. Taking into account among other things, convenient routes of pedestrian traffic, particularly of children.
- f. Vehicular turning movements in relation to routes of traffic flow, relation to street intersections, site distance and the general character and intensity of development of the neighborhood.
- g. The location and height of buildings, the location, nature and height of walls, fences and the nature and extent of landscaping of the site shall be such that the use will not hinder or discourage the appropriate development and use of adjacent land and buildings or impair the value thereof.
- h. The nature, location, size and site layout of the uses shall be such that it will be a harmonious part of the district in which it is situated taking into account, among other things, prevailing shopping habits, convenience of access by prospective patrons, the physical and economic relationship of one (1) type of use to another.
- i. The location, size, intensity and site layout of the use shall be such that its operations will not be objectionable to nearby dwellings, by reason of noise, fumes or flash of lights to a greater degree than is normal with respect to the proximity of commercial to residential uses, nor interfere with an adequate supply of light and air, nor increase the danger of fire or otherwise endanger the public safety.

(Ord. No. 533-12, § 1, 6-18-12; Ord. No. 585-18, § 1, 11-19-18)

2005. Miscellaneous.

No order of the Zoning Board of Appeals permitting the erection or alteration of buildings shall be valid for a period longer than one (1) year, unless a building permit for such erection or alteration is obtained within such period and such erection or alteration is commenced and proceeds to completion in accordance with the terms of such permit.

No order of the Zoning Board of Appeals permitting a use of a building or premises shall be valid for a period longer than one (1) year unless such use is established within such period; provided, however, that the use of such permit is dependent upon the erection or alteration of a building, such order shall continue in full force and effect if a building permit for such use, erection or alteration is obtained within such period and such erection or alterations are commenced and proceed to completion in accordance with the terms of such permit. No person shall fail to comply with any special condition for a use as established and required by the Board of Appeals.

(Ord. No. 533-12, § 1, 6-18-12)

2006. Decisions, appeals to Circuit Court.

All decisions of the Board of Appeals shall be recited in the official minutes of the Board of Appeals. A copy of the minutes shall be mailed by first class mail to the party who caused the matter to come before the Board of Appeals. The mailing date shall be stamped upon the minutes. The Board of Appeals shall keep a record of and proof of such mailing. The decision of the Board of Appeals shall be final, unless within thirty (30) days after the date of mailing stamped upon the minutes, a person having an interest affected by the decision files an appeal in the Chippewa County Circuit Court in accordance with the court rules for taking such appeals.

(Ord. No. 383-94, § 1, 7-18-94; Ord. No. 533-12, § 1, 6-18-12)

Footnotes:

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Cross reference— *Administration, Ch. 2.*

SECTION 10-1.21. - CHANGES AND AMENDMENTS

2100. Changes and amendments.

The City Commission may, from time to time, amend, supplement or change the boundaries of districts or regulations herein established. Such changes, amendments or supplements shall be by ordinance and shall be in conformance with the provisions of this section.

(Ord. No. 77, § 1 (10-1.21), 5-4-70; Ord. No. 217-81, 8-17-81)

2101. Initiation of changes.

Changes to the zoning ordinance may be initiated by the City Commission or the Planning Commission. Changes may also be initiated by any person, subject to the following conditions:

1. If the change is altering the boundaries of a district or creating a new district, a petition bearing the signatures of the majority of property owners within the area to be rezoned is required.
2. If the change in an amendment of the zoning text, a petition bearing the signatures of at least ten (10) voters registered within the City is required.

A petition for rezoning shall include the name and address of the applicant, a map showing the area to be rezoned, the present zoning classification and the proposed zoning classification and intended use. (Ord. No. 77, § 1 (10-1.21), 5-4-70; Ord. No. 217-81, 8-17-81)

2102. Fee.

A fee payable to the City of Sault Ste. Marie shall accompany the petition. The fee amount shall be as presently established or as changed from time to the time by the City Commission.

(Ord. No. 77, § 1, (10-1.21), 5-4-70; Ord. No. 217-81, 8-17-81; Ord. No. 284-87, § 1, 9-14-87; Ord. No. 375-93, § 1, 6-21-93)

2103. Planning Commission review.

The Planning Commission shall make a recommendation to the City Commission on any proposed change to the zoning ordinance. Prior to making a recommendation, the Planning Commission shall hold a public hearing and provide notice of such hearing in accordance with the provisions of Section 1912.

(Ord. No. 77, § 1 (10-1.21), 5-4-70; Ord. No. 217-81, 8-17-81; Ord. No. 489-06, § 1, 9-18-06)

2104. City Commission action.

The City Commission, upon receipt of the recommendation from the Planning Commission, may introduce the proposed amendment or may refer the amendment back to the Planning Commission for a further report. If it considers it necessary, the City Commission may hold an additional public hearing, providing notice in accordance with Section 1912. The City Commission may adopt the proposed amendment, with or without change, by an affirmative vote of not less than four (4) members of the commission except as provided below.

(Ord. No. 77, § 1 (10-1.21), 5-4-70; Ord. No. 217-81, 8-17-81; Ord. No. 489-06, § 1, 9-18-06)

2105. Protest petition.

Upon presentation of a protest petition to the City Commission before final action on the amendment, signed by either:

1. The owners of at least twenty (20) percent of the area of land included in the proposed change, not including publicly owned land; or
2. The owners of at least twenty (20) percent of the area of land included within an area extending outward one hundred (100) feet from any point on the boundary of the land included in the proposed change, not including publicly owned land;

then an amendment to the zoning ordinance, which is the object of the petition, shall be passed only by a two-thirds vote of the City Commission.

(Ord. No. 77, § 1 (10-1.21), 5-4-70; Ord. No. 217-81, 8-17-81)

2106. Publication.

Following adoption of an amendment to the zoning ordinance by the City Commission, the zoning amendment shall be filed with the City Clerk, and, one (1) notice of adoption shall be published in a newspaper of general circulation in the City within fifteen (15) days after adoption. The notice shall include:

1. A summary of the regulatory effect of the amendment including the geographic area affected, or the text of the amendment;
2. The effective date of the ordinance;
3. The place and time where a copy of the ordinance may be purchased or inspected.
4. A copy of the notice shall be mailed to the Airport Manager or an airport entitled to notice.

(Ord. No. 77, § 1 (10-1.21), 5-4-70; Ord. No. 217-81, 8-17-81; Ord. No. 489-06, § 1, 9-18-06)

SECTION 10-1.22. - REPEAL OF PRIOR ORDINANCE

The Zoning Ordinance, adopted by the City Commission of the City of Sault Ste. Marie on the 18th day of November, 1929, and all amendments thereto are hereby repealed. The repeal of the above Ordinance and its amendments does not affect or impair any act done, offense committed or right accruing, accrued or acquired or liability, penalty, forfeiture or punishment incurred prior to the time enforced, prosecuted or inflicted. It is not the intent of this paragraph to repeal any other part of the Code of Ordinances of Sault Ste. Marie.

SECTION 10-1.23. - INTERPRETATION

In the interpretation and application, the provisions of this Ordinance shall be held to be minimum requirements adopted for the promotion of the public health, morals, safety, comfort, convenience or general welfare. It is not intended by this Ordinance to repeal, abrogate, annul or in any way to impair or interfere with any existing provision of law or ordinance other than the above described Zoning Ordinance, or with any rules, regulations or permits previously adopted or issued or which shall be adopted or issued pursuant to the law relating to the use of buildings or premises; provided, however, that where this Ordinance imposes a greater restriction than is required by existing ordinance or by rules, regulations or permits, the provisions of this Ordinance shall control.

SECTION 10-1.24. - VESTED RIGHT

It is hereby expressly declared that nothing in this Ordinance shall be held or construed to give or grant to any person, firm or corporation any vested right, license, privilege or permit.

SECTION 10-1.25. - ENFORCEMENT, PENALTIES AND OTHER REMEDIES

2500. Violations.

Any person, firm, or corporation violating any of the provisions of this Ordinance shall be guilty of a misdemeanor, and upon conviction thereof, shall be fined not less than \$25.00 nor more than \$100.00 for each such conviction, or shall be punished by imprisonment for a period not to exceed ninety (90) days for each offense, or by both such fine and imprisonment in the discretion of the court, together with the costs of such prosecution.

2501. Public nuisance per se.

Any building or structure which is erected, altered or converted, or any use of premises or land which is begun or changed subsequent to the time of passage of this Ordinance and in violation of any of the provisions thereof is hereby declared to be a public nuisance per se.

Cross reference— Nuisances, Ch. 18.

2502. Fines, imprisonment, etc.

The owner of any building, structure or premises or parts thereof, where any condition in violation of this Ordinance shall exist or shall be created, and any person who has assisted knowingly in the commission of such violation shall each be guilty of a separate offense and upon conviction thereof shall be liable to the fines and imprisonment herein provided.

2503. Each day a separate offense.

A separate offense shall be deemed committed upon each day during or when a violation occurs or continues.

2504. Rights and remedies are cumulative.

The right and remedies provided herein are cumulative and in addition to any other remedies provided by law.

SECTION 10-1.26. - SEVERANCE CLAUSE

Sections of this Ordinance shall be deemed to be severable and should any section, paragraph or provision hereof be declared by the courts to be unconstitutional or invalid, such holdings shall not affect the validity of this Ordinance as a whole or any part thereof, other than the part so declared to be unconstitutional or invalid.

SECTION 10-1.27. - EFFECTIVE DATE

Public hearing having been held hereon, this Ordinance shall take effect ten (10) days after its adoption and publication.

SECTION 10-1.28. - RESERVED

We hereby certify that the foregoing Ordinance was adopted by the City Commission of the City of Sault Ste. Marie, Michigan, on the 15th day of March, 1965.

ROBERT I. JACOBS, Mayor	D. K. STRICKLAND, City Clerk
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I hereby certify that a summary or statement of purpose of Ordinance No. 30, the Zoning Ordinance, was published in the Evening News, a newspaper printed and circulated in the City of Sault Ste. Marie, Michigan on March 22, 1965.

	<p>D. K. STRICKLAND, City Clerk</p>
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Footnotes:

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Editor's note— *Inasmuch as public notice of Ord. No. 249-85, adopted Aug. 19, 1985, provides that such ordinance replaces the MH District with a new district, R1-A, § 10-1.28 (2801—2805) MH (Mobile Home) District, as derived from Ord. No. 104, § 10-128, adopted June 5, 1972, has been deleted, and the R-1A district provisions have been set forth as § 10-1.045 (450—454), between §§ 10-1.04 and 10-1.05.*

APPENDIX B - REVENUE BONDS

Footnotes:

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Editor's note— *Appendix B contains those revenue bond ordinances which the city requested including in this volume. The verbiage of the ordinances has been maintained as adopted, capitalization and internal designations reflect those of the ordinance, and any words added by the editor for clarity are enclosed in braces [].*

[ARTICLE I. - WATER SUPPLY SYSTEM]

[DIVISION 1] - ORDINANCE NO. 435-98

AN ORDINANCE TO PROVIDE FOR THE CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF IMPROVEMENTS TO THE WATER; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS TO PAY THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE AN ADEQUATE RESERVE FUND FOR THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY OF SAULT STE. MARIE ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Adjusted Net Revenues" means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and payments to the Issuer in lieu of taxes, to which may be made the following adjustments.
 - (i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes

payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.

- (ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System.

The adjustment of revenues and expenses by the factors set forth in (i) and (ii) above shall be reported upon by professional engineers or certified public accountants or other experts not in the regular employment of the Issuer.

- (c) "Authority" means the Michigan Municipal Bond Authority.
- (d) "Authorized Officers" means the Mayor, Treasurer, and City Manager.
- (e) "Bonds" mean the Series 1998 Bonds, together with any additional Bonds of equal standing hereafter issued.
- (f) "Issuer" means the City of Sault Ste. Marie, County of Chippewa, State of Michigan.
- (g) "MDEQ" means the Michigan Department of Environmental Quality.
- (h) "Project" means the additions, extensions and improvements to the System together with appurtenances and attachments thereto.
- (i) "Revenues" and "Net Revenues" mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.
- (j) "Series 1998 Bonds" means the Water Supply Revenue Bonds, Series 1998, of the Issuer in the principal amount of not to exceed \$4,500,000 authorized by this Ordinance.
- (k) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.
- (l) "System" means the Water Supply System of the Issuer, including such facilities thereof as are now existing, are acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the City's engineers, which plans and specifications are hereby approved. The Project qualifies for the State of Michigan Drinking Water Revolving Fund financing program being administered by the MDEQ and the Authority, whereby bonds of the Issuer are sold to the Authority and bear interest at a fixed rate of two and one-half percent (2.5%) per annum.

Section 3. Costs; Useful Life. The total cost of the Project is presently estimated not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than forty (40) years.

Section 4. Payment of Cost; Bonds Authorized. To pay part of the cost of acquiring and constructing the Project, including payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 1998 Bonds, the Issuer shall borrow the sum of not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) and issue the Series 1998 Bonds therefor pursuant to the provisions of Act 94.

Section 5. Issuance of Series 1998 Bonds; Details. The Series 1998 Bonds of the Issuer, to be designated WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 1998 authorized to be issued in the aggregate principal sum of not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) as finally determined by order of the MDEQ for the purpose of paying the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 1998 Bonds. The Series 1998 Bonds shall be payable out of the Net Revenues, as set forth more fully herein. The Series 1998 Bonds shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery of the Series 1998 Bond, payable in principal installments serially as finally determined by the order of the MDEQ at the time of sale of the Series 1998 Bonds and approved by the Authority and an Authorized Officer. Final determination of the Principal Amount and the payment dates and amounts of principal installments of the Series 1998 Bonds shall be evidenced by execution of a Purchase Contract (the "Purchase Contract") between the Issuer and the Authority providing for sale of the Series 1998 Bonds, and the Authorized Officers are authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above.

The Series 1998 Bonds or principal installments thereof will be subject to prepayment prior to maturity in the manner and at the times as provided in the form of Series 1998 Bond contained in this Ordinance or as may be approved by the Authorized Officers at the time of sale of the Series 1998 Bonds or by the Authority at the time of prepayment.

The Series 1998 Bonds shall bear interest at a rate of two and one-half percent (2.5%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and the Authorized Officers shall deliver the Series 1998 Bond in accordance with the delivery instructions of the Authority.

The Series 1998 Bond principal amount is expected to be drawn down by the Issuer periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Series 1998 Bond shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 1998 Bond shall be payable as provided, in the Series 1998 Bond form in this Resolution.

The City Clerk shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Clerk.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 1998 Bond, the Authority shall deliver the Series 1998 Bond to the Issuer for cancellation.

Section 6. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 1998 Bonds contained in Section 18 of this Ordinance and ending at

the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The Issuer shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the transfer agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the transfer agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the transfer agent may pay the same without surrender thereof.

Section 7. Payment of Bonds. The Series 1998 Bonds and the interest thereon shall be payable from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance. If the Bonds are purchased by the Authority and the Authority so requires, the Issuer shall pledge its limited tax full faith and credit for the payment of the principal of and interest on the Series 1998 Bonds. Should the Net Revenues of the system at any time be insufficient to pay principal and interest on the Series 1998 Bonds, as the same become due, then the Issuer shall advance from any funds available therefor, or, if necessary, levy taxes upon all taxable property in the City of Sault Ste. Marie subject to applicable constitutional and statutory limitations such sums as may be necessary to pay said principal and interest. The Issuer shall be reimbursed for any such advance from the Net Revenues of the System subsequently received which are not otherwise pledged or encumbered by this Ordinance.

Section 8. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the security therefor.

Section 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring of the Project shall continue to be under the supervision and control of the City Commission. The City Commission may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The City Commission may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 10. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 11. No Free Service or Use. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 12. Fixing and Revising Rates; Rate Covenant. The rates now in effect and the rate increases to be placed into effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 13. Funds and Accounts; Flow of Funds. Commencing on September 1, 1998, all funds belonging to the System shall be transferred as herein indicated and all Revenues of the System shall be set aside as collected and credited to a fund to be designated WATER SUPPLY SYSTEM RECEIVING FUND (the "Receiving Fund"). In addition, on September 1, 1998 all Revenues in any accounts of the System shall be transferred to the Receiving Fund and credited to the funds and accounts as provided in this section. The Revenues credited to the Receiving Fund are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times and in the order of priority hereinafter specified:

A. OPERATION AND MAINTENANCE FUND:

Out of the Revenues credited to the Receiving Fund there shall be first set aside in, or credited to, a fund designated OPERATION AND MAINTENANCE FUND (the "Operation and Maintenance Fund"), monthly a sum sufficient to provide for the payment of the next month's expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

A budget, showing in detail the estimated costs of administration, operation and maintenance of the System for the next ensuing operating year, shall be prepared by the City Commission at least 30 days prior to the commencement of each ensuing operating year. No payments shall be made to the Issuer from moneys credited to the Operation and Maintenance Fund except for services directly rendered to the System by the Issuer or its personnel.

B. BOND AND INTEREST REDEMPTION FUND :

There shall be established and maintained a separate depository fund designated BOND AND INTEREST REDEMPTION FUND (the "Redemption Fund"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Bonds. The moneys in the Redemption Fund shall be kept on deposit with the bank or trust company where the principal of and interest on the Bonds, or any series thereof, are payable.

Out of the Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Fund, there shall be set aside each month commencing September 1, 1998 in the Redemption Fund a sum proportionately sufficient to provide for the payment when due of the current principal of and interest on the Bonds, less any amount in the Redemption Fund representing accrued interest on the Bonds or investment income on amounts on deposit in the Redemption Fund. Commencing September 1, 1998, the amount set aside each month for interest on the Bonds shall be equal to a fraction derived from number of months from September 1, 1998 to first interest payment date of the total amount of interest on the Bonds next coming due. Commencing on the first interest payment date, the amount set aside each month for interest on the Bonds shall be 1/6 of the total amount of interest on the Bonds next coming due. The amount set aside each month for principal, commencing September 1, 1998, shall be equal to that amount which is that fraction derived from number of months from September 1, 1998 of issue to first principal payment date of the amount of principal next coming due by maturity and the amount set aside each month for principal payment commencing on the first principal payment date, shall be 1/12 of the amount of principal next coming due by maturity. If there is any deficiency in the amount previously set aside, that deficiency shall be added to the next succeeding monthly requirements. The amount to be set aside for the payment of principal and interest on any date shall not exceed the amount which, when added to the money on deposit in the Redemption Fund, including investment income thereon, is necessary to pay principal and interest due on the Bonds on the next succeeding principal payment date.

C. REPLACEMENT FUND :

There shall next be established and maintained a fund, separate depository account, designated REPLACEMENT FUND (the "Replacement Fund"), the money credited thereto to be used solely for the purpose of making repairs and replacements to the System. Out of the Revenues and moneys of the System remaining in the Receiving Fund each month after provision has been made for the deposit of moneys in the Operation and Maintenance Fund and the Redemption Fund there may be deposited in the Replacement Fund such additional funds as the City Commission may deem advisable. If at any time it shall be necessary to use moneys in the Replacement Fund for the purpose for which the Replacement Fund was established, the moneys so used shall be replaced from any moneys in the Receiving Fund which are not required by this Ordinance to be used for the Operation and Maintenance Fund or the Redemption Fund (including the Bond Reserve Account).

D. IMPROVEMENT FUND :

Out of the remaining Revenues in the Receiving Fund, after meeting the requirements of the Operation and Maintenance Fund, the Redemption Fund (including the Bond Reserve Account) and the Replacement Fund, there may be next set aside in or credited to a fund to be designated IMPROVEMENT FUND (the "Improvement Fund"), which Improvement Fund may have several subaccounts therein, such sums monthly as the Issuer may deem advisable to be used for additions, improvements, enlargements or extensions to the System, including the planning thereof.

E. SURPLUS MONEYS :

Thereafter, any Revenues in the Receiving Fund after satisfying all the foregoing requirements of this Section may, at the discretion of the Issuer, be used for any of the following purposes:

1. Transferred to the Replacement Fund, the Improvement Fund or both.
2. Transferred to the Redemption Fund and used for the purchase of Bonds on the open market at not more than the fair market value thereof or used to redeem Bonds prior to maturity pursuant to Section 5 of this Ordinance.
3. Any other use permitted by law.

Section 14. Priority of Funds. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Redemption Fund, any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Fund, and second to the Redemption Fund.

Section 15. Depository and Funds on Hand. Moneys in the several funds and the accounts established pursuant to this Ordinance, except moneys in the Redemption Fund and moneys derived from the proceeds of sale of the Bonds, may be kept in one or more bank accounts at a bank or banks designated by resolution of the Issuer, and if kept in one bank account the moneys shall be allocated on the books and records of the Issuer in the manner and at the times provided in this Ordinance.

Section 16. Investments. Moneys in the funds and accounts established herein and moneys derived from the proceeds of sale of the Bonds, may be invested by the Issuer in United States of America obligations or in obligations the principal of and interest on which is fully guaranteed by the United States of America and any investments hereafter permitted by law, and moneys derived from the proceeds of sale of the Bonds may also be invested in certificates of deposit of any bank whose deposits are insured by the Federal Deposit Insurance Corporation. Investment of moneys in the Redemption Fund being accumulated for payment of the next maturing principal or interest payment of the Bonds shall be limited to obligations bearing maturity dates prior to the date of the next maturing principal or interest payment on the Bonds. Investment of moneys in the Bond Reserve Account shall be limited to obligations bearing maturity dates or subject to redemption, at the option of the holder thereof, not later than five years from the date of the investment. In the event investments are made, any securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds or account from which the purchase was made. Profit realized or interest income earned on investment of funds in the Receiving Fund, Operation and Maintenance Fund and Improvement Fund shall be deposited in or credited to the Receiving Fund at the end of each fiscal year. Profit realized on interest income earned on investment of moneys in the Redemption Fund including income derived from the Bond Reserve Account shall be credited as received to the Redemption Fund.

Section 17. Bond Proceeds. From the proceeds of the sale of the Bonds there shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on the delivery of the Bonds. The balance of the proceeds of the sale of the Bonds when received from the Authority shall be deposited in a bank or banks, designated by the City Commission, qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94, in an account designated CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project, including any engineering, legal and other expenses incident thereto and to the financing thereof. Payments for construction, either on account or otherwise, shall not be made unless the registered engineer in charge of such work shall file with the City Commission a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor; that it was done pursuant to and in accordance with the contract therefor (including properly authorized change orders), that such work is satisfactory and that such work has not been previously paid for.

Any unexpended balance of the proceeds of sale of the Bonds remaining after completion of the Project in the Construction Fund may, at the discretion of the Issuer, be used for further improvements, enlargements and extension to the System, if, at the time of such expenditures, such use is approved by the Michigan Department of Treasury, if such permission is then required by law. Any remaining balance after such expenditure shall be paid to the Redemption Fund and may be used for the

purpose of purchasing Bonds on the open market at not more than the fair market value thereof, but not more than the price at which the Bonds may next be called for redemption, or used for the purpose of paying principal of the Bonds upon maturity or calling Bonds for redemption.

Section 18. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF CHIPPEWA

CITY OF SAULT STE. MARIE

WATER SUPPLY SYSTEM REVENUE BOND, SERIES 1998

Interest Rate Maturity Date Date of Original Issue CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The CITY OF SAULT STE. MARIE, County of Chippewa, State of Michigan (the "Issuer"), for value received, hereby promises to pay the Principal Amount shown above, in lawful money of the United States of America, to the Registered Owner shown above, or registered assigns, on the Maturity Date shown above, unless prepaid prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue shown above, or such later date to which interest has been paid, until paid, at the Interest Rate per annum shown above, payable on _____, 199____, and semiannually thereafter. Principal of this bond is payable upon surrender of this bond at the _____ office of _____, _____, Michigan, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than 60 days prior to the date of any interest payment date. Interest on this bond is payable by check or draft mailed to the person or entity who is, as of the 15th day of the month preceding the interest payment date, the registered owner of record, at the registered address as shown on the registration books of the Issuer kept by the transfer agent. For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Water Supply System of the Issuer (the "System"), including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration, (the "Net Revenues") and a statutory first lien thereon is hereby recognized and created.

This bond is one of a series of bonds of even date of original issue, aggregating the principal sum of \$____ issued pursuant to Ordinance No. _____, duly adopted by the City Commission of the Issuer, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinances.

[Bonds of this issue are not subject
to redemption prior to maturity.]

[Bonds maturing in the years _____ to _____, inclusive, are not subject to redemption prior to maturity.]

[Bonds or portions of bonds in multiples of \$5,000 maturing in the year _____ and thereafter, inclusive, shall be subject to redemption prior to maturity at the option of the Issuer, in such order of maturity as the Issuer shall determine and within a single maturity by lot, on any interest payment date on or after November 1, _____, at par and accrued interest plus a premium

as follows:

____% of par value of each bond or portion of bond redeemed on or after November 1, ____, but prior to November 1, ____; and

____% of par value of each bond or portion of bond redeemed on or after November 1, ____, but prior to November 1, ____.

No premium shall be paid on bonds or portions thereof called for redemption on or after November 1, #rule;

[MANDATORY REDEMPTION]

[The bonds maturing on November 1, ____ (the "Term Bonds"), are subject to mandatory redemption in part, by lot, at par, plus accrued interest to the date of redemption without premium on November 1 of each of the years and in the principal amounts set forth in the following schedule:

Term Bonds Due November 1, ____

<u>Redemption Dates</u>	<u>Principal Amounts</u>
November 1, ____	\$____,000
November 1, ____	____,000
November 1, ____ (Maturity)	____,000

Notice of redemption of any bond or portion thereof shall be given by the transfer agent at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the transfer agent. Bonds shall be called for redemption in multiples of \$5,000 and any bond of a denomination of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000 and such bond may be redeemed in part. Notice of redemption for a bond redeemed in part shall state that upon surrender of the bond to be redeemed a new bond or bonds in aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof. No further interest on a bond or portion thereof called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the transfer agent to redeem the bond or portion thereof.

This bond is a self-liquidating bond and is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional, statutory or charter limitation of the Issuer, but is payable, both as to principal and interest solely from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The Issuer has covenanted and agreed, and does hereby covenant and agree to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of all outstanding bonds, the bonds of this issue and any additional bonds of equal standing as and when the same shall become due and payable, and to maintain a bond

redemption fund (including a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by said Ordinances.

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the transfer agent by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance authorizing the bonds, and upon payment of the charges, if any, therein prescribed.

This bond is not valid or obligatory for any purpose until the transfer agent's Certificate of Authentication on this bond has been executed by the transfer agent.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City of Sault Ste. Marie, County of Chippewa, State of Michigan, by its City Commission, has caused this bond to be executed with the facsimile signatures of its Mayor and its City Clerk and the corporate seal of the Issuer to be printed on this bond, all as of the Date of Original Issue.

CITY OF SAULT STE. MARIE

By _____
Mayor

(Seal)

Countersigned:

City Clerk

Date of Registration:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Ordinances.

Transfer Agent

By _____
Authorized Signatory

Section 19. Covenants. The Issuer covenants and agrees with the holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest -

- (a) The Issuer will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan, and this Ordinance.
- (b) The Issuer will keep proper books of record and account separate from all other records and accounts of the

Issuer, in which shall be made full and correct entries of all transactions relating to the System. The Issuer shall have an annual audit of the books of record and account of the System for the preceding operating year made each year by an independent certified public accountant, and a copy of the audit shall be mailed to the manager of each syndicate or account originally purchasing any issue of the Bonds. The auditor shall comment on the manner in which the Issuer is complying with the requirements of the Ordinance with respect to setting aside and investing moneys and meeting the requirements for acquiring and maintaining insurance. The audit shall be completed and so made available not later than four (4) months after the close of each operating year.

- (c) The Issuer will maintain and carry, for the benefit of the holders of the Bonds, insurance on all physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by municipalities engaged in the operation of water supply systems, including self-insurance. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of redeeming or purchasing Bonds.
- (d) The Issuer will not sell, lease or dispose of the System, or any substantial part, until all of the Bonds have been paid in full, both as to principal and interest or provision made thereof as herein provided. The Issuer will operate the System as economically as possible, will make all repairs and replacements necessary to keep the System in good repair and working order, and will not do or suffer to be done any act which would affect the System in such a way as to have a material adverse effect on the security for the Bonds.
- (e) The Issuer will not grant any franchise or other rights to any person, firm or corporation to operate a System that will compete with the System and the Issuer will not operate a system that will compete with the System.
- (f) The Issuer will cause the Project to be acquired and constructed promptly and in accordance with the plans and specification therefor.

Section 20. Additional Bonds. Except as hereinafter provided, the Issuer shall not issue additional Bonds of equal or prior standing with the Series 1998 Bonds.

The right is reserved in accordance with the provisions of Act 94, to issue additional Bonds payable from the Revenues of the System which shall be of equal standing and priority of lien on the Net Revenues of the System with the Bonds but only for the following purposes and under the following terms and conditions:

- (a) To complete the Project in accordance with the plans and specifications therefor. Such bonds shall not be authorized unless the engineers in charge of construction shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the Issuer, it shall be the duty of the Issuer to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.
- (b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part of any Bonds then outstanding and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve-month operating year, if the same shall be lower than the average, shall be equal to at least one hundred twenty percent (120%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Bonds and on the additional Bonds then being issued. If the additional Bonds are to be

issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the additional Bonds. For purposes of this subparagraph (b) the Issuer may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Bonds. Determination by the Issuer as to existence of conditions permitting the issuance of additional Bonds shall be conclusive. No additional Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the Issuer shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

- (c) For refunding a part of the outstanding Bonds and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. No additional Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.

Section 21. Application to MDEQ and Authority. The Authorized Officers are hereby authorized to make application to the Authority and to the MDEQ for placement of the Series 1998 Bonds with the Authority. The Authorized Officers are further authorized to execute and deliver such contracts, documents and certificates including a revenue sharing pledge agreement as are necessary or advisable to qualify the Series 1998 Bonds for the Drinking Water Revolving Fund. In the event of a sale of the Series 1998 Bonds to the Authority, an Authorized Officer is hereby authorized to make such changes to the form of Series 1998 Bond contained in Section 18 of this Ordinance as may be necessary to conform to the requirements of 1985 PA 227 ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227. In the event the Series 1998 Bonds are sold to the Authority, the taxes collected by the State of Michigan and returned to the Issuer may be pledged for payment of the Series 1998 Bonds, and an Authorized Officer is further authorized to negotiate, execute and deliver an agreement with the Authority for payment of such taxes to the Authority or to a trustee as provided in Section 23 of Act 227.

Section 22. Covenant Regarding Tax Exempt Status of the Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, (the "Code") including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds, and to prevent the Bonds from being or becoming "private activity bonds" as that term is used in Section 141 of the Code.

Section 23. Repeal, Savings Clause. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 24. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 25. Publication and Recordation. This Ordinance shall be published in full in a newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and City Clerk.

Section 26. Effective Date. This Ordinance shall be effective upon its adoption.

Adopted and signed this ____ day of _____, 1998.

Signed ____

Mayor

Signed ____

Clerk

[DIVISION 2] - ORDINANCE NO. 449-01

AN ORDINANCE TO PROVIDE FOR THE CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF A WATER SUPPLY SYSTEM; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS TO PAY THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE AN ADEQUATE RESERVE FUND FOR THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY OF SAULT STE. MARIE ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Adjusted Net Revenues" means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and payments to the Issuer in lieu of taxes, to which may be made the following adjustments.
 - (i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.
 - (ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System.

The adjustment of revenues and expenses by the factors set forth in (i) and (ii) above shall be reported upon by professional engineers or certified public accountants or other experts not in the regular employment of the Issuer.

- (c) "Authority" means the Michigan Municipal Bond Authority.
- (d) "Authorized Officers" means the Mayor, City Manager, Finance Director, and Clerk.
- (e) "Bonds" mean the Series 2001 Bonds, together with any additional Bonds of equal standing hereafter issued.
- (f) "Issuer" means the City of Sault Ste. Marie, County of Chippewa, State of Michigan.
- (g) "MDEQ" means the Michigan Department of Environmental Quality.
- (h) "Project" means the additions, extensions and improvements to the System together with appurtenances and attachments thereto.

- (i) "Revenues" and "Net Revenues" mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the funds and accounts established by this Ordinance.
- (j) "Series 2001 Bonds" means the General Obligation Limited Water Supply System Improvement Revenue Bonds, Series 2001, of the Issuer in the principal amount of not to exceed \$1,800,000 authorized by this Ordinance.
- (k) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.
- (l) "System" means the Water Supply System of the Issuer, including such facilities thereof as are now existing, are acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

Section 2. Necessity Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the City's engineers, which plans and specifications are hereby approved. The Project qualifies for the State of Michigan Drinking Water Revolving Fund financing program being administered by the MDEQ and the Authority, whereby bonds of the Issuer are sold to the Authority and bear interest at a fixed rate of two and one-half percent (2.5%) per annum.

Section 3. Costs; Useful Life. The total cost of the Project is presently estimated not to exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than forty (40) years.

Section 4. Payment of Cost; Bonds Authorized. To pay part of the cost of acquiring and constructing the Project, including payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2001 Bonds, the Issuer shall borrow the sum of not to exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) and issue the Series 2001 Bonds therefor pursuant to the provisions of Act 94.

Section 5. Issuance of Series 2001 Bonds; Details. The Series 2001 Bonds of the Issuer, to be designated GENERAL OBLIGATION LIMITED TAX WATER SUPPLY SYSTEM IMPROVEMENT REVENUE BONDS, SERIES 2001 authorized to be issued in the aggregate principal sum of not to exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) or as otherwise finally determined by order of the MDEQ for the purpose of paying the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2001 Bonds. The Series 2001 Bonds shall be payable out of the Net Revenues, as set forth more fully herein. The Series 2001 Bonds shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery of the Series 2001 Bonds, payable in principal installments serially as finally determined by the order of the MDEQ at the time of sale of the Series 2001 Bonds and approved by the Authority and an Authorized Officer. Final determination of the Principal Amount and the payment dates and amounts of principal installments of the Series 2001 Bonds shall be evidenced by execution of a Purchase Contract (the "Purchase Contract") between the Issuer and the Authority providing for sale of the Series 2001 Bonds, and the Authorized Officers are authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above.

The Series 2001 Bonds or principal installments thereof will be subject to prepayment prior to maturity in the manner and at the times as provided in the form of Series 2001 Bond contained in this Ordinance or as may be approved by the Authorized Officers at the time of sale of the Series 2001 Bonds or by the Authority at the time of prepayment.

The Series 2001 Bonds shall bear interest at a rate of two and one-half percent (2.5%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and the Authorized Officers shall deliver the Series 2001 Bond in accordance with the delivery instructions of the Authority.

The Series 2001 Bond principal amount is expected to be drawn down by the Issuer periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Series 2001 Bond shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2001 Bond shall be payable as provided, in the Series 2001 Bond form in this Ordinance.

The City Clerk shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Clerk.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 2001 Bond, the Authority shall deliver the Series 2001 Bonds to the Issuer for cancellation.

Section 6. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2001 Bonds contained in Section 18 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The Issuer shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the transfer agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the transfer agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law

hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the transfer agent may pay the same without surrender thereof.

Section 7. Payment of Bonds. The Series 2001 Bonds and the interest thereon shall be payable from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance. If the Series 2001 Bonds are purchased by the Authority and if the Authority so requires, the Issuer shall pledge its limited tax full faith and credit for the payment of the principal of and interest on the Series 2001 Bonds. Should the Net Revenues of the System at any time be insufficient to pay principal and interest on the Series 2001 Bonds, as the same become due, then the Issuer shall advance from any funds available therefor, or, if necessary, levy taxes upon all taxable property in the Issuer, subject to applicable constitutional and statutory limitations, such sums as may be necessary to pay said principal and interest. The Issuer shall be reimbursed for any such advance from the Net Revenues of the system subsequently received which are not otherwise pledged or encumbered by this Ordinance.

Section 8. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the security therefor.

Section 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring of the Project shall continue to be under the supervision and control of the City Commission. The City Commission may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The City Commission may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 10. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 11. No Free Service or Use. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 12. Fixing and Revising Rates; Rate Covenant. The rates now in effect and the rate increases to be placed into effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 13. Funds and Accounts; Flow of Funds. Commencing upon the adoption of this Ordinance, all funds belonging to the System shall be transferred as herein indicated and all Revenues of the System shall be set aside as collected and credited to a fund to be designated WATER SUPPLY SYSTEM RECEIVING FUND (the "Receiving Fund"). In addition, all Revenues in any accounts of the System shall be transferred to the Receiving Fund and credited to the funds and accounts as provided in this section. The Revenues credited to the Receiving Fund are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times and in the order of priority hereinafter specified:

A. OPERATION AND MAINTENANCE FUND:

Out of the Revenues credited to the Receiving Fund there shall be first set aside in, or credited to, a fund designated OPERATION AND MAINTENANCE FUND (the "Operation and Maintenance Fund"), monthly a sum sufficient to provide for the payment of the next month's expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

A budget, showing in detail the estimated costs of administration, operation and maintenance of the System for the next ensuing operating year, shall be prepared by the City Commission at least 30 days prior to the commencement of each ensuing operating year. No payments shall be made to the Issuer from moneys credited to the Operation and Maintenance Fund except for services directly rendered to the System by the Issuer or its personnel.

B. BOND AND INTEREST REDEMPTION FUND:

There shall be established and maintained a separate depository fund designated BOND AND INTEREST REDEMPTION FUND (the "Redemption Fund"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Bonds. The moneys in the Redemption Fund shall be kept on deposit with the bank or trust company where the principal of and interest on the Bonds, or any series thereof, are payable.

Out of the Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Fund, there shall be set aside each month commencing October 1, 2001 in the Redemption Fund a sum proportionately sufficient to provide for the payment when due of the current principal of and interest on the Bonds, less any amount in the Redemption Fund representing accrued interest on the Bonds or investment income on amounts on deposit in the Redemption Fund, (including investment income on amounts held as part of the Bond Reserve Account). Commencing October 1, 2001, the amount set aside each month for interest on the Bonds shall be 1/6 of the total amount of interest on the Bonds next coming due. The amount set aside each month for principal, commencing April 1, 2003, shall be 1/12 of the amount of principal next coming due by maturity. If there is any deficiency in the amount previously set aside, that deficiency shall be

added to the next succeeding monthly requirements. The amount to be set aside for the payment of principal and interest on any date shall not exceed the amount which, when added to the money on deposit in the Redemption Fund, including investment income thereon, is necessary to pay principal and interest due on the Bonds on the next succeeding principal payment date.

There is established a separate account in the Redemption Fund to be known as the BOND RESERVE ACCOUNT (the "Bond Reserve Account"). There shall be periodically deposited in the Bond Reserve Account in such amounts as the City Commission shall annually determine sums sufficient to fund the "Reserve Amount" which shall be the lesser of (1) the maximum annual debt service due in the current or any future year, (2) 125% of the average annual debt service or (3) 10% of the principal amount of the bonds. The Reserve Account shall be funded in the Reserve Amount within ten years of the date of issue of the Series 2001 Bonds. Interest on the Bond Reserve Account must be transferred into the Redemption Fund once the Reserve Amount has been reached. Transfer shall be made as to the Bond Reserve Account annually until the Reserve Amount has been reached.

Except as otherwise provided in this Section, the moneys credited to the Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums (if any) and interest on the Bonds as to which there would otherwise be a default. If at any time it shall be necessary to use moneys credited to the Bond Reserve Account for such payment, then the moneys so used shall be replaced from the Net Revenues first received thereafter which are not required for current principal and interest requirements until the amount on deposit equals the Reserve Amount. If additional Bonds are issued, each Ordinance authorizing the additional Bonds shall provide for additional deposits to the Bond Reserve Account to be made from the proceeds of the additional Bonds or Issuer funds on hand and legally available for such use in an amount that will result in the Bond Reserve Account being equal to the maximum annual principal and interest requirements on the Bonds outstanding after issuance of the additional Bonds, or such lesser amount as may be necessary to maintain the tax-exempt status of the Bonds. If on any principal payment date the amount in the Bond Reserve Account exceeds the Reserve Amount, the excess shall be transferred to the Redemption Fund for payment of principal and interest on the Bonds due on that date.

C. REPLACEMENT FUND :

There shall next be established and maintained a fund, separate depository account, designated REPLACEMENT FUND (the "Replacement Fund"), the money credited thereto to be used solely for the purpose of making repairs and replacements to the System. Out of the Revenues and moneys of the System remaining in the Receiving Fund each month after provision has been made for the deposit of moneys in the Operation and Maintenance Fund and the Redemption Fund (including the Bond Reserve Account), there may be deposited in the Replacement Fund such additional funds as the City Commission may deem advisable. If at any time it shall be necessary to use moneys in the Replacement Fund for the purpose for which the Replacement Fund was established, the moneys so used shall be replaced from any moneys in the Receiving Fund which are not required by this Ordinance to be used for the Operation and Maintenance Fund or the Redemption Fund (including the Bond Reserve Account).

D. IMPROVEMENT FUND :

Out of the remaining Revenues in the Receiving Fund, after meeting the requirements of the Operation and Maintenance Fund, the Redemption Fund (including the Bond Reserve Account) and the Replacement Fund, there may be next set aside in or credited to a fund to be designated IMPROVEMENT FUND (the "Improvement Fund"), which Improvement Fund may have several subaccounts therein, such sums monthly as the Issuer may deem advisable to be used for additions, improvements, enlargements or extensions to the System, including the planning thereof.

E. SURPLUS MONEYS :

Thereafter, any Revenues in the Receiving Fund after satisfying all the foregoing requirements of this Section may, at the discretion of the Issuer, be used for any of the following purposes:

1. Transferred to the Replacement Fund, the Improvement Fund or both.
2. Transferred to the Redemption Fund and used for the purchase of Bonds on the open market at not more than the fair market value thereof or used to redeem Bonds prior to maturity pursuant to Section 5 of this Ordinance.
3. Any other use permitted by law.

Section 14. Priority of Funds. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Redemption Fund, any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Fund, and second to the Redemption Fund.

Section 15. Depository and Funds on Hand. Moneys in the several funds and the accounts established pursuant to this Ordinance, except moneys in the Redemption Fund (including the Bond Reserve Account) and moneys derived from the proceeds of sale of the Bonds, may be kept in one or more bank accounts at a bank or banks designated by resolution of the Issuer, and if kept in one bank account the moneys shall be allocated on the books and records of the Issuer in the manner and at the times provided in this Ordinance.

Section 16. Investments. Moneys in the funds and accounts established herein and moneys derived from the proceeds of sale of the Bonds, may be invested by the Issuer in United States of America obligations or in obligations the principal of and interest on which is fully guaranteed by the United States of America and any investments hereafter permitted by law, and moneys derived from the proceeds of sale of the Bonds may also be invested in certificates of deposit of any bank whose deposits are insured by the Federal Deposit Insurance Corporation. Investment of moneys in the Redemption Fund being accumulated for payment of the next maturing principal or interest payment of the Bonds shall be limited to obligations bearing maturity dates prior to the date of the next maturing principal or interest payment on the Bonds. Investment of moneys in the Bond Reserve Account shall be limited to obligations bearing maturity dates or subject to redemption, at the option of the holder thereof, not later than five years from the date of the investment. In the event investments are made, any securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds or account from which the purchase was made. Profit realized or interest income earned on investment of funds in the Receiving Fund, Operation and Maintenance Fund and Improvement Fund shall be deposited in or credited to the Receiving Fund at the end of each fiscal year. Profit realized on interest income earned on investment of moneys in the Redemption Fund including income derived from the Bond Reserve Account shall be credited as received to the Redemption Fund.

Section 17. Bond Proceeds. From the proceeds of the sale of the Bonds there shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on the delivery of the Bonds. The balance of the proceeds of the sale of the Bonds when received from the Authority shall be deposited in a bank or banks, designated by the City Council, qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94, in an account designated CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project, including any engineering, legal and other expenses incident thereto and to the financing thereof. Payments for construction, either on account or otherwise, shall not be made unless the registered engineer in charge of such work shall file with the City Council a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor; that it was done pursuant to and in accordance with the contract therefor (including properly authorized change orders), that such work is satisfactory and that such work has not been previously paid for.

Any unexpended balance of the proceeds of sale of the Bonds remaining after completion of the Project in the Construction Fund may, at the discretion of the Issuer, be used for further improvements, enlargements and extension to the System, if, at the time of such expenditures, such use is approved by the Michigan Department of Treasury, if such permission is then required by law. Any remaining balance after such expenditure shall be paid to the Redemption Fund and may be used for the purpose of purchasing Bonds on the open market at not more than the fair market value thereof, but not more than the price at which the Bonds may next be called for redemption, or used for the purpose of paying principal of the Bonds upon maturity or calling Bonds for redemption.

Section 18. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF CHIPPEWA

CITY OF SAULT STE. MARIE

GENERAL OBLIGATION LIMITED TAX WATER SUPPLY SYSTEM IMPROVEMENT REVENUE BOND, SERIES 2001

REGISTERED OWNER: Michigan Municipal Bond Authority

PRINCIPAL AMOUNT: _____ Dollars (\$____,000)

DATE OF ORIGINAL ISSUE: September 28, 2001

The CITY OF SAULT STE. MARIE, County of Chippewa, State of Michigan (the "City"), for value received, hereby promises to pay, primarily out of the hereinafter described Net Revenues of the City's Water Supply System (hereinafter defined), to the Michigan Municipal Bond Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the City under this bond, the Authority will periodically provide to the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding Principal Amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on the Schedule attached to the Purchase Contract, as such Schedule may be adjusted if less than \$____,000 is disbursed to the City or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two and one-half percent (2.5%) per annum. Interest is first payable on April 1, 2001, and semiannually thereafter on the first day of October and April of each year, as set forth in the Purchase Contract.

The Bonds may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the designated office of Bank One Trust Company, N.A. or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit

with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the City and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of the Water Supply System of the City, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created. In addition in case of insufficiency of said Net Revenues, the principal of and interest on the bonds shall be payable from the general funds of the City or, if necessary, from ad valorem taxes levied upon all taxable property in the City, subject to applicable charter, statutory and constitutional tax rate limitations.

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to Ordinance No. 449-01 duly adopted by the City Council of the City, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the System.

Principal installments of this bond are subject to prepayment by the City prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinance.

This bond is primarily a self-liquidating bond, payable, both as to principal and interest, primarily from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned. [As additional security, the City has pledged its limited tax full faith and credit for payment of the principal of and interest on the bonds of this issue, which includes the Issuer's obligation to levy taxes, if necessary, within applicable constitutional, statutory and charter tax limitations.]

The City has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of the bonds of this issue, as and when the same shall become due and payable, and to maintain a bond redemption fund (including a bond reserve account) therefor, to provide for

the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by said Ordinances.

This bond is transferable only upon the books of the City by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance authorizing the bonds, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City of Sault Ste. Marie, County of Chippewa, State of Michigan, by its City Commission, has caused this bond to be executed with the manual signatures of its Mayor and its Clerk and the corporate seal of the City to be impressed hereon, all as of the Date of Original Issue.

CITY OF SAULT STE. MARIE

By _____

Mayor

(Seal)

Countersigned:

City Clerk

Section 19. Covenants. The Issuer covenants and agrees with the holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest -

- (a) The Issuer will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan, and this Ordinance.
- (b) The Issuer will keep proper books of record and account separate from all other records and accounts of the Issuer, in which shall be made full and correct entries of all transactions relating to the System. The Issuer shall have an annual audit of the books of record and account of the System for the preceding operating year made each year by an independent certified public accountant, and a copy of the audit shall be mailed to the manager of each syndicate or account originally purchasing any issue of the Bonds. The auditor shall comment on the manner in which the Issuer is complying with the requirements of the Ordinance with respect to setting aside and investing moneys and meeting the requirements for acquiring and maintaining insurance. The audit shall be completed and so made available not later than four (4) months after the close of each operating year.
- (c) The Issuer will maintain and carry, for the benefit of the holders of the Bonds, insurance on all physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by municipalities engaged in the operation of water supply systems, including self-insurance. All moneys received

for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of redeeming or purchasing Bonds.

- (d) The Issuer will not sell, lease or dispose of the System, or any substantial part, until all of the Bonds have been paid in full, both as to principal and interest or provision made thereof as herein provided. The Issuer will operate the System as economically as possible, will make all repairs and replacements necessary to keep the System in good repair and working order, and will not do or suffer to be done any act which would affect the System in such a way as to have a material adverse effect on the security for the Bonds.
- (e) The Issuer will not grant any franchise or other rights to any person, firm or corporation to operate a System that will compete with the System and the Issuer will not operate a system that will compete with the System.
- (f) The Issuer will cause the Project to be acquired and constructed promptly and in accordance with the plans and specification therefor.

Section 20. Additional Bonds. Except as hereinafter provided, the Issuer shall not issue additional Bonds of equal or prior standing with the Series 2001 Bonds.

The right is reserved in accordance with the provisions of Act 94, to issue additional Bonds payable from the Revenues of the System which shall be of equal standing and priority of lien on the Net Revenues of the System with the Bonds but only for the following purposes and under the following terms and conditions:

- (a) To complete the Project in accordance with the plans and specifications therefor. Such bonds shall not be authorized unless the engineers in charge of construction shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the Issuer, it shall be the duty of the Issuer to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.
- (b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part of any Bonds then outstanding and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve-month operating year, if the same shall be lower than the average, shall be equal to at least one hundred twenty percent (120%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Bonds and on the additional Bonds then being issued. If the additional Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the additional Bonds. For purposes of this subparagraph (b) the Issuer may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Bonds. Determination by the Issuer as to existence of conditions permitting the issuance of additional Bonds shall be conclusive. No additional Bonds of equal standing as to the Net Revenues

of the System shall be issued pursuant to the authorization contained in this subparagraph if the Issuer shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

- (c) For refunding a part of the outstanding Bonds and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. No additional Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.

Section 21. Application to MDEQ and Authority. The Authorized Officers are hereby authorized to make application to the Authority and to the MDEQ for placement of the Series 2001 Bonds with the Authority. The Authorized Officers are further authorized to execute and deliver such contracts, documents and certificates including a revenue sharing pledge agreement, purchase contract, and supplemental agreement as are necessary or advisable to qualify the Series 2001 Bonds for the Drinking Water Revolving Fund. In the event of a sale of the Series 2001 Bonds to the Authority, an Authorized Officer is hereby authorized to make such changes to the form of Series 2001 Bond contained in Section 18 of this Ordinance as may be necessary to conform to the requirements of 1985 PA 227 ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227. In the event the Series 2001 Bonds are sold to the Authority, the taxes collected by the State of Michigan and returned to the Issuer may be pledged for payment of the Series 2001 Bonds, and an Authorized

Officer is further authorized to negotiate, execute and deliver an agreement with the Authority for payment of such taxes to the Authority or to a trustee as provided in Section 23 of Act 227.

Section 22. Covenant Regarding Tax Exempt Status of the Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, (the "Code") including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds, and to prevent the Bonds from being or becoming "private activity bonds" as that term is used in Section 141 of the Code.

Section 23. Repeal, Savings Clause. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 24. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 25. Publication and Recordation. This Ordinance shall be published in full in The Evening New, a newspaper of general circulation in the Issuer qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and City Clerk.

Section 26. Effective Date. This Ordinance shall be effective upon its adoption.

Adopted and signed this 20th day of August, 2001.

Signed _____

Mayor

Signed _____

Clerk

[DIVISION 3] - ORDINANCE NO. 458-02

AN ORDINANCE TO PROVIDE FOR THE CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF ADDITIONS TO THE EXISTING WATER SUPPLY SYSTEM OF THE CITY SAULT STE. MARIE; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS OF EQUAL STANDING WITH REVENUE BONDS NOW OUTSTANDING TO PAY THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; TO CONFIRM EXISTING RATES FOR THE SYSTEM; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY OF SAULT STE. MARIE ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Adjusted Net Revenues" means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and payments to the Issuer in lieu of taxes, to which may be made the following adjustments.
 - (i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.
 - (ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System.

The adjustment of revenues and expenses by the factors set forth in (i) and (ii) above shall be reported upon by professional engineers or certified public accountants or other experts not in the regular employment of the Issuer.

- (c) "Authority" means the Michigan Municipal Bond Authority.
- (d) "Authorized Officers" means the Mayor, City Manager, Finance Director, and Clerk.
- (e) "Bonds" mean the Series 2002 Bonds, together with any outstanding or additional Bonds of equal standing hereafter issued.
- (f) "Issuer" means the City of Sault Ste. Marie, County of Chippewa, State of Michigan.
- (g) "MDEQ" means the Michigan Department of Environmental Quality.
- (h) "Project" means the additions, extensions and improvements to the System together with appurtenances and attachments thereto.
- (i) "Revenues" and "Net Revenues" mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.
- (j) "Series 2001 Bonds" means the General Obligation Limited Tax Water Supply System Improvement Revenue Bonds, Series 2001, of the Issuer in the principal amount of not to exceed \$1,800,000 authorized by Ordinance No. 449-01

- (k) "Series 2002 Bonds" means the General Obligation Limited Tax Water Supply System Improvement Revenue Bonds, 2002, of the Issuer in the principal amount of not to exceed \$4,500,000 authorized by this Ordinance.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the City's engineers, which plans and specifications are hereby approved. The Project qualifies for the State of Michigan Drinking Water Revolving Fund financing program being administered by the MDEQ and the Authority, whereby bonds of the Issuer are sold to the Authority and bear interest at a fixed rate of two and one-half percent (2.5%) per annum.

Section 3. Costs; Useful Life. The total cost of the Project is presently estimated not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than forty (40) years.

Section 4. Payment of Cost; Bonds Authorized. To pay part of the cost of acquiring and constructing the Project, including payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2002 Bonds, the Issuer shall borrow the sum of not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) and issue the Series 2002 Bonds therefor pursuant to the provisions of Act 94.

Section 5. Issuance of Series 2002 Bonds; Details. The Series 2002 Bonds of the Issuer, to be designated GENERAL OBLIGATION LIMITED TAX WATER SUPPLY SYSTEM IMPROVEMENT REVENUE BONDS, SERIES 2002 authorized to be issued in the aggregate principal sum of not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) or as otherwise finally determined by order of the MDEQ for the purpose of paying the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2002 Bonds. The Series 2002 Bonds shall be payable out of the Net Revenues, as set forth more fully herein. The Bonds shall be executed in the name of the Issuer with the manual signatures of the Mayor and City Clerk and shall have the City's seal impressed on them. The Series 2002 Bonds shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery of the Series 2002 Bonds, payable in principal installments serially as finally determined by the order of the MDEQ at the time of sale of the Series 2002 Bonds and approved by the Authority and an Authorized Officer. Final determination of the Principal Amount and the payment dates and amounts of principal installments of the Series 2002 Bonds shall be evidenced by execution of a Purchase Contract (the "Purchase Contract") between the Issuer and the Authority providing for sale of the Series 2002 Bonds, and the Authorized Officers are authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above.

The Series 2002 Bonds or principal installments thereof will be subject to prepayment prior to maturity in the manner and at the times as provided in the form of Series 2002 Bond contained in this Ordinance or as may be approved by the Authorized Officers at the time of sale of the Series 2002 Bonds or by the Authority at the time of prepayment.

The Series 2002 Bonds shall bear interest at a rate of two and one-half percent (2.5%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and the Authorized Officers shall deliver the Series 2002 Bond in accordance with the delivery instructions of the Authority.

The Series 2002 Bond principal amount is expected to be drawn down by the Issuer periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Series 2002 Bond shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2002 Bond shall be payable as provided, in the Series 2002 Bond form in this Ordinance.

The City Clerk shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Clerk.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 2002 Bond, the Authority shall deliver the Series 2002 Bonds to the Issuer for cancellation.

Section 6. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2002 Bonds contained in Section 18 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The Issuer shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the transfer agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the transfer agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the transfer agent may pay the same without surrender thereof.

Section 7. Payment of Bonds. The Series 2002 Bonds and the interest thereon shall be payable from the Net Revenues, and to secure such payment, there is hereby recognized a statutory lien upon the whole of the Net Revenues created by Ordinance 449-01 of equal standing with the lien created in favor of the Series 2001 Bonds which shall be a first lien to continue until payment in full of the principal of and interest on all bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance. If the Series 2002 Bonds are purchased by the Authority and if the

Authority so requires, the Issuer shall pledge its limited tax full faith and credit for the payment of the principal of and interest on the Series 2002 Bonds. Should the Net Revenues of the System at any time be insufficient to pay principal and interest on the Series 2002 Bonds, as the same become due, then the Issuer shall advance from any funds available therefor, or, if necessary, levy taxes upon all taxable property in the Issuer, subject to applicable constitutional and statutory limitations, such sums as may be necessary to pay said principal and interest. The Issuer shall be reimbursed for any such advance from the Net Revenues of the system subsequently received which are not otherwise pledged or encumbered by this Ordinance.

Section 8. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 9. Funds and Accounts; Flow of Funds. The funds and accounts established for the System shall be as set forth in Ordinance No. 449-01 provided however the Bond and Interest Redemption Fund established by Section 13B of Ordinance No. 449-01 shall be increased to provide for timely payment of the Series 2002 Bonds on each October and April 1st. Provided, further that the Bond Reserve Amount as defined in said Section 13B shall be increased to take into account the issuance of the Series 2002 Bonds and the Bond Reserve Account shall be fully funded no later than ten years from the date of issue of the Series 2002 Bonds.

Section 10. Bond Proceeds. From the proceeds of the sale of the Bonds there shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on the delivery of the Bonds. The balance of the proceeds of the sale of the Bonds when received from the Authority shall be deposited in a bank or banks, designated by the City Commission, qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94, in an account designated CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project, including any engineering, legal and other expenses incident thereto and to the financing thereof. Payments for construction, either on account or otherwise, shall not be made unless the registered engineer in charge of such work shall file with the City Commission a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor; that it was done pursuant to and in accordance with the contract therefor (including properly authorized change orders), that such work is satisfactory and that such work has not been previously paid for.

Any unexpended balance of the proceeds of sale of the Bonds remaining after completion of the Project in the Construction Fund may, at the discretion of the Issuer, be used for further improvements, enlargements and extension to the System, if, at the time of such expenditures, such use is approved by the Michigan Department of Treasury, if such permission is then required by law. Any remaining balance after such expenditure shall be paid to the Redemption Fund and may be used for the purpose of purchasing Bonds on the open market at not more than the fair market value thereof, but not more than the price at which the Bonds may next be called for redemption, or used for the purpose of paying principal of the Bonds upon maturity or calling Bonds for redemption.

Section 11. Bond Form. The Bonds shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF CHIPPEWA
CITY OF SAULT STE. MARIE**

GENERAL OBLIGATION LIMITED TAX WATER SUPPLY SYSTEM IMPROVEMENT REVENUE BOND, SERIES 2002

REGISTERED OWNER: Michigan Municipal Bond Authority

PRINCIPAL AMOUNT: _____ Dollars (\$_____,000)

DATE OF ORIGINAL ISSUE: September 26, 2002

The CITY OF SAULT STE. MARIE, County of Chippewa, State of Michigan (the "City"), for value received, hereby promises to pay, primarily out of the hereinafter described Net Revenues of the City's Water Supply System (hereinafter defined), to the Michigan Municipal Bond Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the City under this bond, the Authority will periodically provide to the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding Principal Amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on the Schedule attached to the Purchase Contract, as such Schedule may be adjusted if less than \$____,000 is disbursed to the City or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two and one-half percent (2.5%) per annum. Interest is first payable on _____ 1, 200___, and semiannually thereafter on the first day of October and April of each year, as set forth in the Purchase Contract.

The Bonds may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the designated office of Bank One Trust Company, N.A. or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the City and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of the Water Supply System of the City, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created which lien is of equal standing with the lien created in favor of the City's General Obligation Limited Tax Water Supply System Improvement Revenue Bond, Series 2001, dated September 28, 2001. In addition in case of insufficiency of said Net Revenues, the principal of and interest on the bonds shall be payable from the general funds of the City or, if necessary, from ad valorem taxes levied upon all taxable property in the City, subject to applicable charter, statutory and constitutional tax rate limitations.

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to Ordinance No. 449-01 and Ordinance No. ____ duly adopted by the City Commission of the City, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the System.

Principal installments of this bond are subject to prepayment by the City prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinances.

This bond is primarily a self-liquidating bond, payable, both as to principal and interest, primarily from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned. [As additional security, the City has pledged its limited tax full faith and credit for payment of the principal of and interest on the bonds of this issue, which includes the Issuer's obligation to levy taxes, if necessary, within applicable constitutional, statutory and charter tax limitations.]

The City has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of the bonds of this issue, as and when the same shall become due and payable, and to maintain a bond redemption fund (including a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by said Ordinances.

This bond is transferable only upon the books of the City by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance authorizing the bonds, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City of Sault Ste. Marie, County of Chippewa, State of Michigan, by its City Commission, has caused this bond to be executed with the manual signatures of its Mayor and its Clerk and the corporate seal of the City to be impressed hereon, all as of the Date of Original Issue.

CITY OF SAULT STE. MARIE

By _____

Mayor

(Seal)

Countersigned:

City Clerk

Section 12. Application to MDEQ and Authority. The Authorized Officers are hereby authorized to make application to the Authority and to the MDEQ for placement of the Series 2002 Bonds with the Authority. The Authorized Officers are further authorized to execute and deliver such contracts, documents and certificates including a revenue sharing pledge agreement, purchase contract, and supplemental agreement as are necessary or advisable to qualify the Series 2002 Bonds for the Drinking Water Revolving Fund. In the event of a sale of the Series 2002 Bonds to the Authority, an Authorized Officer is hereby authorized to make such changes to the form of Series 2002 Bond contained in Section 18 of this Ordinance as may be necessary to conform to the requirements of 1985 PA 227 ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227. In the event the Series 2002 Bonds are sold to the Authority, the taxes collected by the State of Michigan and returned to the Issuer may be pledged for payment of the Series 2002 Bonds, and an Authorized Officer is further authorized to negotiate, execute and deliver an agreement with the Authority for payment of such taxes to the Authority or to a trustee as provided in Section 23 of Act 227.

Section 13. Covenant Regarding Tax Exempt Status of the Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, (the "Code") including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds, and to prevent the Bonds from being or becoming "private activity bonds" as that term is used in Section 141 of the Code.

Section 14. Effect of Ordinance No. 449-01. Except as changed by this Ordinance, all the provisions of Ordinance 449-01 shall apply to the Series 2002 Bonds issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of additional revenue bonds in finance the cost of the Project, additional bonds of equal standing with the Series 1991 Bonds for such purpose being authorized by the provisions of Ordinance No. 91-11 upon the conditions therein stated, which conditions have been fully met.

Section 15. Repeal, Savings Clause. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 16. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 17. Publication and Recordation. This Ordinance shall be published in full in The Evening News, a newspaper of general circulation in the Issuer qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and City Clerk.

Section 26. Effective Date. This Ordinance shall be effective upon its adoption.

Adopted and signed this 19th day of August, 2002.

Anthony G. Bosbous, Mayor

Lori J. Clarke, City Clerk ;oh3;eol;ORDINANCE NO. 512-09

AN ORDINANCE TO PROVIDE FOR THE CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF IMPROVEMENT TO THE CITY'S WATER SUPPLY AND SANITARY SEWAGE DISPOSAL SYSTEM; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS TO PAY THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND OUTSTANDING BONDS; TO PROVIDE AN ADEQUATE RESERVE FUND FOR THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; TO PROVIDE FOR THE COMBINATION OF THE CITY'S WATER SUPPLY AND SANITARY SEWAGE DISPOSAL SYSTEMS; TO PROVIDE FOR THE AMENDMENT OF ORDINANCE NUMBERS 435-98, 449-01 AND 458-02 TO GIVE EFFECT TO THE COMBINATION OF SYSTEMS AND TO SUBSTITUTE SECURITY FOR OUTSTANDING REVENUE BONDS AUTHORIZED BY ORDINANCES NO. 435-98, 449-01 AND 458-02 AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

PREAMBLE

PREAMBLE

The City of Sault Ste. Marie, Michigan (the "City") has previously issued its Water Supply System Revenue Bonds, Series 1998, 2001 and 2003 (the "Prior Bonds"). Each series of the Prior Bonds was purchased by the Michigan Municipal Bond authority as part of the State of Michigan Drinking Water Revolving Funds ("DWRF") which requires that certain credit criterion be met prior to the purchase of bonds. In order to meet the required credit criterion the City has pledged its limited tax full faith and credit as secondary security for the payment of the Prior Bonds. It is the intent of the City to combine its Water Supply and Sewage Disposal Systems, the net revenues of which will now be sufficient to meet the required credit criterion in order for the City to participate in the DWRF, and to delete it limited tax full faith and credit pledge.

THE CITY OF SAULT STE. MARIE THEREFORE ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Adjusted Net Revenues" means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and payments to the Issuer in lieu of taxes, to which may be made the following adjustments:
 - (i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.

(ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System.

The adjustment of revenues and expenses by the factors set forth in (i) and (ii) above shall be reported upon by professional engineers or certified public accountants or other experts not in the regular employment of the Issuer.

- (c) "Authority" means the Michigan Municipal Bond Authority.
- (d) "Authorized Officers" means the Mayor, City Manager, Finance Director and Clerk.
- (e) "Bonds" mean the Series 2010 Bonds, together with any additional Bonds of equal standing hereafter issued.
- (f) "City" or "Issuer" means the City of Sault Ste. Marie, County of Chippewa, State of Michigan.
- (g) "MDEQ" Means the Michigan Department of Environmental Quality.
- (h) "Outstanding Bonds" means the City's Water Supply System Revenue Bonds, Series 1998 authorized by Ordinance No. 435-98; Water Supply System Revenue Bonds, Series 2001 authorized by Ordinance No. 449-01; and Water Supply System Revenue Bonds, Series 2003 authorized by Ordinance No. 458-02.
- (i) "Prior Ordinances" means Ordinance No. 435-98 adopted September 29, 1998; Ordinance No. 449-01 adopted August 20, 2001 and Ordinance No. 458-02 adopted April 20, 2003.
- (j) "Project" means the additions, extensions and improvements to the System consisting of sanitary sewer improvements together with appurtenances and attachments thereto.
- (k) "Revenues" and "Net Revenues" mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.
- (l) "Series 2010 Bonds" means the Water Supply and Sewage Disposal Revenue Bonds, Series 2010, of the Issuer in the principal amount of not to exceed \$7,500,000 authorized by this Ordinance.
- (m) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.
- (n) "System" means the City of Sault Ste. Marie Water Supply and Sewage Disposal System, including such facilities thereof as are now existing, are acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

Section 2. Necessity; Approval of Plans and Specifications; Combination of Systems. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the City's consulting engineers, which plans and specifications are hereby approved. The Project qualifies for the State of Michigan Revolving Loan Fund financing program being administered by the MDEQ and the Authority, whereby bonds of the Issuer are sold to the Authority and bear interest at a fixed rate of not to exceed three percent (3%) per annum. The City's Water Supply System and its Sewage Disposal System be and are hereby combined as the City's Water Supply and Sewage Disposal System.

Section 3. Costs; Useful Life. The total cost of the Project is presently estimated to be Seven Million Five Hundred Thousand Dollars (\$7,500,000) including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than forty (40) years.

Section 4. Payment of Cost; Bonds Authorized. To pay all or part of the cost of acquiring and constructing the Project, including payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2010 Bonds, the Issuer shall borrow the sum of not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000) (the "Principal Amount") and issue the Series 2010 Bonds therefor pursuant to the provisions of Act 94. The remaining cost of the Project, if any, shall be defrayed from Issuer funds on hand and legally available for such use.

Section 5. Bond Details, Issuance in Series, Registration and Execution. The Series 2010 Bonds hereby authorized shall be designated WATER SUPPLY AND SEWAGE DISPOSAL REVENUE BONDS, SERIES 2010, shall be payable out of the Net Revenues, as set forth more fully in Section 7 hereof, shall consist of a fully single fully registered bond, nonconvertible bond of the full Principal Amount thereof, dated as of the date of its delivery, payable in principal installments serially as finally determined by the order of the MDEQ at the time of sale of the Series 2010 Bonds and approved by the Authority and an Authorized Officer.

Final Determination of the Principal Amount and the payment dates and amounts of principal installments of the Series 2010 Bonds shall be evidenced by execution of a Purchase Contract (the "Purchase Contract") between the Issuer and the Authority providing for the sale of the Series 2010 Bonds, and any of the Authorized Officers are authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above.

The Series 2010 Bonds or principal installments thereof will be subject to prepayment prior to maturity in the manner and at the times set forth in the form of the Series 2010 Bonds contained in this Ordinance or as may be approved by any of the Authorized Officers at the time of sale of the Series 2010 Bonds or by the Authority at the time of prepayment. The Series 2010 Bonds shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and the City Clerk and shall have the Issuer's seal printed on them.

The Series 2010 Bonds shall bear interest at a rate of not to exceed three percent (3%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and any of the Authorized Officers shall deliver the Series 2010 Bond in accordance with the delivery instructions of the Authority.

The Series 2010 Bond principal amount is expected to be drawn down by the Issuer periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Series 2010 Bond shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2010 Bond shall be payable as provided in the Series 2010 Bond from this Ordinance.

The City Clerk shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Clerk.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 2010 Bonds, the Authority shall deliver the Series 2010 Bonds to the Issuer for cancellation.

Section 6. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and

the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. A bank or financial institution shall be designated as the transfer agent. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The transfer agent shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2010 Bonds contained in this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The Issuer shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the transfer agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the transfer agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the transfer agent may pay the same without surrender thereof.

Section 7. Payment of Bonds. The Series 2010 Bonds and the Outstanding Bonds and the interest thereon shall be payable solely from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues, which lien is subject to the provisions of Section 20(d) hereof and the issuance of additional bonds superior standing, which shall be a lien to continue until payment in full of the principal of and interest on all bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance.

Section 8. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the security therefor.

Section 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring of the Project shall continue to be under the supervision and control of the City Commission. The City Commission may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The City Commission may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 10. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 11. No Free Service or Use. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 12. Fixing and Revising Rates; Rate Covenant. The rates now in effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 13. Funds and Accounts; Flow of Funds. Commencing on the date of adoption of this Ordinance, all funds belonging to the System as combined herein shall be transferred as herein indicated and all Revenues of the System shall be set aside as collected and credited to a fund to be designated WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM RECEIVING FUND (the "Receiving Fund"). In addition, on the date of adoption of this Ordinance all Revenues in any accounts of the System shall be transferred to the Receiving Fund and credited to the funds and accounts as provided in this section. The Revenues credited to the Receiving Fund are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times and in the order of priority hereinafter specified:

A. OPERATION AND MAINTENANCE FUND:

Out of the Revenues credited to the Receiving Fund there shall be first set aside in, or credited to, a fund designated OPERATION AND MAINTENANCE FUND (the "Operation and Maintenance Fund"), monthly a sum sufficient to provide for the payment of the next month's expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

A budget, showing in detail the estimated costs of administration, operation and maintenance of the System for the next ensuing operating year, shall be prepared by the City Commission at least 30 days prior to the commencement of each ensuing operating year. No payments shall be made to the Issuer from moneys credited to the Operation and Maintenance Fund except for services directly rendered to the System by the Issuer or its personnel.

B. BOND AND INTEREST REDEMPTION FUND:

There shall be established and maintained a separate depository fund designated BOND AND INTEREST REDEMPTION FUND (the "Redemption Fund"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Bonds. The moneys in the Redemption Fund (including the Bond Reserve Account) shall be kept on deposit with the bank or trust company where the principal of and interest on the Bonds, or any series thereof, are payable.

Out of the Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Fund, there shall be set aside each month commencing upon the adoption of this Ordinance in the Redemption Fund a sum proportionately sufficient to provide for the payment when due of the current principal of and interest on the Bonds, less any amount in the Redemption Fund representing accrued interest on the Bonds or investment income on amounts on deposit in the Redemption Fund, (including investment income on amounts held as part of the Bond Reserve Account). Commencing first day of the month following the adoption of this Ordinance, the amount set aside each month for interest on the Bonds shall be an amount sufficient to pay the interest on the Bonds next coming due. Commencing April 1, 2010, the amount set aside each month for interest on the Bonds shall be $\frac{1}{12}$ of the total amount of interest on the Bonds next coming due. The amount set aside each month for principal upon the adoption of this Ordinance shall be an amount sufficient to pay the principal installment due on the next installment date and, commencing April 1, 2010, shall be $\frac{1}{12}$ of the amount of principal installment next coming due by maturity. If there is any deficiency in the amount previously set aside, that deficiency shall be added to the next succeeding monthly requirements. The amount to be set aside for the payment of principal and interest on any date shall not exceed the amount which, when added to the money on deposit in the Redemption Fund, including investment income thereon and on the Bond Reserve Account, is necessary to pay principal and interest due on the Bonds on the next succeeding principal installment payment date.

There is established a separate account in the Redemption Fund to be known as the BOND RESERVE ACCOUNT (the "Bond Reserve Account"). There may be periodically deposited in the Bond Reserve Account in such amount, if any, as the City Commission shall annually determine sums sufficient to fund the "Reserve Amount" which shall not exceed the lesser of (1) the maximum annual debt service due in the current or any future year, (2) 125% of the average annual debt service or (3) 10% of the principal amount of the bonds. Interest on the Bond Reserve Account shall be transferred into the Redemption Fund once the Reserve Amount has been reached.

Except as otherwise provided in this Section, the moneys credited to the Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums (if any) and interest on the Bonds as to which there would otherwise be a default. If at any time it shall be necessary to use moneys credited to the Bond Reserve Account for such payment, then the moneys so used shall be replaced from the Net Revenues first received thereafter which are not required for current principal and interest requirements until the amount on deposit equals the Reserve Amount. If bonds of superior status are issued additional Bond Reserve Accounts shall be established for such series of bonds prior to the issuance of same. If on any principal payment date the amount in the Bond Reserve Account exceeds the Reserve Amount, the excess shall be transferred to the Redemption Fund for payment of principal and interest on the Bonds due on that date.

C. REPLACEMENT FUND:

There shall next be established and maintained a fund, separate depository account, designated REPLACEMENT FUND (the "Replacement Fund"), the money credited thereto to be used solely for the purpose of making repairs and replacements to the System. Out of the Revenues and moneys of the System remaining in the Receiving Fund each month after provision has been made for the deposit of moneys in the Operation and Maintenance Fund and the Redemption Fund (including the Bond Reserve Account), there may be deposited in the Replacement Fund such additional funds as the City Commission may deem advisable. If at any time it shall be necessary to use moneys in the

Replacement Fund for the purpose for which the Replacement Fund was established, the moneys so used shall be replaced from any moneys in the Receiving Fund which are not required by this Ordinance to be used for the Operation and Maintenance Fund or the Redemption Fund (including the Bond Reserve Account).

D. IMPROVEMENT FUND:

Out of the remaining Revenues in the Receiving Fund, after meeting the requirements of the Operation and Maintenance Fund, the Redemption Fund (including the Bond Reserve Account) and the Replacement Fund, there may be next set aside in or credited to a fund to be designated IMPROVEMENT FUND (the "Improvement Fund"), which Improvement Fund may have several subaccounts therein, such sums monthly as the Issuer may deem advisable to be used for additions, improvements, enlargements or extensions to the System, including the planning thereof.

E. SURPLUS MONEYS:

Thereafter, any Revenues in the Receiving Fund after satisfying all the foregoing requirements of this Section may, at the discretion of the Issuer, be used for any of the following purposes:

1. Transferred to the Replacement Fund, the Improvement Fund or both.
2. Transferred to the Redemption Fund and used for the purchase of Bonds on the open market at not more than the fair market value thereof or used to redeem Bonds prior to maturity pursuant to Section 5 of this Ordinance.
3. Any other use permitted by law.

Section 14. Priority of Funds. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or the Redemption Fund, any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Fund, and second to the Redemption Fund.

Section 15. Depository and Funds on Hand. Moneys in the several funds and the accounts established pursuant to this Ordinance, except moneys in the Redemption Fund (including the Bond Reserve Account) and moneys derived from the proceeds of sale of the Bonds, may be kept in one or more bank accounts at a bank or banks designated by resolution of the Issuer, and if kept in one bank account the moneys shall be allocated on the books and records of the Issuer in the manner and at the times provided in this Ordinance.

Section 16. Investments. Moneys in the funds and accounts established herein and moneys derived from the proceeds of sale of the Bonds, may be invested by the Issuer in United States of America obligations or in obligations the principal of and interest on which is fully guaranteed by the United States of America and any investments hereafter permitted by law, and moneys derived from the proceeds of sale of the Bonds may also be invested in certificates of deposit of any bank whose deposits are insured by the Federal Deposit Insurance Corporation. Investment of moneys in the Redemption Fund being accumulated for payment of the next maturing principal or interest payment of the Bonds shall be limited to obligations bearing maturity dates prior to the date of the next maturing principal or interest payment on the Bonds. Investment of moneys in the Bond Reserve Account shall be limited to obligations bearing maturity dates or subject to redemption, at the option of the holder thereof, not later than five years from the date of the investment. In the event investments are made, any securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds or account from which the purchase was made. Profit realized or interest income earned on investment of funds in the Receiving Fund, Operation and Maintenance Fund and Improvement Fund shall be deposited in or credited to the Receiving Fund at the end of each fiscal year. Profit realized on interest income earned on investment of moneys in the Redemption Fund (including income derived from the Bond Reserve Account) shall be credited as received to the Redemption Fund.

Section 17. Bond Proceeds. From the proceeds of the sale of the Bonds there shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on the delivery of the Bonds. The balance of the proceeds of the sale of the Bonds shall be deposited in a bank or banks, designated by the City Commission, qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94, in an account designated CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project, including any engineering, legal and other expenses incident thereto and to the financing thereof. Payments for construction, either on account or otherwise, shall not be made unless the registered engineer in charge of such work shall file with the City Commission a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor; that it was done pursuant to and in accordance with the contract therefor (including properly authorized change orders), that such work is satisfactory and that such work has not been previously paid for.

Any unexpended balance of the proceeds of sale of the Bonds remaining after completion of the Project in the Construction Fund may, at the discretion of the Issuer, be used for further improvements, enlargements and extension to the System, if, at the time of such expenditures, such use is approved by the Michigan Department of Treasury, if such permission is then required by law. Any remaining balance after such expenditure shall be paid to the Redemption Fund and may be used for the purpose of purchasing Bonds on the open market at not more than the fair market value thereof, but not more than the price at which the Bonds may next be called for redemption, or used for the purpose of paying principal of the Bonds upon maturity or calling Bonds for redemption.

Section 18. Bond Form. The Bonds shall be in substantially the following form:

;b;UNITED STATES OF AMERICA;\b;;eol;;b;STATE OF MICHIGAN;\b;;eol;;b;COUNTY OF CHIPPEWA;\b;;eol;;adv=8q;;b;CITY OF SAULT STE. MARIE;\b;;eol;;adv=8q;;b;WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM;\b;;eol;;b;REVENUE BOND SERIES 2010;\b>

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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;b;UNITED STATES OF AMERICA;\b;;eol;;b;STATE OF MICHIGAN;\b;;eol;;b;COUNTY OF CHIPPEWA;\b;;eol;;adv=8q;;b;CITY OF SAULT STE. MARIE;\b;;eol;;adv=8q;;b;WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM;\b;;eol;;b;REVENUE BOND SERIES 2010;\b>

REGISTERED OWNER: Michigan Municipal Bond Authority

PRINCIPAL AMOUNT:	DOLLARS
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The CITY OF SAULT STE. MARIE, County of Chippewa, State of Michigan (the "Issuer"), for value received, hereby promises to pay, but only out of the hereinafter described Net Revenue of the Issuer's Water Supply and Sewage Disposal System (hereinafter defined) in lawful money of the United States of America to the Registered Owner shown above, or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Michigan Municipal Bond Authority (the "Authority"), and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality on the Maturity Date shown above, unless prepaid prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the Issuer under this bond, the Authority will periodically provide to the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding Principal Amount actually advanced (subject to any principal forgiveness as provided in Schedule A), all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on the Schedule attached to the Purchase Contract, as such Schedule may be adjusted if less than \$_____,000 is disbursed to the Issuer or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of __ and __ percent (__.%) per annum. Interest is first payable on _____, 200_, and semiannually thereafter on the first day of October and April of each year, as set forth in the Purchase Contract.

The Bonds may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the designated office of _____, or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Water Supply and Sewage Disposal System of the Issuer, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created.

This bond is a single, fully-registered, nonconvertible bond in the principal sum indicated above issued pursuant to Ordinance No. 512-09 duly adopted by the City Commission of the City, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the System.

Principal installments of this bond are subject to prepayment by the City prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinance.

This bond is a self-liquidating bond and is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional, charter or statutory limitation, but is payable, both as to principal and interest, solely from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned. This bond is of equal standing and priority of lien with the Issuer's outstanding Water Supply System Revenue Bonds, Series 1998, dated September 29, 1998; Water Supply System Revenue Bonds, Series 2001, dated September 28, 2001 and its Water Supply System Revenue Bonds, Series 2003, dated March 27, 2003.

The Issuer has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest on and the principal of the bonds of this issue and any additional bonds of equal standing as and when the same shall become due and payable, and to create and maintain a bond redemption fund (including a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance.

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the transfer agent by the registered owner hereof in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance authorizing the bonds, and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond and the series of bonds of which this is one have been done and performed in regular and due time and form as required by law.

This bond is not valid or obligatory for any purpose until the transfer agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Sault Ste. Marie, County of Chippewa, State of Michigan, by its City Commission, has caused this bond to be executed with the facsimile signatures of its Mayor and its City Clerk and its corporate seal to be printed on this bond, all as of the Date of Original Issue.

CITY OF SAULT STE. MARIE

By _____

Anthony G. Bosbous, Mayor

(Seal)

Countersigned:

Robin R. Troyer, City Clerk

Section 19. Covenants. The Issuer covenants and agrees with the holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest -

- (a) The Issuer will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan, the Issuer's Charter and this Ordinance.
- (b) The Issuer will keep proper books of record and account separate from all other records and accounts of the Issuer, in which shall be made full and correct entries of all transactions relating to the System. The Issuer shall have an annual audit of the books of record and account of the System for the preceding operating year made each year by an independent certified public accountant, and a copy of the audit shall be mailed to the manager of each syndicate or account originally purchasing any issue of the Bonds. The auditor shall comment on the manner in which the Issuer is complying with the requirements of the Ordinance with respect to setting aside and investing moneys and meeting the requirements for acquiring and maintaining insurance. The audit shall be completed and so made available not later than six (6) months after the close of each operating year.
- (c) The Issuer will maintain and carry, for the benefit of the holders of the Bonds, insurance on all physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by municipalities engaged in the operation of sewage disposal systems, including self-insurance. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of redeeming or purchasing Bonds.
- (d) The Issuer will not sell, lease or dispose of the System, or any substantial part, until all of the Bonds have been paid in full, both as to principal and interest or provision made thereof as herein provided. The Issuer will operate the System as economically as possible, will make all repairs and replacements necessary to keep the System in good repair and working order, and will not do or suffer to be done any act which would affect the System in such a way as to have a material adverse effect on the security for the Bonds.
- (e) The Issuer will not grant any franchise or other rights to any person, firm or corporation to operate a System that will compete with the System and the Issuer will not operate a system that will compete with the System.
- (f) The Issuer will cause the Project to be acquired and constructed promptly and in accordance with the plans and specification therefor.

Section 20. Additional Bonds. Except as hereinafter provided, the Issuer shall not issue additional Bonds of equal or prior standing with the Series 2010 Bonds.

The right is reserved in accordance with the provisions of Act 94, to issue additional Bonds payable from the Revenues of the System which shall be of equal standing and priority of lien on the Net Revenues of the System with the Bonds but only for the following purposes and under the following terms and conditions:

- (a) To complete the Project in accordance with the plans and specifications therefor. Such bonds shall not be authorized unless the engineers in charge of construction shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and

stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the Issuer, it shall be the duty of the Issuer to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.

- (b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part of any Bonds then outstanding and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve-month operating year, if the same shall be lower than the average, shall be equal to at least one hundred percent (100%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Bonds and on the additional Bonds then being issued. If the additional Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the additional Bonds. For purposes of this subparagraph (b) the Issuer may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Bonds. Determination by the Issuer as to existence of conditions permitting the issuance of additional Bonds shall be conclusive. No additional Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the Issuer shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.
- (c) For refunding a part of the outstanding Bonds and paying costs of issuing such additional Bonds including deposits which may be required to be made to the Bond Reserve Account. No additional Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.
- (d) For the issuance of additional Bonds of prior and superior standing with the Bonds upon either (i) the written consent of the holder(s) of the Series 2010 Bonds and any bonds of equal standing with the Series 2010 Bonds, or (ii) upon a determination that the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month overeating [operating] years or the Adjusted Net Revenues for the last preceding twelve-month operating year, if the same shall be lower that the average shall be equal to at least one hundred twenty percent (120%) of the maximum amount of principal and interest thereafter maturing in any operating year on the Bonds and on the additional bonds then being issued. Determination by the Issuer as to existence of conditions permitting the issuance of additional bonds of superior standing and priority of liens to the Bonds shall be conclusive. No additional bonds shall be issued pursuant to authorization contained in this subparagraph if the Issuer shall then be in default in making its required payment to the Operation and Maintenance Fund or the Redemption Fund.

Section 21. Amendment and Effect of Outstanding Ordinances; Substitution of Security. Upon the written consent of the Authority as holder of the Outstanding Bonds and in order to fully secure the Series 2010 Bonds and the Outstanding Bonds the revenues of the System are as provided herein pledged for the payment of principal and interest on said Bonds in

substitution for and in place of the Issuer's pledge of its limited tax full faith and credit. The definition of "System" and Section 7 of each of the Outstanding Ordinances shall and are hereby amended by said definition and Section 7 set forth herein.

Section 22. Application to MDEQ and Authority. The Authorized Officers are each hereby authorized to make application to the Authority and to the MDEQ for placement of the Series 2010 Bonds with the Authority. The Authorized Officers are each further authorized to execute and deliver such contracts, documents and certificates including a revenue sharing pledge agreement, purchase contract, and supplemental agreement as are necessary or advisable to qualify the Series 2010 Bonds for the State Revolving Fund. In the event of a sale of the Series 2010 Bonds to the Authority, an Authorized Officer is hereby authorized to make such changes to the form of Series 2010 Bond contained in Section 18 of this Ordinance as may be necessary to conform to the requirements of 1985 PA 227 ("Act 227"), including, but not limited to changes to the title of the Bonds, in the principal maturity and interest payment dates and references to additional security required by Act 227. In the event the Series 2010 Bonds are sold to the Authority, the taxes collected by the State of Michigan and returned to the Issuer may be pledged for payment of the Series 2010 Bonds, and an Authorized Officer is further authorized to negotiate, execute and deliver an agreement with the Authority for payment of such taxes to the Authority or to a trustee as provided in Section 23 of Act 227.

Section 23. Covenant Regarding Tax Exempt Status of the Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, (the "Code") including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds, and to prevent the Bonds from being or becoming "private activity bonds" as that term is used in Section 141 of the Code.

Section 24. Repeal, Savings Clause. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 25. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 26. Publication and Recordation. This Ordinance shall be published in full in The Evening News, a newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and Clerk.

Section 27. Effective Date. In conformity with Act 94 of the Public Acts of Michigan of 1933, as amended this Ordinance shall be effective upon its adoption and publication.

Adopted and signed this 2nd day of November, 2009.

Signed _____

Anthony G. Bosbous, Mayor

Signed _____

Robin R. Troyer, City Clerk

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM OF THE CITY OF SAULT STE. MARIE; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS TO PAY THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE FOR SECURITY FOR THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY OF SAULT STE. MARIE ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Authority" means the Michigan Finance Authority or its successor.
- (c) "Authorized Officers" means the Mayor, the City Manager, the City Clerk and the Finance Director/City Treasurer of the Issuer.
- (d) "Bonds" means the Series 2014 Bonds, together with any additional bonds heretofore or hereafter issued of equal standing with the Series 2014 Bonds.
- (e) "Engineers" means C2AE, registered engineers.
- (f) "Issuer" or "City" means the City of Sault Ste. Marie, County of Chippewa, State of Michigan.
- (g) "MDEQ" means the Michigan Department of Environmental Quality.
- (h) "Outstanding Bonds" means the Issuer's Water Supply System Revenue Bonds, Series 1998 authorized by Ordinance No. 435-98; Water Supply System Revenue Bonds, Series 2001 authorized by Ordinance No. 449-01; Water Supply System Revenue Bonds, Series 2003 authorized by Ordinance No. 458-02; and Water Supply and Sewage Disposal System Revenue Bonds, Series 2010 authorized by Ordinance No. 512-09.
- (i) "Prior Ordinances" means, collectively, the ordinances and resolutions adopted by the City Commission of the Issuer authorizing the issuance of the Outstanding Bonds, including Ordinance No. 435-98 adopted September 29, 1998; Ordinance No. 449-01 adopted August 20, 2001; Ordinance No. 458-02 adopted April 20, 2003; and Ordinance No. 512-09 adopted on November 2, 2010.
- (j) "Project" means the acquisition, construction, furnishing and equipping of improvements and additions to the City's Water Supply and Sewage Disposal System including sewer separation improvements, rehabilitation and replacement of water mains and sewer lines, together with all related street restoration, appurtenances and attachments.
- (k) "Purchase Contract" means the purchase contracts to be entered into between the Authority and the Issuer relating to the purchase by the Authority of the Series 2014A Bonds and Series 2014B Bonds, respectively.
- (l) "Revenues" and "Net Revenues" means the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues", the earnings derived from the investment of moneys in the various funds and accounts established by the Prior Ordinances and this Ordinance.
- (m) "Series 2014 Bonds" means collectively the Series 2014A Bonds and the Series 2014B Bonds.
- (n) "Series 2014A Bonds" means the Water Supply and Sewage Disposal System Revenue Bond, Series 2014A, in the principal amount of not to exceed \$7,750,000 issued pursuant to this Ordinance.

- (o) "Series 2014B Bonds" means the Water Supply and Sewage Disposal System Revenue Bond, Series 2014B, in the principal amount of not to exceed \$4,750,000 issued pursuant to this Ordinance.
- (p) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.
- (q) "Supplemental Agreement" means the supplemental agreements among the Issuer, the Authority and MDEQ relating to the Series 2014A Bonds and the Series 2014B Bonds, respectively.
- (r) "System" means the entire Water Supply and Sewage Disposal System of the Issuer, including the Project and all additions, extensions and improvements hereafter acquired.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Project in accordance with the plans and specifications prepared by the Engineers, which plans and specifications are hereby approved. The Project qualifies for the State Revolving Fund and Drinking Water Revolving Fund financing programs being administered by the MDEQ and the Authority, whereby bonds of the Issuer are sold to the Authority and bear interest at a fixed rate of two and one-half percent (2.50%) per annum.

Section 3. Costs; Useful Life. The cost of the Project is estimated to be Thirteen Million Eight Hundred Ten Thousand Dollars (\$13,810,000), including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed. The period of usefulness of the Project is estimated to be not less than twenty-five (25) years.

Section 4. Payment of Cost; Bonds Authorized. To pay part of the cost of acquiring and constructing the Project, legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2014 Bonds, the Issuer shall borrow the sum of not to exceed Twelve Million Five Hundred Thousand Dollars (\$12,500,000), or such lesser amount as shall have been advanced to the Issuer pursuant to the Purchase Contract and the Supplemental Agreement, and issue the Series 2014 Bonds pursuant to the provisions of Act 94. The remaining costs of the Project shall be defrayed from other bond issues and Issuer funds on hand and legally available for such use.

Except as amended by or expressly provided to the contrary in this Ordinance, all of the provisions of the Prior Ordinances shall apply to the Series 2014 Bonds issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of additional revenue bonds of equal lien with respect to the Outstanding Bonds to finance the cost of acquiring and constructing additions, extensions and improvements to the System, additional bonds of equal standing with the Outstanding Bonds for such purpose being authorized by the provisions of the Prior Ordinances, upon the conditions therein stated, which conditions have been fully met.

Section 5. Issuance of Series 2014 Bonds; Details. The Series 2014A Bonds of the Issuer, to be designated WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BOND, SERIES 2014A and the Series 2014B Bonds of the Issuer, to be designated WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BOND, SERIES 2014B, are authorized to be issued in the aggregate principal sum of not to exceed Twelve Million Five Hundred Thousand Dollars (\$12,500,000) or such lesser amount as finally determined by order of the MDEQ for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2014 Bonds. The Series 2014 Bonds shall be payable out of the Net Revenues, as set

forth more fully in Section 8 hereof, provided that the Series 2014 Bonds shall be of equal standing to the prior lien with respect to the Net Revenues in favor of the Outstanding Bonds and of any additional bonds of equal standing with the Outstanding Bonds hereafter issued.

The Series 2014 Bonds shall each be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined by the order of the MDEQ at the time of sale of the Series 2014 Bonds and approved by the Authority and an Authorized Officer. Principal installments of the Series 2014 Bonds shall be payable on October 1 of the years 2017 through 2036, inclusive, or such other payment dates as hereinafter provided. Interest on the Series 2014 Bonds shall be payable on April 1 and October 1 of each year, commencing April 1, 2015 or on such other interest payment dates as hereinafter provided. Final determination of the principal amount of and interest on the Series 2014 Bonds and the payment dates and amounts of principal installments of the Series 2014 Bonds shall be evidenced by execution of the Purchase Contract and each of the Authorized Officers is authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above; provided, however, that the first principal installment shall be due no earlier than April 1, 2015 and the final principal installment shall be due no later than April 1, 2038 and the total principal amount of the Series 2014 Bonds shall not exceed \$12,500,000.

The Series 2014 Bonds shall bear interest at a rate of two and one-half percent (2.50%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and any Authorized Officers as shall be appropriate shall deliver the Series 2014 Bonds in accordance with the delivery instructions of the Authority.

The principal amount of the Series 2014 Bonds is expected to be drawn down by the Issuer periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Issuer.

The Series 2014 Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2014 Bonds shall be payable as provided in the Series 2014 Bond form in this Ordinance.

The Series 2014 Bonds shall be subject to optional redemption by the Issuer with the prior written approval of the Authority and on such terms as may be required by the Authority.

The City Treasurer shall record on the registration books payment by the Issuer of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Treasurer.

Upon payment by the Issuer of all outstanding principal of and interest on the Series 2014 Bonds, the Authority shall deliver the Series 2014 Bonds to the Issuer for cancellation.

Section 6. Execution of Series 2014 Bonds. The Series 2014 Bonds shall be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk of the Issuer and shall have the corporate seal of the Issuer or a facsimile thereof impressed thereon. The Series 2014 Bonds bearing the manual signatures of the Mayor and the City Clerk of the Issuer sold to the Authority shall require no further authentication.

Section 7. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid

with respect to the transfer. The Issuer shall not be required (i) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2014 Bonds contained in Section 14 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. The Issuer shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and upon presentation for such purpose the transfer agent shall under such reasonable regulations as it may prescribe transfer or cause to be transferred on said books Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the transfer agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the transfer agent may pay the same without surrender thereof.

Section 8. Payment of Series 2014 Bonds; Security; Priority of Lien. Principal of and interest on the Series 2014 Bonds shall be payable from the Net Revenues. There is hereby recognized the statutory lien upon the whole of the Net Revenues created by this Ordinance which shall be a lien that is equal to the lien of the Outstanding Bonds created by the Prior Ordinances, to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. The Issuer reserves the right to issue bonds with a statutory lien that is senior in standing to the lien on the Bonds on the conditions stated in the Prior Ordinances.

Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under the Prior Ordinances or this Ordinance except for payment from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under the Prior Ordinances or this Ordinance.

Section 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring and constructing of the Project shall continue to be under the supervision and control of the Issuer. The Issuer may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The Issuer may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The System shall be operated on the basis of an operating year which shall coincide with the Issuer's fiscal year.

Section 10. Rates and Charges; No Free Service. The rates and charges for service furnished by the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any

person, firm, or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 11. Fixing and Revising Rates; Rate Covenant. The rates now in effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 12. Funds and Accounts; Flow of Funds; Junior Lien Bond and Interest Redemption Fund. The funds and accounts established by the Prior Ordinances are hereby continued, the flow of funds established by the Prior Ordinances, as amended, is hereby continued, and the applicable sections of the Prior Ordinances, as amended, relating to funds and accounts and flow of funds are incorporated herein, with the following revisions and replacements to Section 13(C), (D) and (E) of Ordinance No. 512-09:

C. REPLACEMENT AND IMPROVEMENT FUND:

There shall next be established and maintained a fund, separate depository account, designated WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REPLACEMENT ACCOUNT or such other designation determined by the Treasurer (the "Replacement Account"), the money credited thereto to be used solely for the purpose of making repairs and replacements to the System. Out of the Revenues and moneys of the System remaining in the Receiving Fund each month after provision has been made for the deposit of moneys in the Operation and Maintenance Fund and the Redemption Fund, there may be deposited in the Replacement Fund such additional funds as the City may deem advisable. If at any time it shall be necessary to use moneys in the Replacement Fund for the purpose for which the Replacement Fund was established, the moneys so used shall be replaced from any moneys in the Receiving Fund which are not required by this Ordinance to be used for the Operation and Maintenance Fund or the Redemption Fund.

D. General Obligation Debt Fund:

Out of the remaining Revenues in the Receiving Fund, there may be next set aside in or credited to monthly after meeting the requirements of the foregoing Fund, to an account designated General Obligation Debt Fund (the "G.O. Fund"), or from other available moneys such sums as shall be necessary to pay debt service on presently existing or future general obligation bond issues of the City or general obligations or contractual obligations of the City incurred or to be incurred for System purposes.

E. SURPLUS MONEYS:

Thereafter, any Revenues in the Receiving Fund after satisfying all the foregoing requirements of this Section may, at the discretion of the City, be used for any of the following purposes:

1. Transferred to the Replacement Fund.
2. Transferred to the Redemption Fund and used for the purchase of Bonds on the open market at not more than the fair market value thereof or used to redeem Bonds prior to maturity pursuant to this Ordinance.
3. Any other use permitted by law.

Section 13. Bond Proceeds. The proceeds of the sale of the Series 2014 Bonds as received by the Issuer shall be deposited in a separate account in a bank or banks qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94 designated WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BONDS CONSTRUCTION FUND (the

"Construction Fund"). The Issuer shall maintain separate subaccounts within the Construction Fund for each series of the Series 2014 Bonds to monitor the expenditure of the respective portion of the Project. Moneys in each of the subaccounts in the Construction Fund shall be applied solely in payment of the cost of the respective portion of the Project and any engineering, legal and other expenses incident thereto and to the financing thereof.

Section 14. Bond Form. The Series 2014 Bonds shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this Ordinance and, subject to such modifications which may be required by the Michigan Attorney General and the Authority and approved by bond counsel:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF CHIPPEWA

CITY OF SAULT STE. MARIE

WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM

REVENUE BOND, SERIES 2014[A][B]

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: _____ Dollars (\$____,000)

DATE OF ORIGINAL ISSUE: _____, 2014

The CITY OF SAULT STE. MARIE, County of Chippewa, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay, but only out of the hereinafter described Net Revenues of the City's Water Supply and Sewage Disposal System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the City under this bond, the Authority will periodically provide to the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding Principal Amount actually advanced (subject to any principal forgiveness as provided for in Schedule A), all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on the Schedule attached hereto and made a part hereof, as such Schedule may be adjusted if less than \$_____ is disbursed to the City or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two and one-half percent (2.50%) per annum. Interest is first payable April 1, 2015 and semiannually thereafter and principal is payable on the first day of October commencing October 1, 2017 (as identified in the Purchase Contract) and annually thereafter.

Principal installments of this bond are subject to prepayment by the City prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A. or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the City and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of the Water Supply and Sewage Disposal System of the City, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created which is equal in standing and priority of lien as to the City's outstanding Water Supply System Revenue Bonds, Series 1998; Water Supply System Revenue Bonds, Series 2001; Water Supply System Revenue Bonds, Series 2003; Water Supply and Sewage Disposal System Revenue Bonds, Series 2010 and Water and Sewage Disposal System Revenue Bonds, Series 2014[A][B] (collectively, the "Outstanding Bonds") and of any additional bonds of the City of equal standing and priority of lien with the Outstanding Bonds. The City has reserved the right to issue additional bonds of equal standing and priority of lien as to the Net Revenues, or of senior standing and priority of lien, with this series of bonds and the Outstanding Bonds.

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to Ordinances Nos. 435-98, Ordinance No. 449-01, Ordinance No. 458-02, Ordinance No. 512-09 and Ordinance No. _____ duly adopted by the City Commission of the City (the "Ordinances"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinances.

This bond is a self-liquidating bond, payable, both as to principal and interest, solely and only from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The City has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of this bond, the Outstanding Bonds and any additional bonds of equal standing with the Outstanding Bonds, as and when the same shall become due and payable, and to maintain a bond redemption fund therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinances.

This bond is transferable only upon the books of the City by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinances, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City of Sault Ste. Marie, County of Chippewa, State of Michigan, by its City Commission has caused this bond to be executed with the manual or facsimile signatures of its Mayor and its City Clerk and the corporate seal of the City to be impressed or imprinted hereon, all as of the Date of Original Issue.

CITY OF SAULT STE. MARIE

ANTHONY G. BOSBOUS,
Its Mayor

(Seal)

Countersigned:

ROBIN R. TROYER,
Its City Clerk

DEQ Project Number: 5129-10

DEQ Approved Amt: \$ _____

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of the principal of the bond shall be made until the full amount advanced to the City is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order"), approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the City and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is

disbursed to the City by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the City is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

Maturity Date	Principal Amount
October 1, 2017	\$300,000
October 1, 2018	310,000
October 1, 2019	320,000
October 1, 2020	325,000
October 1, 2021	335,000
October 1, 2022	340,000
October 1, 2023	350,000
October 1, 2024	360,000
October 1, 2025	370,000
October 1, 2026	380,000
October 1, 2027	390,000
October 1, 2028	400,000
October 1, 2029	410,000
October 1, 2030	420,000
October 1, 2031	430,000
October 1, 2032	440,000
October 1, 2033	450,000
October 1, 2034	460,000
October 1, 2035	475,000

October 1, 2036	485,000

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the City which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 2.50% per annum, payable April 1, 2015, and semi-annually thereafter.

The City agrees that it will deposit with the Authority's Depository, or such other place as shall be designated in writing to the City by the Authority payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

DEQ Project Number: 7010-06

DEQ Approved Amt: \$ _____

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of the principal of the bond shall be made until the full amount advanced to the City is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order"), approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the City and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the City by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the City is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

Maturity Date	Principal Amount
October 1, 2017	\$185,000
October 1, 2018	190,000
October 1, 2019	195,000
October 1, 2020	200,000
October 1, 2021	205,000
October 1, 2022	210,000

October 1, 2023	215,000
October 1, 2024	220,000
October 1, 2025	225,000
October 1, 2026	230,000
October 1, 2027	240,000
October 1, 2028	245,000
October 1, 2029	250,000
October 1, 2030	255,000
October 1, 2031	265,000
October 1, 2032	270,000
October 1, 2033	275,000
October 1, 2034	285,000
October 1, 2035	290,000
October 1, 2036	300,000

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the City which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 2.50% per annum, payable April 1, 2015, and semi-annually thereafter.

The City agrees that it will deposit with the Authority's Depository, or such other place as shall be designated in writing to the City by the Authority payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

Section 15. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty per cent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus

or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest upon the Series 2014 Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Series 2014 Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Series 2014 Bonds and the security therefor.

Section 16. Additional Bonds. The Issuer may issue additional bonds of equal standing with the Series 2014 Bonds for the following purposes and subject to the following conditions:

Except as hereinafter provided, the Issuer shall not issue additional Bonds of equal or prior standing with the Series 2010 Bonds.

The right is reserved in accordance with the provisions of Act 94, to issue additional Bonds payable from the Revenues of the System which shall be of equal standing and priority of lien on the Net Revenues of the System with the Bonds but only for the following purposes and under the following terms and conditions:

- (a) To complete the Project in accordance with the plans and specifications therefor. Such bonds shall not be authorized unless the engineers in charge of construction shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the Issuer, it shall be the duty of the Issuer to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.
- (b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part or all of any Bonds then outstanding and paying costs of issuing such additional Bonds. Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve-month operating year, if the same shall be lower than the average, shall be equal to at least one hundred twenty percent (120%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Bonds and on the additional Bonds then being issued. If the additional Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the additional Bonds. For purposes of this subparagraph (b) the Issuer may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Bonds. Determination by the Issuer as to existence of conditions permitting the issuance of additional Bonds shall be conclusive. No additional Bonds of

equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the Issuer shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

- (c) For refunding a part or all of the Bonds then outstanding and paying costs of issuing such additional Bonds including deposits which may be required to be made to the bond reserve account for such Bonds. No additional Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.
- (d) For the issuance of additional Bonds of prior and superior standing with the Bonds upon either (i) the written consent of the holder(s) of the Bonds, or (ii) upon a determination that the Adjusted Net Revenues of the System for the then last two (2) preceding twelve month overeating years or the Adjusted Net Revenues for the last preceding twelve month operating year, if the same shall be lower that the average shall be equal to at least one hundred twenty percent (120%) of the maximum amount of principal and interest thereafter maturing in any operating year on the Bonds and on the additional bonds then being issued. Determination by the Issuer as to existence of conditions permitting the issuance of additional bonds of superior standing and priority of liens to the Bonds shall be conclusive. No additional bonds shall be issued pursuant to authorization contained in this subparagraph if the Issuer shall then be in default in making its required payment to the Operation and Maintenance Fund or the Redemption Fund.

Section 17. Negotiated Sale; Application to MDEQ and Authority; Execution of Documents. The Issuer determines that it is in the best interest of the Issuer to negotiate the sale of the Series 2014 Bonds to the Authority because the State Revolving Fund and Drinking Water Revolving Fund financing programs provide significant interest savings to the Issuer compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to make application to the Authority and to the MDEQ for placement of the Series 2014 Bonds with the Authority. The actions taken by the Authorized Officers with respect to the Series 2014 Bonds prior to the adoption of this Ordinance are ratified and confirmed. The Authorized Officers are authorized to execute and deliver the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate. Any Authorized Officers is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2014 Bonds for the State Revolving Fund and Drinking Water Revolving Fund. Prior to the delivery of the Series 2014 Bonds to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2014 Bonds contained in Section 13 of this Ordinance as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 18. Covenant Regarding Tax Exempt Status of the Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2014 Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2014 Bonds proceeds and moneys deemed to be Bond proceeds.

Section 19. Approval of Bond Counsel. The representation of the Issuer by Miller, Canfield, Paddock and Stone, p.l.c. ("Miller Canfield"), as bond counsel is hereby approved, notwithstanding the representation by Miller Canfield of the Authority in connection with the State Revolving Fund program which may include advising the Authority with respect to this borrowing.

Section 20. Approval of Bond Details. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94,

including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2014 Bonds issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Series 2014 Bonds shall not exceed two and one-half percent (2.50%) per annum, and the Series 2014 Bonds shall mature in not more than twenty (20) annual installments.

Section 21. Savings Clause. All ordinances, resolutions or orders, or part thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 22. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 23. Publication and Recordation. This Ordinance shall be published in full in The Evening News, a newspaper of general circulation in the Issuer qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and the City Clerk.

Section 24. Effective Date. This Ordinance shall be effective upon its adoption and publication.

ADOPTED AND SIGNED THIS 21st day of July, 2014.

ANTHONY G. BOSBOUS,
Its Mayor

ROBIN R. TROYER,
Its City Clerk

I HEREBY CERTIFY that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Commission of the City of Sault Ste. Marie, County of Chippewa, State of Michigan, at a regular meeting held on the 21st day of July, 2014, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting: Mayor Bosbous, Commissioner Bauer, Gerrie, Lynn, Shimmens, Stefanski, and Twardy.

and that the following Members were absent: None.

I further certify that Commissioner Twardy moved for adoption of said Ordinance and that said motion was supported by Commissioner Gerrie.

I further certify that the following Members voted for adoption of said Ordinance: Mayor Bosbous, Commissioner Bauer, Gerrie, Lynn, Shimmens, Stefanski, and Twardy.

and that the following Members voted against adoption of said Ordinance: None.

I further certify that said Ordinance has been recorded in the Ordinance Book and that such recording has been authenticated by the signatures of the Mayor and the City Clerk.

