

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF THE
LIVINGSTON COMMUNITY WATER AUTHORITY**

These Amended and Restated Articles of Incorporation (the "Articles") are adopted by the constituent municipalities (as defined in Article II) for the purpose of amending the original Articles of Incorporation which created an authority under the provisions of Act No. 233, Public Acts of Michigan of 1955, as amended, being Sections 124.281 to 124.294 of the Michigan Compiled Laws (sometimes referred to as the "enabling act").

ARTICLE I

NAME

The name of the Authority is "Livingston Community Water Authority" (the "Authority"). The registered office of the Authority will be located in the Township Hall of the Township of Green Oak located at 10789 Silver Lake Road, South Lyon in Livingston County, Michigan 48178-9325.

ARTICLE II

CONSTITUENT MUNICIPALITIES

The municipalities which are signatories of the Articles of the Authority are the Townships of Green Oak and Hamburg and the Charter Township of Brighton, all in the County of Livingston, State of Michigan (the "constituent municipalities"). A single one of the constituent municipalities is referred to as "municipality," and the constituent municipalities are sometimes referred to as the "municipalities."

ARTICLE III

PURPOSE

The purpose of the Authority is to acquire, own, improve, enlarge, extend and operate a water supply system as defined in the enabling act or any party thereof. The term "water supply system," as used in the Articles, shall include all water mains, interceptors, laterals, water purification plants, wells, and all other plants, works, instrumentalities and property used or useful in connection with the obtaining, collection, treatment, purification and distribution of water.

ARTICLE IV

POWERS

The Authority shall be a body corporate with power to sue or to be sued in any court of this state. It shall be comprised of specified portions of the territory lying within the corporate boundaries of its constituent municipalities as defined by the Bylaws or contracts of the Authority. It shall possess all of the powers granted by statutes now in effect or hereafter adopted or amended, and by the Articles, which are necessary to carry out the purposes of its

incorporation, and those incident thereto. The enumeration of any powers in the Articles or in the enabling act shall not be construed as a limitation upon the Authority's general powers unless the context shall clearly indicate otherwise. The Authority shall have a corporate seal

ARTICLE V

PERPETUAL EXISTENCE AND SEPARATION

The Authority shall continue in existence perpetually or until dissolved by act of the parties or by law; provided, however, that it shall not be dissolved if such dissolution would or could cause an impairment of the Authority's bonds or any of its contracts. No constituent municipality shall terminate its membership in the Authority except by majority vote of the Commission. In the event a constituent municipality terminates membership in the Authority, such municipality shall pay for all costs of disconnection and separation incurred by the other constituent municipalities, along with the additional engineering costs, construction costs, and attorney fees attributable to the termination, disconnection or separation, and shall remain liable for its proportionate share of all Authority costs, bonds and obligations incurred prior to the date of termination, disconnection or separation. If the parties cannot agree to the terms of separation, they shall submit their dispute to facilitative mediation by a mediator acceptable to all the parties. If the dispute is not resolved through mediation, the matter shall be submitted for binding arbitration pursuant to the rules of the American Arbitration Association.

ARTICLE VI

FISCAL YEAR

The fiscal year of the Authority shall commence on the first day of January and end on the last day of December in each year.

ARTICLE VII

GOVERNING BODY

The governing body of the Authority shall be a Commission of seven members, which shall be made up of (i) two members of the legislative body of each constituent municipality selected by majority vote of the legislative body of each constituent municipality (a "Commissioner" or collectively, the "Commissioners") and (ii) one representative of the Livingston Community Water Company (the "LCWC"), pursuant to the Asset Purchase Agreement made as of August 26, 2002, among LCWC, Artisan Building Company, and the Authority (the "Agreement"). The single representative of LCWC (the "Representative") shall serve as a nonvoting member of the Commission throughout and during the period that Deferred Payments (as defined in the Agreement) are owed to LCWC. The Representative shall not participate in meetings of the Commission where the business relationship between LCWC and the Authority is being discussed.

Each Commissioner shall file his or her oath of office with the Clerk of the constituent municipality within which he or she resides and with the Secretary of the Authority. The Representative shall file his or her oath of office with the Clerk of the municipality within which he or she resides and with the Secretary of the Authority.

In addition to the six Commissioners, each constituent municipality shall select one alternate representative from its legislative body to serve as an alternate to the two commissioners representing such constituent municipality. Such alternate shall serve upon the death, disability, or unavailability of any one of the two commissioners from the constituent municipality from which the alternate is chosen.

Members of the Commission shall qualify by being elected to a term as a Commissioner or appointed as the Representative and by filing their oaths of office. The Commission shall meet for its organizational meeting on the second Tuesday of January in each year. At each such organizational meeting, the Commission shall select a chairperson and a vice chairperson, who shall be members of the Commission, and a secretary and a treasurer who may, but need not, be members of the Commission. The offices of secretary and treasurer may be combined and held by one person if so provided in the Bylaws. Such officers shall serve until the next annual organizational meeting and until their respective successors shall be selected and qualified. Failure to hold meetings or appoint or select Commissioners or officers as herein provided shall not render invalid any action taken by the Commission or its officers. No appointment of any Commissioner or election of any officer, and no action taken at any meeting shall be invalid because it did not occur within or at the time specified in the Articles. Any Commissioner may be removed for cause at any time by a majority vote of the legislative body of the constituent municipality that he or she represents. Any officer of the Commission may be removed at any time by majority vote of the total membership of the Commission. The Representative shall not be selected as an officer of the Authority.

Each Commissioner may receive for service on the Commission reasonable compensation to be fixed by the Commission. Each Commissioner shall be entitled to reimbursement for all expenditures made by him or her in carrying out official duties including a reasonable allowance for traveling expenses. The Representative shall not be entitled to receive such compensation or reimbursement.

ARTICLE VIII

VACANCIES

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

ARTICLE IX
MEETINGS

Regular meetings of the Commission shall be held at such time and place as shall be prescribed by resolution or in the Bylaws of the Commission. Special meetings of the Commission may be called by the chairperson, or any two Commissioners, by serving written notice of the time, place and purpose thereof, upon each Commissioner and Representative personally, or by electronic mail, or by leaving it at his or her place of residence, at least twenty-four (24) hours prior to the time of such meeting, or by depositing the same in a United States post office or mailbox within the limits of the Authority, at least seventy-two (72) hours prior to the time of such meeting, enclosed in a sealed envelope properly addressed to him or her at his or her home or office address, with postage fully prepaid. Special meetings of the Commission at which all members are present shall be deemed to be valid even though no written notice thereof may have been given as above provided.

Any member of the Commission may waive notice of any meeting either before or after the holding thereof and written consent to any action taken by the Commission shall have the same effect as if the consenting member had been present and had voted in favor of such action. A majority of the Commissioners shall be required for a quorum. The Commission shall act by motion, resolution, or ordinance. For the passage of any resolution or ordinance providing for the issuance of bonds, the execution of any contract wherein contractual payments are to be pledged as security for bonds, or amendments of the Articles or Bylaws, there shall be required the unanimous affirmative vote of all the Commissioners who are voting members of the Commission. For all other actions, a majority vote of those Commissioners present shall be sufficient for passage, unless otherwise provided in the Articles or Bylaws.

The Commission shall have the right to adopt bylaws and rules governing its procedure which are not in conflict with the terms of any statute or of the Articles. The Commission shall keep a journal of its proceedings, which shall be signed by the secretary. All votes shall be "yeas" and "nays," except that where the vote is unanimous, it shall only be necessary to so state. Each Commissioner shall be required to vote upon all matters unless he or she shall be disqualified from such matter. No Commissioner may vote upon any matter in which he or she has a personal interest. No Commissioner shall have any financial interest in any contract with the Authority. The fact that a Commissioner resides within the service district shall not be considered a financial interest requiring disqualification.

ARTICLE X
OFFICERS

The chairperson of the Commission shall be the presiding officer thereof. In the absence or disability of the chairperson, the vice chairperson shall perform the duties of the chairperson. The secretary shall be the recording officer of the Commission. The treasurer shall be custodian of the funds of the Authority and shall give to it a bond conditioned upon the faithful performance of the duties of his or her office. Cost of said bond shall be paid by the Authority. All monies shall be deposited in a bank or banks, to be designated by the Commission, and all checks or other forms of withdrawal therefrom shall be signed by any two officers including,

without limitation, the chairperson, vice chairperson, treasurer or secretary. The treasurer may delegate any of his or her duties, powers and authorities to one or more assistant treasurers, and the secretary may delegate any of his or her duties, powers and authorities to one or more assistant secretaries; provided that such assistant treasurers or assistant secretaries are approved in advance by the Commission. The officers of the Commission shall have such other powers and duties as may be conferred upon them by the Commission. The Commission shall, prior to January 1 of each year, prepare, adopt and file with the legislative bodies of the constituent municipalities an annual budget for the next fiscal year covering the proposed expenditures to be made for the organizing and operating of the Authority and for the necessary funds required from each constituent municipality for the next fiscal year.

ARTICLE XI

PROPERTY

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

ARTICLE XII

CONTRACTS FOR WATER SUPPLY

The Authority and its constituent municipalities may enter into a contract or contracts providing for the acquisition, purchase, construction, improvement, enlargement, extension, operation and financing of a water supply system or any part thereof as authorized and provided in the enabling act. The Authority may, subject to the prior approval of the constituent municipalities, enter into contracts with any non-constituent city, village, or township or metropolitan authority for the furnishing of water or sale or delivery of water, which contract shall provide for reasonable charges or rates for such service furnished. No contract shall be for a period exceeding forty (40) years. The area included in the water service district for each constituent municipality shall be subject to the following limitations.

The service district for the Township of Hamburg shall be limited to the area described in the attached Exhibit 1. The service district for the Township of Hamburg may be amended by a unanimous vote of the Hamburg Township Board and a majority vote of the total number of Commissioners who are voting members of the Commission.

The service district for the Township of Green Oak shall be limited to the area described in Exhibit 2 and any other area as determined by a Water Master Plan adopted by the Township of Green Oak. The service district for the Township of Green Oak may be amended by a majority vote of the Green Oak Township Board and a majority vote of the total number of Commissioners who are voting members of the Commission.

The service district of the Charter Township of Brighton shall be limited to the area described in Exhibit 3. The service district of the Charter Township of Brighton may be amended by a majority vote of the Township Board of the Charter Township of Brighton and a

majority vote of the total number of Commissioners who are voting members of the Commission.

ARTICLE XIII

ACQUISITION, CONSTRUCTION, IMPROVEMENT, ENLARGEMENT, EXTENSION, OPERATION AND FINANCING OF WATER SUPPLY SYSTEM

Section 1.

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

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

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

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

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

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

(b) The contract or contracts may provide for any and all matters relating to the acquisition, construction, operation and financing of the water supply system as are considered

necessary, including authorization to the Authority to issue bonds secured by the full faith and credit pledges of the contracting municipalities, as authorized by Section 3. The contract or contracts may provide for appropriate remedy or remedies in case of default.

Section 2.

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

- (i) That the governing body has adopted a resolution authorizing execution of the contract.
- (ii) The purpose of the contract.
- (iii) The source of payment for the contractual obligation.
- (iv) The right of referendum on the contract.
- (v) Other information as the governing body determines to be necessary to adequately inform all interested persons of the nature of the obligation.

(b) The contract may be executed and delivered by the municipality upon approval by its governing body without a vote of the electors on the contract, but the contract shall not become effective until the expiration of forty-five (45) days after the date of publication of the notice. If within the forty-five (45) day period a petition signed by not less than ten percent (10%) or 15,000, whichever is less, of the registered electors residing within the limits of the municipality is filed with the clerk of the municipality requesting a referendum upon the contract, the contract shall not become effective until approved by the vote of a majority of the electors of the municipality qualified to vote and voting on the question at a general or special election. If a municipality has, before the effective date of this subsection, published a resolution authorizing the execution of a contract under this section and substantial compliance with this section before this subsection takes effect, and the referendum formerly provided by this section has expired, but the bonds have not been issued, the resolution and the publication of the resolution are valid and if a petition for a referendum on execution of the contract has not been or is not signed and filed within the time period formerly provided by this section, the contract may be executed and shall become effective without submitting the proposition for approval to the electors, or if a petition has been or is so signed and filed, the contract may be executed and become effective if approved at an election as formerly provided in this section.

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

money received from the sale of the bonds to pay operation and maintenance costs of a water supply system before receipt of the first revenues from the bonds. Except as otherwise provided in the enabling act, the bonds shall be issued and sold and subject to all other applicable provisions of Act No. 202 of the Public Acts of 1943, as amended, being Sections 131.1 to 139.3 of the Michigan Compiled Laws. The ordinance or resolution authorizing the issuance of the bonds shall have embodied in the bonds the terms of the contract or contracts authorized by Sections 1 and 2.

Section 4. Instead of the provisions in Sections 1, 2, and 3 in respect to the acquisition, construction, improvement, enlargement, extension or financing of a water supply system, the Authority may elect to proceed under the provisions of Act No. 94 of the Public Acts of 1933, as amended, being Sections 141.101 to 141.140 of the Michigan Compiled Laws, or any other act authorizing the issuance of revenue bonds, by which the financing of a project would be consummated by the issuance of revenue bonds payable from the revenues of the system or systems, if the charges and rates for service are sufficient to satisfy the provisions of the act under which revenue bonds shall be issued. A project may be financed in part under the provisions of Section 1, 2, and 3 and in part as permitted under this section.

ARTICLE XIV

SERVICES

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

ARTICLE XV

AUDIT

The Commission shall cause an annual audit to be made of its financial transactions by an independent certified public accountant and shall furnish at least five (5) copies to each constituent municipality.

ARTICLE XVI

PUBLICATION

The Articles shall be published once in the Livingston County Daily Press & Argus, a newspaper having general circulation within the territorial limits of the Authority, and one printed copy of the Articles, certified as a true copy, with the date and place of publication, shall be filed with both the Secretary of State and the Clerk of the County of Livingston within thirty (30) days after the execution of the Articles has been completed. The Secretary of the Authority, Township Clerk of the Township of Green Oak, the Township Clerk of the Township of Hamburg, and the Township Clerk of the Charter Township of Brighton are designated as the persons to cause the Articles to be published, certified, and filed as aforesaid.

ARTICLE XVII
EFFECTIVE DATE

This Authority shall become effective upon the filing of certified copies of the original Articles of Incorporation as provided in the preceding article.

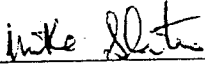
ARTICLE XVIII
AMENDMENT

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

Certification

The Amended and Restated Articles of Incorporation have been adopted by the signing municipalities, as set forth in the following endorsements, and in witness whereof, the Supervisor and the Clerk of the Township of Green Oak, Supervisor and Clerk of the Township of Hamburg, and the Supervisor and Clerk of the Charter Township of Brighton have endorsed the statement of such adoption.

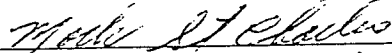
I hereby certify that the Amended and Restated Articles of Incorporation were duly adopted by the respective legislative bodies of the signatories as aforesaid.



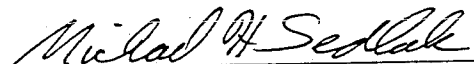
Secretary
Livingston Community Water Authority

TOWNSHIP OF GREEN OAK

The foregoing Amended and Restated Articles of Incorporation were adopted by the Township Board of the Township of Green Oak, Livingston County, Michigan, at a meeting duly held on the 18th day of December, 2002.




Mark A. St. Charles, Supervisor
Township of Green Oak



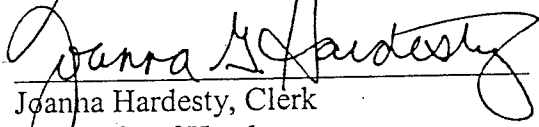
Michael H. Sedlak, Clerk
Township of Green Oak

TOWNSHIP OF HAMBURG

The foregoing Amended and Restated Articles of Incorporation were adopted by the Township Board of the Township of Hamburg, Livingston County, Michigan, at a meeting duly held on the 17th day of December, 2002.



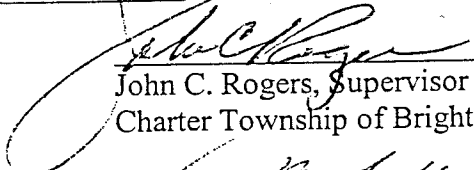
Howard Dillman, Supervisor
Township of Hamburg



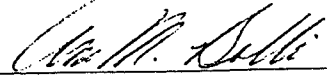
Joanna Hardesty, Clerk
Township of Hamburg

CHARTER TOWNSHIP OF BRIGHTON

The foregoing Amended and Restated Articles of Incorporation were adopted by the Township Board of the Charter Township of Brighton, Livingston County, Michigan, at a meeting duly held on the 21st day of January, 2003.



John C. Rogers, Supervisor
Charter Township of Brighton



Ann Bollin, Clerk
Charter Township of Brighton