

## 1. “Never heard of second assessment”

Larkin Water District No. 3 (“WD#3”) is a public improvement authorized by Public Act 188 of the State of Michigan of 1954, as amended, MCL 41.721, et. seq. (the “Act”)

The township board has the power to make an improvement named in this act, to provide for the payment of an improvement by the issuance of bonds as provided in section 15, and to determine that the whole or any part of the cost of an improvement shall be defrayed by special assessments against the property especially benefited by the improvement. The cost of engineering services and all expenses incident to the proceedings for the making and financing of the improvement shall be deemed to be a part of the cost of the improvement. MCL 41.721.

The improvements authorized by the Act, include the construction, improvement and maintenance of water systems. MCL 41.722(1)(b). Following the Act, through Larkin Township Board resolutions culminating in that of February 12, 2008 confirming the special assessment roll, the Board approved the construction of the WD#3 system, its assessment district, and final assessment roll.

Midland County, under the authority of Public Act 185 of the State of Michigan of 1957, MCL 123.731 et seq., issued its bonds for the financing of WD #3. While the County issued the bonds, the Township has contractually obligated itself to payment to the County of all the funds necessary to pay the bonds, on the bi-annual schedule in the bonds. What the Township pays the County, is passed on by the County to the bond holders.

The specific authority in the Act for re-assessment is contained in its §12, MCL 41.732.

Should the assessments in any special assessment roll prove insufficient for any reason, including the noncollection thereof, to pay for the improvement for which they were made or to pay the principal and interest on the bonds issued in anticipation of the collection thereof, then the township board shall make additional pro rata assessments to supply the deficiency.

Re-assessment is expressly authorized by the Act. It is necessary to pay the principal and interest on the bonds issued by the County.