

**LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE VILLAGE OF FOWLerville**

**SECOND AMENDED AND RESTATED
TAX INCREMENT FINANCING AND DEVELOPMENT PLAN**

Approved by the Board of Directors of the Local Development Finance Authority of the Village of Fowlerville on August 13, 1998.

Approved by the Village Council of the Village of Fowlerville on September 28, 1998, subsequent to a public hearing held on September 14, 1998.

INTRODUCTION

Pursuant to the provisions of Act No. 281, Public Acts of Michigan, 1986, as amended ("Act 281"), the Village of Fowlerville (the "Village") established the Local Development Finance Authority of the Village of Fowlerville (the "Authority") on August 1, 1988.

To encourage local economic development to prevent conditions of unemployment and promote economic growth in the community, the Board of the Authority prepared a Development Plan and Tax Increment Financing Plan for the Kelsey-Hayes Company Project (the "Kelsey-Hayes Plan") which facilitated the construction of an approximately \$44 million industrial facility with the boundaries of the area within which the Authority was originally authorized to exercise its powers (the "Initial Authority District"). After the required public hearing, the Village Council approved the Kelsey-Hayes Plan on June 28, 1993 and the Authority proceeded to issue its obligations to finance the public facilities contemplated by the Kelsey-Hayes Plan and a Development Agreement dated as of July 1, 1993 between the Village, the Authority and the Kelsey-Hayes Company. On March 2, 1998, the Authority prepaid its obligations issued to finance the public facilities authorized by the Kelsey-Hayes Plan.

Desiring to continue and expand its development program in a manner consistent with the purposes of Act 281, the Authority recommended and the Village Council approved amendments to the Kelsey-Hayes Plan as the Amended and Restated Tax Increment Financing and Development Plan (the "Amended Plan") on May 26, 1998.

Since the approval of the Amended Plan, the Village has determined the purposes of the Authority could be further served by extension of the Initial Authority District to include certain parcels of property located adjacent to the Initial Authority District but outside the boundaries of the Village. In order to permit this extension the Village and Handy Township (the "Township") have entered into an agreement pursuant to 1984 P.A. 425 to conditionally transfer certain property from the Township to the Village for economic development purposes (the "Act 425 Agreement"). Under authority granted to the Village by the Act 425 Agreement, the Village has approved the extension of the Initial Authority District to include all property subject to the Act 425 Agreement (the amended district of the Authority is described in Exhibit A and will be referred to as the "Amended Authority District").

Act 281 provides that the Board of the Authority, if it determines that it is necessary for the achievement of the purposes of Act 281, shall prepare and submit a tax increment financing plan to the Council of the Village. Act 281 further provides that a tax increment financing plan shall include a development plan.