

March 9, 2016

VIA E-MAIL

Mr. Tom Menzel, County Administrator
County of Grand Traverse
400 Boardman Avenue
Traverse City, MI 49684

RE: Grand Traverse County - East Bay Charter Township Water
System Improvement Project Bonds, Series 2016

Dear Mr. Menzel:

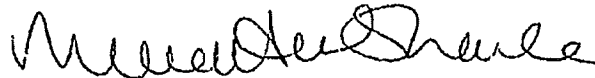
The County of Grand Traverse (the "County") has inquired as to the estimated savings to the Charter Township of East Bay (the "Township") if the County issues the captioned bonds instead of the Township.

Our estimates of the savings to the Township are approximately \$150,000 over the life of the bond issue. This estimate is based on the fact that the County maintains a "AA" rating from Standard & Poor's and a "Aa2" rating from Moody's and the Township does not have an outstanding rating. If the Township were to get a rating, it would most likely be in the "A" range and the difference in interest rates between "AA" rated bond issues and "A" rated bond issues is about 25 basis points or 0.25% per maturity.

Accordingly, we believe it is in the best interest of the Township for the County to issue the captioned bonds in order to achieve debt service savings for the Township.

If you have any questions, please feel free to call me at 313-884-9824.

Very truly yours,



Meredith A. Shanle
President

cc: Jennifer DeHaan

las.l-gra-east-bay

Suzanne [unclear]
to

*For all funds
credit*

March 8, 2016

VIA E-MAIL

Mr. Tom Menzel, County Administrator
County of Grand Traverse
400 Boardman Avenue
Traverse City, MI 49684

**RE: Grand Traverse County - East Bay Charter Township Water
System Improvement Project Bonds, Series 2016**

Dear Mr. Menzel:

You have inquired regarding what exposure the County of Grand Traverse has in connection with the issuance of the captioned bonds on behalf of the Charter Township of East Bay (the "Township") under the provisions of Act No. 185 of the Public Acts of Michigan of 1957, as amended ("Act 185").

The captioned bonds are primarily secured as follows:

1. Annual revenues from the Township's water system which are generated from the water rates charged to the users of the water system. The Township is required to increase such rates in order to provide sufficient revenues to pay for the operation of the system and to retire the bonds.
2. The Township's limited tax full faith and credit pledge.

Township Water Revenue Information

Based upon the most recent audit of the Township (December 31, 2014), the Township's water fund had cash and equivalent assets in excess of \$1,900,000.

Township General Fund Information

Based upon the most recent audit of the Township (December 31, 2014), the Township's general fund had a fund balance in excess of \$2,460,000.

Annual Estimated Debt Service on Bond Issue

Attached hereto please find an estimate debt service schedule for the proposed bond issue. As you can see from the attached, the largest principal and interest payment due in any year will not exceed \$350,000.



Mr. Tom Menzel
Page Two
March 8, 2016

Since the Township had on hand in the water fund and the general fund (as of December 31, 2014) total assets in excess of \$4,360,000, it is our opinion that there is no reason to believe that the County's issuance of the Bonds will in any way be a risk to the County.

If you have any questions, please feel free to call me at 313-884-9824.

Very truly yours,

A handwritten signature in black ink, which appears to read 'Meredith A. Shanle', is positioned above the typed name.

Meredith A. Shanle
President

Enclosures

las.1-gra-east-bay

\$5,000,000
Grand Traverse County - East Bay Charter Township
Water System Improvement Project Bonds, Series 2016

ESTIMATED DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total	
				Debt Service	Annual Total
11/01/16	\$200,000.00	2.00%	\$84,335.42	\$284,335.42	\$284,335.42
05/01/17			70,287.50	70,287.50	
11/01/17	200,000.00	2.00%	70,287.50	270,287.50	340,575.00
05/01/18			68,287.50	68,287.50	
11/01/18	205,000.00	2.00%	68,287.50	273,287.50	341,575.00
05/01/19			66,237.50	66,237.50	
11/01/19	210,000.00	2.00%	66,237.50	276,237.50	342,475.00
05/01/20			64,137.50	64,137.50	
11/01/20	215,000.00	2.00%	64,137.50	279,137.50	343,275.00
05/01/21			61,987.50	61,987.50	
11/01/21	215,000.00	2.00%	61,987.50	276,987.50	338,975.00
05/01/22			59,837.50	59,837.50	
11/01/22	220,000.00	2.00%	59,837.50	279,837.50	339,675.00
05/01/23			57,637.50	57,637.50	
11/01/23	220,000.00	2.50%	57,637.50	277,637.50	335,275.00
05/01/24			54,887.50	54,887.50	
11/01/24	230,000.00	2.75%	54,887.50	284,887.50	339,775.00
05/01/25			51,725.00	51,725.00	
11/01/25	235,000.00	3.00%	51,725.00	286,725.00	338,450.00
05/01/26			48,200.00	48,200.00	
11/01/26	245,000.00	3.00%	48,200.00	293,200.00	341,400.00
05/01/27			44,525.00	44,525.00	
11/01/27	255,000.00	3.00%	44,525.00	299,525.00	344,050.00
05/01/28			40,700.00	40,700.00	
11/01/28	265,000.00	3.00%	40,700.00	305,700.00	346,400.00
05/01/29			36,725.00	36,725.00	
11/01/29	270,000.00	3.00%	36,725.00	306,725.00	343,450.00
05/01/30			32,675.00	32,675.00	
11/01/30	275,000.00	3.00%	32,675.00	307,675.00	340,350.00
05/01/31			28,550.00	28,550.00	
11/01/31	290,000.00	3.50%	28,550.00	318,550.00	347,100.00
05/01/32			23,475.00	23,475.00	
11/01/32	300,000.00	3.50%	23,475.00	323,475.00	346,950.00
05/01/33			18,225.00	18,225.00	
11/01/33	305,000.00	3.75%	18,225.00	323,225.00	341,450.00
05/01/34			12,506.25	12,506.25	
11/01/34	315,000.00	3.75%	12,506.25	327,506.25	340,012.50
05/01/35			6,600.00	6,600.00	
11/01/35	330,000.00	4.00%	6,600.00	336,600.00	343,200.00

\$5,000,000.00 \$1,778,747.92 \$6,778,747.92 \$6,778,747.92

Interest Start Date (Dated Date): 04/01/16

STOP! First Make Sure You "Save As" to the File Name you Want to Call the Schedule!

INPUT SECTION

Enter Here

Month of Interest Start Date
Year of Interest Start Date
No. of Months to 1st Payment:
Year of First Semi-Annual Pmt:
Month of First Semi-Annual Pmt:
Year of Second Semi-Annual Pmt:
Month of Second Semi-Annual Pmt:

4
2016
7
2016
11
2017
5

04/01/16
11/01/16
05/01/17

STOP! First Make Sure You "Save As" to the File Name you Want to Call the Schedule!