City of Hart, Michigan
CITY COUNCIL AGENDA
July 25, 2023, 7:30 PM
407 State St. – Council Chamber
NOTICE OF PUBLIC MEETING
REGULAR COUNCIL MEETING

1. Call to Order
2. Roll Call – Adams, Burillo, Evans, Hodges, Klotz, Trygstad, Platt
3. Pledge of Allegiance
4. Approval of Agenda
5. Public Comments – **Public comment on any matter other than a scheduled public hearing. We ask that you please limit your comments to 3 minutes.**
    a. Correspondence, Events, Presentations
6. Consent Agenda:
    a. Approval of Minutes from July 11, 2023 Council meeting.
    b. Bills, Claims, Payroll
    c. Reports of Boards, Commissions, and Committees
    d. Department Reports – Police/BioPure/Public Works/Energy/♥C&E Dvlp.
7. Action Items
    a. Resolution 2023-33 Support redevelopment liquor license application
    b. Resolution 2023-34 Declare surplus equipment and authorize sale
    c. Resolution 2023-35 Approve state revolving fund agreements and documents in connection with issuance of city revenue bonds – BioPure Projects
    d. Ordinance 23-03 Authorize sewer system improvements and provide for the issuance of revenue bonds to pay the cost there of – BioPure Projects
    e. Resolution 2023-36 Approve state revolving fund agreements and documents in connection with issuance of city revenue bonds – Dryden Street Projects
    f. Ordinance 23-04 Authorize sewer system improvements and provide for the issuance of revenue bonds to pay the cost there of – Dryden Street Projects
8. Discussion Items
9. City Manager Report
10. Communications from the Mayor and Council (Including board and committee updates.)
11. Adjournment –

Access is provided through the Michigan Relay Service for individuals with speech or hearing impairments. *https://hamiltonrelay.com/michigan/index.html*

With advance notice of seven calendar days, the City will provide interpreter services at all public meetings, including language translation and signage for the hearing impaired. Call 231-873-2488. La Ciudad proporcionará servicio de intérprete para esta reunión pública si se pide con siete días de anticipación, lo cual incluye la traducción de idioma y letreros para los con una discapacidad auditiva. Llame al 231-873-2488.

CITY OF HART
407 S. STATE ST.
HART, MI 49420
SPECIAL MEETING OF CITY COUNCIL - COUNCIL PROCEEDINGS
July 11th, 2023
MINUTES – Draft

PRESENT: Councilors: Mayor Vicki Platt, Justin Adams, Dean Hodges, and Amanda Klotz,
ABSENT: Catalina Burillo, Jim Evans, and Kris Trygstad
OTHERS PRESENT: City Manager – Rob Splane, City Clerk – Karla Swihart, and BioPure Superintendent – Paul Cutter, Police Chief – Juan Salazar, Sharon Hallack, and Paul Erickson

Mayor Platt called the meeting to order; following the roll call, then led the Council in the pledge of allegiance.

APPROVAL OF AGENDA:

- J. Adams motioned to approve the agenda and was supported by A. Klotz
  - Ayes: 4 Nays: 0 Absent: 3

PUBLIC COMMENTS:

- Paul Erickson asked what has become about the possibility of a property swap between him and the City of Hart, it's been a few months and just wanted to check back in and see what has progressed if anything.

CORRESPONDENCE, EVENTS, PRESENTATIONS:

- None

CONSENT AGENDA:

- Approval of minutes from June 27th, 2023.
- Bills, Claims, Payroll
- Reports of Boards, Commissions, and Committees
- Department Reports – Police/BioPure/Public Works/Energy/C&E Dvlp
  - A. Klotz motioned to approve Consent Agenda and supported by J. Adams
    - Ayes: 4 Nays: 0 Absent: 3

ACTION ITEMS:

- Resolution 2023-31 Selection and Designation of Assessor of Record
  WHEREAS, the City and County are required to Designate an Assessor of Record according to State statute; and
  WHEREAS, the Council previously approved an interlocal agreement with the County for the Assessor of Record as did the majority of local governments in Oceana County; and
  WHEREAS a formal determination by the Council for the preferred selection process includes two options.
  1)Accept proposed renewal agreement and select Mr. Ed Vandervries or 2) Release a request for proposal to qualified individuals seeking proposals for someone to serve as the assessor of record; and
  WHEREAS, the City Council desires to secure the benefits of efficient self-governance and to promote and protect our common interests and welfare; and
  NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:
  Selects the City's preferred method for Designating Assessor of Record as option
  With the Oceana County with renewal has a 5% increase for the 1st year
  Of the renewal and then 3% for year 2&3
  - J. Adams motioned to approve Resolution 2023-31 and supported by A. Klotz
    - Ayes: 6 Nays: 0 Absent: 1
- Resolution 2023-32 Designate Surplus Equipment
  WHEREAS, the City of Hart owns, and operates a 2008 Chevrolet Silverado used by the Energy Department and a 2005 Ford F150 used by the DPW Department; and

WHEREAS per the fiscal year 2003 budget, the Departments have recently updated their vehicle fleet with two planned new units that replace the operational need for these trucks; and
WHEREAS, retention of the vehicle incurs annual costs of insurance, maintenance and certification with limited return/use; and
WHEREAS, the City Council desires to secure the benefits of efficient self-governance and to promote and protect our common interest and welfare; and
NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

Designates the 2005 Ford F150 and 2008 Chevrolet Silverado as surplus equipment and authorizes the City Manager to take the necessary steps to offer the truck for sale to the highest bidder.

- A. Klotz motioned to approve Resolution 2023-32 and supported by D. Hodges
  - Ayes: 4 Nays: 0 Absent: 3

DISCUSSION ITEMS:

- None

CITY MANAGER'S REPORT:

UPDATES:

- Hart Sparks Celebration saw strong attendance, and generally positive feedback. A community survey is being circulated among Hart business owners seeking input on potential improvements.
- New wayfinding signage is currently being deployed and has received positive comments from community members and businesses. This project was already in progress when the effort was further supported by the 2022 First Impressions in Tourism assessment from Michigan State University.
- Griswold Street and Polk Road Utility Improvements projects are ready to begin on July 30th. Griswold Street and Polk Road will see phased closures through the beginning of November. This work will be coordinated with all effected businesses, schools, and public safety entities to ensure no (or minimal) interruption of services. When construction begins, a website will be available with on-going updates and road/lane closures notices.
- MEDC was in Hart today to review properties in Hart that may be eligible for grant funds. Our continues collaboration and engagement of our state and federal resources continues to be a benefit for our community and business owners.
- Weekly Thursdays on Main – 6pm Makers Market and Main Street Markets opens – Music at 7pm.

Legacy Topics:

- The Charter review committee has requested a meeting with the City attorney to discuss how aggressively to proceed with additional recommended changes to the charter. The amendments will be processed for ballot approval at the next general election.
- Safe Routes to School trail project – pending state approval projected start date June 2024.

Upcoming Topics:

- Adoption of 2022-2026 Park and Rec Master Plan
- Veteran's Memorial Park final design approval
- Water, Wastewater, and Energy rate studies
- Council adoption of code enforcement policies, procedures, and implementation.
- BioPure biosolids hauling contract RFQ
- City IT support consultant RFQ.

COMMUNICATIONS FROM THE MAYOR AND COUNCIL:

- Mayor Platt – Thank you to Cheri for the updates done to the Employee Handbook.

ADJOURN:

- There being no further business to come before the Council, the meeting adjourned upon a motion by J. Adams and supported by A. Klotz. The next regularly scheduled meeting will be on July 25th, 2023, at 7:30 pm.

Respectfully Submitted

Karla Swihart

Karla Swihart, City Clerk

Payables Date 7.25.2023	Description	Total	General +	DPW	Energy	BPTF	Water
Birch and Blossom	Balance of Arrangment	$ 55.00	$ 55.00				
Blue Cross Blue Shield Medicare	Aug Premium	$ 2,125.08	$ 1,416.72		$ 708.36		
Bourne, Tom	MOC 7.27.23 Silverado Band	$ 600.00	$ 600.00				
Charter	PD/CH Fax Lines	$ 75.72	$ 75.72				
Charter	Hart Commons - Internet	$ 114.99	$ 114.99				
Collins, Mark	MOC 8.3.23	$ 350.00	$ 350.00				
Cummins Sales & Svc	Griswold Maintenance	$ 344.19				$ 344.19	
Cummins Sales & Svc	E. Mail LS Maintenance	$ 520.32				$ 520.32	
First Advantage	Drug/Alcohol Screening	$ 430.93		$ 430.93			
Freed Mgmt	#9 JGP Managers	$ 3,500.00	$ 3,500.00				
Frontier	Dam - Auto Dialer	$ 94.18			$ 94.18		
Gillison's	Parts/Supplies	$ 22.64				$ 22.64	
HACH	Lab Supplies	$ 381.09				$ 381.09	
Hansen's	Shipping Charges	$ 31.39			$ 31.39		
Heritage Preservation	Maintenance/Repairs Historic District	$ 86.34	$ 86.34				
Heritage Preservation	2023 Summer Concert Sponsor	$ 300.00	$ 300.00				
Hodges, Dean	July 2023 BOR	$ 25.00	$ 25.00				
Jons to Go	JGP Portable Restroom	$ 110.00	$ 110.00				
Larson, Travis	July 2023 BOR	$ 25.00	$ 25.00				
Lawson-Fisher	Prep/Deploy Equipment	$ 5,560.25			$ 5,560.25		
Mast, Carol	Upright Fuel Tank	$ 75.00				$ 75.00	
McKenna	Planning Services	$ 172.50	$ 172.50				
Medler Electric	Parts/Supplies	$ 245.00			$ 245.00		
Mika Meyers	Legals Services	$ 4,609.00	$ 4,609.00				
Mike Blackmer	Repairs to HE System	$ 670.02				$ 670.02	
MPPA	Purchased Power	$ 84,923.94			$ 84,923.94		
MPPA	Purchased Power	$ 53,439.24			$ 53,439.24		
MRWA	Class Reg. Eisenlohr/Riggs	$ 480.00					$ 480.00
Office Machines Co.	Police Copier Overage Fees	$ 22.13	$ 22.13				
Pixel Grafix	Envelopes	$ 213.34	$ 213.34				
Power Line Supply	Parts/Supplies	$ 47.00			$ 47.00		
Power Line Supply	Parts/Supplies	$ 334.22			$ 334.22		
Power Line Supply	Parts/Supplies	$ 390.00			$ 390.00		
Power Line Supply	Parts/Supplies	$ 1,705.63			$ 1,705.63		
Pranger Property Mgmt	CH/CC/HC Cleaning Services	$ 295.00	$ 295.00				
Prein & Newhof	Various Projects	$ 27,587.10	$ 7,800.75		$ 780.40	$ 9,283.70	$ 9,722.25
Quill	Mouse	$ 51.99				$ 51.99	
Quill	Office Supplies	$ 341.96	$ 341.96				
RA Dinkel	Bike Safety Lights - TEAM	$ 1,250.00	$ 1,250.00				
RA Dinkel	Bike Safety Lights - TEAM	$ 749.00	$ 749.00				
Republic Svcs	June Garbage Service	$ 17,501.93		$ 17,501.93			
Rotary Club	Dues	$ 180.00	$ 180.00				
T&R Electric	Parts/Supplies	$ 20.00			$ 20.00		
Tri-Berry	Parts/Services	$ 161.00			$ 61.00	$ 100.00	
TruGreen	Maintenance Contract	$ 300.00	$ 300.00				
TruGreen	Lawn Service	$ 50.78	$ 50.78				
Weesies Brothers Farm	Foliage for Hart Commons	$ 787.13	$ 787.13				
Wilbur Ellis	Fertilizer/Chemicals	$ 39.24	$ 39.24				
Windridge	Decal for new Truck	$ 60.00				$ 60.00	
		$ -					
		$ -					
		$ -					
		$ -					
		$ -					
		$ -					
	Sub-total	**$ 211,454.27**	**$ 23,469.60**	**$ 17,932.86**	**$ 148,340.61**	**$ 11,508.95**	**$ 10,202.25**
HAND CHECKS/ACH/EFT							
Alerus	City Share 401 Retirement - PR 180	$ 4,857.64					
US Postmaster	Postage/Tax Bills	$ -					
AFLAC	Insurance Premium	$ 921.18					
Guardian	Insurance Premium	$ -					
Delta Dental	Insurance Premium	$ 1,835.05					
United Group	Insurance Premium	$ 1,580.26					
Blue Cross Blue Shield	Insurance Premium	$ 18,676.49					
	TOTAL HAND CHECKS	**$ 27,870.62**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	Sub-Total Regular Bills/Hand Checks	***$ 239,324.89***	***$ 23,469.60***	***$ 17,932.86***	***$ 148,340.61***	***$ 11,508.95***	***$ 10,202.25***
Gross Payroll	PR 180 w/eto bb	$ 96,190.01					
	Sub-Total	**$ 96,190.01**					
	GRAND TOTAL	***$ 335,514.90***	**$ 23,469.60**	**$ 17,932.86**	**$ 148,340.61**	**$ 11,508.95**	**$ 10,202.25**

RESOLUTION 2023-33
Hart City Council
City of Hart, Michigan

Resolution to Support Redevelopment Liquor License Application

WHEREAS, the City of Hart is supportive of economic development and redevelopment; and

WHEREAS, the City believes that making Redevelopment Liquor Licenses available as authorized by MCL 436.521a(1)(b) will lead to desirable development, job creation, reinvestment, redevelopment and an increased tax base; and

WHEREAS, the City of Hart has demonstrated that the total amount of private and public investment in real and personal property in the TIFA District was at least $200,000 in the past five years; and

WHEREAS, the City of Hart recognizes the properties in question are currently owned and operated by Pink Elephant Diner Inc. at physical addresses of 201 S State Street and 207 S State Street Hart, MI 49420; and

WHEREAS, in order to secure the benefits of efficient self-government and to promote and protect our common interests and welfare, the City Council hereby declares;

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL

It is the consensus of City Council to recommend this application be considered for approval by the Michigan Liquor Control Commission.

Authorizes and directs the City Clerk to sign the Local Government Approval Form on behalf of the City of Hart and attest to the approval as written in the attached MLCC approval form.

Moved by _____, supported by _____, and thereafter adopted by the Hart City Council at a regular council meeting held on July 25, 2023.

Ayes: __ Nays: __ Absent: __

Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Toll Free: 866-813-0011 • www.michigan.gov/lcc

Business ID: _____

Request ID: _____
(For MLCC use only)

Local Government Approval
(Authorized by MCL 436.1501)

Instructions for Applicants:

- You must obtain a recommendation from the local legislative body for a new on-premises license application, certain types of license classification transfers, and/or a new banquet facility permit.

Instructions for Local Legislative Body:

- Complete this resolution or provide a resolution, along with certification from the clerk or adopted minutes from the meeting at which this request was considered.

At a Regular meeting of the Hart City Council council/board
(regular or special) (township, city, village)

called to order by Mayor Vicki Platt on July 25th, 2023 at 7:30 pm
(date) (time)

the following resolution was offered:

Moved by _____ and supported by _____

that the application from the Pink Elephant Diner Inc.
(name of applicant - if a corporation or limited liability company, please state the company name)

for the following license(s): New Class C license (DDA) MCL 436.1521a(1)(b)
(list specific licenses requested)

to be located at: 201S State Street and 207 S State Street Hart, MI 49420

and the following permit, if applied for:

☐ Banquet Facility Permit Address of Banquet Facility: _____

It is the consensus of this body that it Recommends this application be considered for
(recommends/does not recommend)

approval by the Michigan Liquor Control Commission.

If disapproved, the reasons for disapproval are _____

Vote

Yeas: _____

Nays: _____

Absent: _____

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the City of Hart
(township, city, village)

council/board at a regular meeting held on July 25th, 2023
(regular or special) (date)

_____ _____ _____
Print Name of Clerk Signature of Clerk Date

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

Please return this completed form along with any corresponding documents to:
Michigan Liquor Control Commission
Mailing address: P.O. Box 30005, Lansing, MI 48909
Hand deliveries or overnight packages: Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Fax to: 517-763-0059

LARA is an equal opportunity employer/program.Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Toll Free: 866-813-0011 • www.michigan.gov/lcc

Business ID: _____

Request ID: _____
(For MLCC use only)

Local Government Approval
(Authorized by MCL 436.1501)

Instructions for Applicants:

- You must obtain a recommendation from the local legislative body for a new on-premises license application, certain types of license classification transfers, and/or a new banquet facility permit.

Instructions for Local Legislative Body:

- Complete this resolution or provide a resolution, along with certification from the clerk or adopted minutes from the meeting at which this request was considered.

At a Regular (regular or special) meeting of the Hart City Council (township, city, village) council/board called to order by Mayor Vicki Platt on July 25th, 2023 (date) at 7:30 pm (time) the following resolution was offered:

Moved by _____ and supported by _____

that the application from the Pink Elephant Diner Inc.
(name of applicant - if a corporation or limited liability company, please state the company name)

for the following license(s): New Class C license (DDA) MCL 436.1521a(1)(b)
(list specific licenses requested)

to be located at: 201S State Street and 207 S State Street Hart, MI 49420

and the following permit, if applied for:

☐ Banquet Facility Permit Address of Banquet Facility: _____

It is the consensus of this body that it Recommends (recommends/does not recommend) this application be considered for approval by the Michigan Liquor Control Commission.

If disapproved, the reasons for disapproval are _____

Vote

Yeas: _____

Nays: _____

Absent: _____

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the City of Hart (township, city, village) council/board at a regular (regular or special) meeting held on July 25th, 2023 (date)

Print Name of Clerk	Signature of Clerk	Date

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

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Fax to: 517-763-0059

LARA is an equal opportunity employer/program.Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

RESOLUTION 2023-34
CITY COUNCIL
City of Hart, Michigan
Oceana County

DESIGNATE 2012 CHEVROLET SILVERADO AS SURPLUS EQUIMENT

WHEREAS, the City of Hart owns, and operates a 2012 Chevrolet Silverado used by the Energy Department; and

WHEREAS, per the fiscal year 2023 budget, the Department has recently updated the vehicle fleet with planned new units that replace the operational need for older vehicles; and

WHEREAS, retention of the vehicle incurs annual costs of insurance, maintenance and certification with limited return/use; and

WHEREAS, the City Council desires to secure the benefits of efficient self-governance and to promote and protect our common interests and welfare; and

NOW THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL:

> *Designates the 2012 Chevrolet Silverado as surplus equipment and authorizes the City Manager to take the necessary steps to offer the truck for sale to the highest bidder.*

Moved by _____, supported by _____, and thereafter adopted at the regular City of Hart City Council meeting on July 25, 2023.

Ayes: __ Nays: __ Absent: __

RESOLUTION 2023-35

CITY OF HART

COUNTY OF OCEANA, MICHIGAN

At a regular meeting of the City Council of the City of Hart, held at the City Hall, 407 S. State Street, Hart, Michigan, on the 25th day of July 2022, at 7:30 p.m., Local Time.

PRESENT: Members: _____

_____

ABSENT: Members: _____

The following resolution was offered by Member _____and supported by Member _____:

RESOLUTION TO APPROVE STATE CLEAN WATER REVOLVING FUND AGREEMENTS AND DOCUMENTS IN CONNECTION WITH PROPOSED ISSUANCE OF CITY SEWER SYSTEM REVENUE BONDS, SERIES 2023A TO EVIDENCE A STATE CLEAN WATER REVOLVING FUND LOAN

WHEREAS, the City of Hart (the "City") is proposing to sell Sewer System Revenue Bonds, Series 2023A in accordance with Act 94 of the Public Acts of Michigan of 1933, as amended, (the "Bonds") in the maximum amounts of $6,175,000, to evidence a State of Michigan Clean Water Revolving Fund loan (the "CWSRF Loan") to fund improvements to the City Sewer System; and

WHEREAS, the proposed Bonds are to be sold to the Michigan Finance Authority (the "Authority") in accordance with the terms of a Purchase Contract by and between the City and the Authority (the "Purchase Contract") in substantially the form set forth in Exhibit A attached hereto and a Supplemental Agreement by and between the City, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes and Energy (the "Supplemental Agreement") in substantially the form set forth in Exhibit B attached hereto; and

WHEREAS, the City will also be required to execute and deliver an Issuer's Certificate (the "Issuer's Certificate") to the Authority in substantially the form set forth in Exhibit C attached hereto; and

WHEREAS, the Authority may require the City to execute and deliver a Revenue Sharing Pledge Agreement (the "Pledge Agreement") with respect to the Bonds in substantially the form set forth in Exhibit D attached hereto.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. The Purchase Contract, the Supplemental Agreement, the Issuer's Certificate, and the Pledge Agreement are hereby each approved in the forms attached hereto as Exhibits A, B, C, and D, respectively. The Mayor and City Clerk/Treasurer are hereby authorized and directed to execute on behalf of the City, and deliver to the Authority, the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate in substantially the forms approved with such additions and deletions as are consistent with the terms of the Bonds and in the best interest of the City.

2. To the extent determined to be necessary by the Authority, the Mayor and City Clerk/Treasurer are hereby authorized and directed to execute on behalf of the City, and deliver to the Authority, the Pledge Agreement.

3. In the absence or disability of the Mayor, the Mayor Pro Tempore shall act in her stead. In the event of the absence or disability of the City Clerk/Treasurer, the Deputy (if any) shall act in her stead.

4. All resolutions or portions thereof inconsistent with the provisions of this resolution are hereby rescinded.

YEAS: Members: _____

_____

NAYS: Members: _____

ABSTAIN: Members: _____

RESOLUTION DECLARED ADOPTED

_____
Karla Swihart, Clerk
City of Hart

STATE OF MICHIGAN)
) ss.
COUNTY OF OCEANA)

I, Karla Swihart, the duly qualified and acting Clerk/Treasurer of the City of Hart, Oceana County, Michigan (the "City") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a regular meeting held on the 25th day of July, 2023, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 25th day of July 2023.

_____
Karla Swihart, Clerk/Treasurer
City of Hart

EXHIBIT A

Purchase Contract

(*Legal Name of Municipality*) State Revolving Fund
Project No: *(Project Number)*

PURCHASE CONTRACT

The Michigan Finance Authority (the "Authority"), a public body corporate, separate and distinct from the State of Michigan, hereby offers to enter into this Purchase Contract with the Issuer named below (the "Issuer") which, upon the acceptance of this offer by the Issuer and ratification by the Authority, will be binding upon the Authority and the Issuer. This offer is made subject to acceptance on or before [_____].

Upon the terms and conditions and upon the basis of the representations, warranties, and agreements set forth herein, including those set forth on Schedule I hereto, the Authority hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Authority, bonds (the "Bonds") in the principal amount and with the maturities and interest rate as shown on Schedule I and with redemption provisions acceptable to the Authority. The purchase price for the Bonds shall be 100%. The Authority's obligation to disburse Bond proceeds shall be contingent upon funding of the State Water Pollution Control Revolving Fund created by 1988 PA 316 and 1988 PA 317. The method of payment of Bond proceeds to the Issuer shall be as set forth in the Supplemental Agreement among the Issuer, the Authority, and the State of Michigan acting through the Department of Environment, Great Lakes and Energy.

The Issuer represents and warrants to, and agrees with, the Authority that the Issuer has, and on the Closing Date (specified below) will have, full legal right, power and authority (i) to enter into this Purchase Contract, and (ii) to sell and deliver the Bonds to the Authority as provided herein and in the resolution or ordinance authorizing the Bonds and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in this Purchase Contract including those set forth in Schedule I.

On _____, _____, the local preclosing date, the Issuer shall make available for inspection by the Authority at the offices of the Department of Attorney General, Finance Division, Lansing, Michigan, the Bonds, together with such other documents, certificates and closing opinions as the Authority shall require (the "Closing Documents").

On _____, _____, (the "Closing Date"), the Authority shall accept delivery of the Bonds and the Closing Documents and pay the purchase price for the Bonds.

MICHIGAN FINANCE AUTHORITY

By:_____
Authorized Officer

Accepted and Agreed to this
[_____] day of [_____]

(*Legal Name of Municipality*) ("Issuer")

By:_____

Title:_____

SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (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 Issuer 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 Issuer by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due
_____,	_____

Interest on the Bond shall accrue on principal disbursed by the Authority to the Issuer from the date principal is disbursed, until paid, at the rate of __% [as shown in the applicable fiscal year intended use plan] per annum, payable _____, 20__, and semi-annually thereafter.

The Issuer agrees that it will deposit with U.S. Bank Trust Company, National Association, or at such other place as shall be designated in writing to the Issuer by the Authority (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 Issuer's deposit by 12:00 noon on the scheduled day, the Issuer 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.

EXHIBIT B

Supplemental Agreement

Supplemental Agreement
Regarding
$_____
of
_____ County of _____
State of Michigan

(the "Bond")

This Agreement is made as of_____, 20__ among the _____ of _____, County of _____ (the "Issuer"), the Michigan Finance Authority (the "Authority"), and the State of Michigan acting through the Department of Environment, Great Lakes and Energy ("EGLE"), in consideration for the purchase of the above-captioned Bond by the Authority. This Agreement shall be in addition to any other contractual undertaking by the Issuer contained in the Ordinance or Resolution authorizing the Bond (the "Resolution").

PREMISES:

Executive Order No. 2010-2 (the "Executive Order") created the Authority as an autonomous public body corporate and politic within the Michigan Department of Treasury and transferred powers, duties, obligations, and functions from various entities (including those of the Michigan Municipal Bond Authority established under 1985 PA 227, as amended ("Act 227")) to the Authority and the Authority is empowered, among other things, to purchase obligations from Governmental Units within the State of Michigan such as the Issuer. Pursuant to the terms of the Resolution, the Issuer intends to issue its Bond and undertake a Project as described in Exhibit B attached to this Supplemental Agreement (the "Project"), which Project is a sewage treatment works or nonpoint source project, or both, as defined in Part 53, Clean Water Assistance of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994 ("Part 53"). In order to provide assistance to the Issuer to finance the Project, the Authority has agreed to purchase the Bond upon certain conditions including receipt by the Authority of an order of approval (the "Order") issued by EGLE pursuant to the provisions of Part 53. All words and terms defined in Act 227 or Part 53 and not otherwise defined in this Agreement shall have the meanings as defined in those Acts.

In consideration of these premises and their mutual agreements, the Issuer, the Authority, and EGLE agree as follows:

Section 1. General Representations. The Issuer represents and warrants to, and agrees with, the Authority and EGLE, as of the date hereof as follows:

a. The Issuer is duly organized and existing under the laws of the State of Michigan and is authorized by the provisions of the Constitution and the laws of the State of Michigan to issue the Bond.

b. The Issuer has full legal right, power and authority to (i) sell and deliver the Bond to the Authority as provided in this Agreement and the Resolution, and (ii) execute this Agreement, and to consummate all transactions contemplated by this Agreement, the Bond, the Resolution, and any and all other agreements relating thereto. The Issuer has duly authorized and approved the execution and delivery of this Agreement, the performance by the Issuer of its obligations contained in this Agreement, and this Agreement is a valid, legally binding action of the Issuer, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

c. The Resolution has been duly adopted by the Issuer, acting through its governing body, is in full force and effect as of the date hereof, is a contract with the Authority as the holder of the Bond and is a valid, legally binding action of the Issuer, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

d. When delivered to the Authority and paid for in accordance with the terms of the Resolution, the Bond (i) will have been duly authorized, executed, issued and delivered by the Issuer, (ii) will constitute a valid, legally binding obligation of the Issuer enforceable in accordance with its terms, and (iii) will not, when taken together with all other obligations of the Issuer, exceed or violate any constitutional, charter or statutory limitation.

e. The information submitted to the Authority and EGLE in connection with the purchase of the Bond by the Authority is as of the date hereof true, accurate and complete and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

f. Except as may have been disclosed in writing to the Authority and EGLE before the date hereof and as set forth in Exhibit D hereto, if applicable, the Issuer has not been served with any litigation (and to the knowledge of the Issuer no litigation has been commenced or is threatened) against the Issuer, in any court (i) to restrain or enjoin the sale, execution or delivery by the Issuer of the Bond, (ii) in any manner questioning the authority of the Issuer to issue, or the issuance or

validity of, the Bond or any other indebtedness of the Issuer, (iii) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the issuance of the Bond, (iv) questioning the validity or enforceability of the Resolution, (v) to secure a lien on any and all revenues, taxes, fees, or other moneys, securities, funds and property pledged in the Resolution that are a source of payments on the Bond and which would materially impair the ability of the Issuer to repay the Bond, or (vi) which might in any material respect adversely affect the transactions contemplated in this Agreement herein; and no right of any member of the governing body of the Issuer to his or her office is being contested.

g. The execution and delivery of this Agreement by the Issuer, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Resolution and this Agreement do not and will not conflict with or constitute on the part of the Issuer a breach of, or a default under any existing law (including, without limitation, the Michigan Constitution), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Issuer is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Bond or the ability of the Issuer to pay the principal of and the interest on the Bond, or result in a default or lien on any assets of the Issuer. No event has occurred or is continuing which with the lapse of time or the giving of notice, or both, would constitute a default by the Issuer under the Resolution or this Agreement.

h. No consent or approval of, or registration or declaration with, or permit from, any federal, state or other governmental body or instrumentality, is or was required in connection with enactment by the Issuer of the Resolution, issuance of the Bond, or execution and delivery by the Issuer of this Agreement which has not already been obtained, except as may be required under blue sky or securities laws of any state (as to which no representation or warranty is given) nor is any further election or referendum of voters required in connection therewith which has not already been held and certified and all applicable referendum periods have expired.

i. Proceeds of the Bond will be applied (i) to the financing of the Project or a portion thereof as set forth in the Resolution or (ii) to reimburse the Issuer for a portion of the cost of the Project which was incurred in anticipation of Bond proceeds and which is eligible for reimbursement in accordance with Treasury Regulations 1.150-2. The Issuer will expend the proceeds of each disbursement of the Bond for the governmental purpose for which the Bond was issued within five banking days of receipt. Proceeds of the Bond shall not be used to refund (as defined in Treasury Regulation 1.150-1 (d)) other outstanding obligations without the prior written consent of the Authority.

j. The attached Exhibit A is a summary of the estimated cost of the Project, which the Issuer certifies is a reasonable and accurate estimate.

k. The Issuer certifies: (i) if it is the owner or operator of an oceangoing vessel or a nonoceangoing vessel that it is in compliance with the requirements of § 3103a of the NREPA, 1994 PA 451, as amended, MCL 324.3103a, and is on an applicable list prepared under MCL 324.3103a(4) and (ii) if it has contracts for the transportation of cargo with an oceangoing or nonoceangoing vessel operator that operator(s) is/are on an applicable list prepared under MCL 324.3103a(4).

Section 2. General Covenants. The Issuer also represents, warrants and covenants to EGLE and the Authority as follows:

a. Rates and charges for the services of the Project will be established, levied or collected in an amount sufficient to pay the expenses of administration, operation and maintenance of the Project and to pay the principal and interest requirements on all bonds payable from revenues of the Project, including the Bond.

b. The Issuer agrees that the Project shall proceed in a timely fashion and will exercise its best efforts to complete the Project in accordance with the estimated Project schedule as set forth in its application and to provide from fiscal resources all moneys in excess of Bond proceeds necessary to complete the Project.

c. The Issuer will not voluntarily sell, lease, abandon, dispose of or transfer its title to the Project or any part thereof, including lands and interest in lands, by sale, mortgage, lease or other encumbrances, without an effective assignment of obligations and the prior written approval of the Authority and EGLE.

d. To the extent permitted by law, the Issuer shall take all actions within its control and shall not fail to take any action as may be necessary to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

e. The Issuer will take no action which would cause the Bond to be a private activity bond pursuant to Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer will make no use of Bond proceeds which would make the Bond federally guaranteed as provided in Section 149(b) of the Code. The Issuer will keep records of the expenditure and investment of Bond proceeds as required under the Code and the regulations thereunder.

f. The Issuer will operate and maintain the Project in good repair, working order and operating condition.

g. The Issuer will maintain complete books and records relating to the construction, operation and financial affairs of the Project in accordance with generally accepted accounting principles (GAAP) and generally accepted government auditing standards (GAGAS). At the conclusion of the Project or upon

notification by EGLE, the Issuer will submit a final Project cost summary with necessary supporting documentation as required by EGLE. The Issuer will include in its contracts for the Project notice that the contractor and any subcontractors may be subject to a financial audit as part of an overall Project audit and requirements that the contractor and subcontractors shall comply with generally accepted auditing standards.

h. The Issuer will have an audit of its entire operations prepared by a recognized independent certified public accountant for each year in which the Issuer expended $750,000 or more in federal assistance. The audit shall be prepared in conformance with the requirements of 2 CFR 200 (Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards) and Office of Management and Budget Circular No. A-133. The Issuer will mail a copy of such audit and its annual financial audit to the Local Audit and Finance Division of the Michigan Department of Treasury and the Authority. The provision of federal assistance detailed in this Supplemental Agreement can be traced to Catalog of Federal Domestic Assistance (CFDA) Program No. 66.458: Capitalization Grants for Clean Water State Revolving Funds. In addition, the Issuer agrees to provide the Authority in a timely manner with all information and documents regarding the Issuer that the Authority or its bond underwriters need to meet any Securities and Exchange Commission regulation, any industry standard or other federal or state regulation which imposes a disclosure requirement or continuing disclosure requirement relating to any Authority bond issue which was used or is needed to provide monies to the fund used to purchase the Bond or relating to any other Authority bond issue which was used by the Authority to purchase an obligation of the Issuer. In furtherance of the above the Issuer also agrees that upon the request of the Authority it will promptly execute and deliver a continuing disclosure undertaking in form and substance determined by the Authority to be necessary or desirable to assist the Authority or its underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

i. The Issuer will maintain and carry insurance on all physical properties of the Project, of the kinds and in the amounts normally carried by municipalities engaged in the operation of similar systems. All moneys received for losses under any such insurance policies shall be applied to the replacement and restoration of the property damaged or destroyed or for repayment of the Bond.

j. The Issuer will notify EGLE and the Authority within 30 days of the occurrence of any event which, in the judgment of the Issuer, will cause a material adverse change in the financial condition of the Project, or, if the Issuer has knowledge, of the system of which the Project is a part or which affects the prospects for timely completion of the Project.

k. The Issuer agrees to comply with the disadvantaged business participation provisions of Executive Order 11625 (October 13, 1971) and Executive

Order 12138 (May 18, 1979), as amended by Executive Order 12608 (September 9, 1987), whereby the Issuer will employ the six affirmative steps in its procurement efforts and assure its first tier contractors also employ these steps (40 CFR 33.301), maintain a bidders list (40 CFR 33.501), and report on its efforts to utilize Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs) (40 CFR 33.502-503), on the forms and in the manner prescribed by EGLE, all consistent with the provisions set forth in 40 CFR Part 33.

l. The Issuer has the legal, managerial, institutional and financial capability to build, operate and maintain the Project.

m. The Issuer has, or will have prior to the start of construction, all applicable state and federal permits required for construction of the Project and will comply with the conditions set forth in such permits.

n. No undisclosed fact or event, or pending litigation, will materially or adversely affect the Project, the prospects for its completion, or the Issuer's ability to make timely repayments on the Bond.

o. The Issuer will, upon request, provide EGLE, the United States Environmental Protection Agency (the "USEPA") and the Authority with access to the physical plant of the Project and all operational or financial records of the Project, and the Issuer will require similar authorizations from all contractors, consultants, or agents with which the Issuer negotiates an agreement.

p. All pertinent records shall be retained and available to EGLE, the USEPA and the Authority for a minimum of 3 years after actual initiation of the operation of the Project and if litigation, a claim, an appeal, or an audit is begun before the end of the 3 year period, records shall be retained and available until the 3 years have passed or until the action is completed and resolved, whichever is longer.

q. If the Project is segmented as provided in Section 5309 of Part 53, the Issuer agrees that the remaining segments shall be completed with or without additional financial assistance from the Michigan Water Pollution Control Revolving Loan Fund.

r. If the Project involves construction or property acquisition in a special flood hazard area, the Issuer agrees to comply with the flood insurance purchase requirements of the Flood Disaster Protection Act of 1973 (Pub.L. 93-234) whereby the Issuer will purchase flood insurance in conformance with the National Flood Insurance Program (42 USC section 4001-4128).

s. The Issuer will comply with the procurement prohibitions of Section 306 of the Clean Air Act Amendments of 1970 (42 USC section 7606) and Section 508 of the Federal Water Pollution Control Act Amendments of 1972 (33 USC section 1368), as implemented by Executive Order 11738 (September 10, 1973) whereby the

Issuer certifies that goods, services, and materials for the Project will not be procured from a supplier on the List of Violating Facilities published by the U.S. Environmental Protection Agency.

t. The Issuer agrees to comply with the anti-discrimination provisions of Section 602, Title VI of the Civil Rights Act of 1964 (42 USC section 2000d), Section 13 of the Federal Water Pollution Control Act Amendments of 1972 (Pub.L. 92-500), Section 504 of the Rehabilitation Act of 1973 (29 USC section 794), and Section 303, Title III of the Age Discrimination Act of 1975 (42 USC section 6102) whereby the Issuer will not discriminate on the basis of race, color, national origin, sex, handicap, or age in any activity related to the Project.

u. If the Project involves the acquisition of an interest in real property or the displacement of any person, business, or farm operation, the Issuer agrees to comply with the land acquisition and relocation assistance requirements of the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970 (42 USC section 4601 *et seq*) whereby the Issuer will follow procedures set forth in 49 CFR Part 24.

v. The Issuer agrees to comply with the Hatch Act (5 USC section 1501 *et seq*) whereby the Issuer will ensure that employees whose principal employment activities are funded in whole or in part with moneys from the Michigan Water Pollution Control Revolving Loan Fund comply with the prohibitions set forth in 5 CFR Part 151. The Issuer also agrees to comply with provisions of 40 CFR Part 34, New Restrictions on Lobbying, and understands, in accordance with the Byrd Anti-Lobbying Amendment, making a prohibited expenditure under 40 CFR Part 34 or failing to file the required certification or lobbying forms shall subject the Issuer to a civil penalty of not less than $10,000 and not more than $100,000 for each such expenditure.

w. The Issuer agrees to comply with the Davis-Bacon Act and related Acts (40 USC section 276a; 29 CFR Parts 1, 3, 5, 6 and 7). These Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of $2,000 for the construction, alteration, or repair (including painting and decorating) of public building or public works.

x. The Issuer agrees to comply with Subpart C of 40 CFR Part 32, entitled "Responsibilities of Participants Regarding Transactions." The Issuer is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 40 CFR Part 32, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. The Issuer is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. The Issuer acknowledges that failing to disclose the information required under 40 CFR 32.335 may result in the delay or negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.

y. The Issuer agrees to construct and operate the Project in compliance with all other applicable state and federal laws, executive orders, regulations, policies, and procedures and the covenants, assurances and certifications contained in its application for financial assistance relating to the Project. Also, the Issuer will comply with all applicable requirements of all other states and federal laws, executive orders, policies, and regulations governing the program pursuant to which the Order was issued.

z. The Issuer agrees to comply with the equal employment opportunity provisions of Executive Order 11246 (September 24, 1965), as amended by Executive Order 11375 (October 13, 1967), and supplemented by United States Department of Labor regulations (41 CFR Part 60).

aa. If historic or archeological artifacts or remains are discovered during Project construction, the Issuer agrees to immediately contact the State Historic Preservation Officer and EGLE. The Issuer further agrees to discontinue work in the vicinity of the discovery until the State Historic Preservation Officer has determined the general limits and potential significance of the site. If human remains are discovered during Project construction, the Issuer agrees to immediately contact the State Police.

bb. The Issuer will provide written notification to EGLE identifying the actual initiation of operation of the Project within 30 days of its occurrence. The actual initiation of operation is the date when the Project becomes capable of operation for the purposes for which it was planned, designed and built.

cc. The Issuer agrees to comply with Section 436 of the Consolidated Appropriations Act, 2014 (Pub. L. 113-76) which requires that all of the iron and steel products used in the Project be produced in the United States ("Use of American Iron and Steel Requirement"), unless (i) the Issuer has requested and obtained a waiver from the USEPA pertaining to the Project or (ii) EGLE has otherwise advised the Issuer in writing that the American Iron and Steel Requirement is not applicable to the Project.

dd. The Issuer agrees that a fiscal sustainability plan has been developed and implemented that includes the minimum requirements per 33 UCS § 1383 for treatment works by the loan closing.

Section 3. Further Covenants. The Issuer agrees to the covenants, if any, set forth in Exhibit C attached to this Agreement.

Section 4. Statutory Compliance of Project. Based on the information supplied to EGLE by the Issuer, EGLE hereby certifies that the Project complies with the statutory requirements established by Part 53 for a project eligible for assistance.

Section 5. Advancement of Funds to Issuer. Upon receipt by EGLE from the Issuer of a Disbursement Request in the form to be provided by EGLE, EGLE shall, after processing such Disbursement Request, notify the Authority of the amount of the Disbursement Request. The Authority shall withdraw from the State Water Pollution Control Revolving Fund established pursuant to Act 227 moneys necessary to purchase principal installments of the Bond from the Issuer in the amount processed by EGLE.

In the event the Issuer receives disbursements for costs which, at the time of final disbursement or at the submission of final Project cost documentation or at any other time, are determined by EGLE to be ineligible for financing from the Fund, the Issuer agrees to repay the Fund all such amounts. EGLE shall notify the Issuer in writing of any and all such ineligible costs (the "Repayment Amount"). The Issuer agrees to repay the Authority the Repayment Amount within 30 days following the receipt of written notice from EGLE (the "Repayment Date"). If such amount is not received by the Authority by the Repayment Date, the Issuer agrees that the Repayment Amount shall bear interest (the "Additional Interest") from the Repayment Date to the date of payment at the highest rate, as determined by the Authority, equal to (a) the rate of interest then earned by the common cash fund of the State of Michigan on its short term (30 day) investments or (b) the interest rate on the Bond, or (c) the average interest rate at which the Authority's leveraged bond proceeds that funded the purchase of the Bond are invested, or such other rate as shall be determined by resolution of the Board of the Authority but in no event in excess of the maximum rate of interest permitted by law and as set forth in the notice from EGLE to the Issuer. Such Additional Interest is in addition to the interest rate on the Bond. The Additional Interest shall continue to accrue until the Authority has been fully reimbursed for the Repayment Amount. Upon receipt by the Authority of the Repayment Amount, the Authority shall prepare a new payment schedule for the Bond which shall be effective upon receipt by the Issuer.

Section 6. Termination of Assistance. In the event EGLE issues an order under Section 5312 or 5313 of Part 53 recommending that assistance to the Issuer be terminated for the Project, the Authority shall cease to advance funds to the Issuer pursuant to Section 5 of this Agreement. Any termination of assistance under this Agreement shall not excuse or otherwise affect the Issuer's obligation to repay principal installments of the Bond previously disbursed to the Issuer or interest or premiums due thereon. If as a result of termination of assistance, less than the principal amount of assistance approved by EGLE is disbursed, the Authority shall prepare a new payment schedule, which maintains the existing level of principal installments but shortens the term of the Bond, which schedule shall be effective upon receipt by the Issuer. Any termination of assistance under this Agreement shall not relieve the Issuer of any requirements that may exist under state or federal law to construct the Project.

Section 7. Breach of Agreement. In regard to Section 1 through 3 of this Agreement, if any of the representations or warranties are untrue, or if the Issuer shall fail to perform or comply with any of the covenants of these Sections, it shall be a material breach of this Agreement.

No failure by the Authority or EGLE to insist upon strict performance of any covenant, warranty or representation in these Sections, nor any failure on the part of the Authority or EGLE to declare a breach, shall constitute a waiver of any such breach or a relinquishment for the future of the right to insist upon and to enforce by any appropriate legal remedy strict compliance with all of the covenants, warranties or representations, or of the right to exercise any such right or remedies, if any breach of the Issuer continues or is repeated.

Upon any such breach in addition to any other legal remedy EGLE or the Authority may have, EGLE can provide written notice to the Authority of such breach and the Authority shall cease to advance funds to the Issuer pursuant to Section 5 of this Agreement. Any termination of assistance under this Agreement shall not excuse or otherwise affect the Issuer's obligation to repay principal installments of the Bond previously disbursed to the Issuer plus interest and premiums due thereon. If as a result of termination of assistance, less than the principal amount of assistance approved by EGLE is disbursed, the Authority shall prepare a new payment schedule, which maintains the existing level of principal installments but shortens the term of the Bond, which schedule shall be effective upon receipt by the Issuer. Any termination of assistance under this Agreement shall not relieve the Issuer of any requirements that may exist under state or federal law to construct the Project.

Section 8. Applicable Law and Nonassignability. This Agreement shall be governed by the laws of the State of Michigan. This Agreement shall not be assigned by the Issuer.

Section 9. Severability. If any clause, provision or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

Section 10. Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

Section 11. Consent to Execution by Electronic Signature. The parties hereto consent and agree that the Authority and EGLE may execute this Agreement by manual or facsimile signature or by electronic signature via OneSpan Sign, DocuSign, or similar software. The parties agree that electronic signatures shall be valid and binding against the party providing such electronic signature.

This consent is valid only for the execution of this Agreement and will not be used as evidence of consent for any future agreement.

_____ OF _____
(the "Issuer")

By:_____

Its:_____

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURES CONTINUE ON NEXT PAGE)

MICHIGAN FINANCE AUTHORITY
(the "Authority")

By:_____

Its: Authorized Officer

DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY OF THE STATE OF MICHIGAN ("EGLE")

By:_____

Its: Authorized Officer

EXHIBIT A
Summary of Estimated Project Costs

EXHIBIT B
Project Description

EXHIBIT C

Additional Covenants of the Issuer

EXHIBIT D

Summary of Litigation

EXHIBIT C

Issuer's Certificate

$_____
_____ of _____
County of _____
State of Michigan

(the "Bond")

ISSUER'S CERTIFICATE

This Certificate is delivered by the undersigned on behalf of the _____ of _____ (the "Issuer") in connection with the issuance of its above-captioned bond (the "Bond") on even date herewith and the sale of such Bond to the Michigan Finance Authority (the "Authority"). This Certificate is being delivered to the Authority pursuant to a certain Purchase Contract between the Authority and the Issuer (the "Purchase Contract"). The Issuer represents and warrants to, and agrees with, the Authority, as of the date hereof as follows:

1. The undersigned are on the date hereof the duly elected or appointed acting and qualified incumbents of the offices of the Issuer set below their respective names and the signatures appearing are the genuine signatures of said officers. The Bond has been officially signed by the officers of the Issuer having authority to execute and deliver the Bond.

2. The Issuer has full legal right, power and authority to enter into the Purchase Contract, and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in the Purchase Contract.

3. No further authorization or approval is required for the execution and delivery of the Purchase Contract on behalf of the Issuer by its governing body, and the Purchase Contract constitutes a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought; and, except as may be required under the blue sky or

securities laws of any state (as to which no representation or warranty is given) no further authorization or approval is required for the performance by the Issuer of its obligations thereunder.

4. The execution and delivery of the Purchase Contract by the Issuer, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Purchase Contract do not and will not conflict with or constitute on the part of the Issuer a breach of, or a default under any existing law (including, without limitation, the Constitution of the State), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Issuer is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Bond or the ability of the Issuer to pay the principal of and the interest on the Bond.

5. Any certificate or copy of any certificate signed by any official of the Issuer and delivered to the Authority pursuant to the Authority's purchase of the Bond shall be deemed a representation by the Issuer to the Authority as to the truth of the statements therein made.

6. The Issuer is not in default in the payment of principal of, or premium, if any, or interest on any bonds, notes, or contract payments pledged for the payment of notes or bonds.

7. The Issuer agrees that it will not purchase bonds from the Authority in an amount related to the principal amount of the Bond.

8. The Issuer is a political subdivision of the State of Michigan which qualifies as a "governmental unit" within the meaning of Sections 141(b)(6)(A) and 141(c)(1) of the Internal Revenue Code of 1986, as amended and any successor provision, act or statute and the regulations from time to time promulgated or proposed thereunder (the "Code").

9. The Issuer hereby covenants and agrees for the benefit of the Authority as the holder of the Bond that it will comply with the applicable requirements of Section 149 of the Code.

10. Except as required by law, the Issuer will at no time take any action or omit to take any action which, by commission or omission, would cause the Bond to be an "arbitrage bond" as defined in Section 148 of the Code including failing to satisfy the arbitrage rebate requirements of such Section.

11. The Issuer will not permit at any time or times any of the proceeds of the Bond (or the property financed with the proceeds of the Bonds) or any other funds of

the Issuer to be used directly or indirectly in a manner which would result in the exclusion of any bonds of the Issuer from the treatment afforded by Section 103(a) of the Code, as from time to time amended, by reason of the classification of such bonds as "private activity bonds" within the meaning of Section 141(a) of the Code, or as obligations guaranteed by the United States of America, as provided in Section 149(b) of the Code; or cause interest on the Bond to be includable in gross income for federal income tax purposes.

12. The Issuer has executed the standard documents required by the Authority and has included in the Issuer's documents the standard provisions required by the Authority in each case without alteration in any way.

IN WITNESS WHEREOF, we have signed this Certificate on _____, 20___.

_____
(the "Issuer")

By:_____

Its:_____

By:_____

Its:_____

EXHIBIT D

Revenue Sharing Pledge Agreement

Revenue Sharing Pledge Agreement

This Revenue Sharing Pledge Agreement is dated _____, 20__, by and between the Michigan Finance Authority (the "Authority") and _____ _____(the "Governmental Unit").

WHEREAS, the Authority is purchasing the Governmental Unit's _____ _____(the "Municipal Obligation") on the date hereof; and

WHEREAS, the Authority, in connection with its purchase of the Municipal Obligation, requires the Governmental Unit to provide additional security for the repayment of the Municipal Obligation.

1. Pledge. As authorized by Act 227 PA 1985, as amended ("Act 227") and Act 140 PA 1971, as amended, ("Act 140") the Governmental Unit hereby pledges and assigns to the full extent permitted by Act 227 and Act 140 (as hereafter provided) to the Authority as purchaser and holder of the Municipal Obligation all of the payments that the Governmental Unit is eligible to receive under Act 140 ("Distributable Aid") as additional security for the Governmental Unit's obligations to pay principal of, premium, if any, and interest on the Municipal Obligation, as the same become due (the "Payment Obligation").

2. Payment of Distributable Aid. If for any reason the Governmental Unit fails to have on deposit with the Authority (or with any depository designated by the Authority) sufficient moneys to pay the Payment Obligation not less than five (5) business days before the same is due under the Municipal Obligation, the State Treasurer is hereby authorized and directed by the Governmental Unit, upon written notice by the Authority or its depository to the State Treasurer, to pay on such date sufficient Distributable Aid to the Authority (or to any depository designated by the Authority) from the amounts of Distributable Aid payable thereafter to the Governmental Unit so that the Authority (or its depository) has on hand from Distributable Aid or moneys provided by the Governmental Unit sufficient moneys to pay such Payment Obligation up to the full amount of Distributable Aid allowable to the Governmental Unit lawfully available on such date to the State Treasurer. The Authority shall cause a copy of any notice given by it or by its depository pursuant to this paragraph to be promptly given to the Governmental Unit.

3. Continuing Payments. In the event the amount paid pursuant to the foregoing provisions is not sufficient to pay the Payment Obligation on the Municipal Obligation, then, the Governmental Unit hereby authorizes and directs the State Treasurer to continue to transmit to the Authority (or any depository designated by the Authority) all Distributable Aid which the Governmental Unit is entitled to receive pursuant to the provisions of Act 140 until the Authority (or its depository) has on deposit from moneys representing Distributable Aid or from other funds supplied by the Governmental Unit an amount sufficient to satisfy the Payment Obligation on the Municipal Obligation which has not previously been paid. Until the foregoing requirements are met the Governmental Unit agrees that Distributable Aid for any year shall not be paid by the State Treasurer to the Governmental Unit.

4. Right To Pledge Distributable Aid. The Governmental Unit reserves the right to pledge Distributable Aid to secure any additional bonds or notes or other obligations provided that (1) the amount of Distributable Aid received by the Governmental Unit in the fiscal year of the State preceding the issuance of such bonds or notes or other obligations equals or exceeds the amount required in each year to pay the sum of (i) an amount equal to two times the principal and interest for the Municipal Obligation, and (ii) the principal and interest on any additional bonds or notes or other obligations for which Distributable Aid has been pledged, and (2) the amount of Distributable Aid composed of sales tax revenues received by the Governmental Unit in the fiscal year of the State preceding the issuance of such bonds or notes or other obligations equals or exceeds the amount required in each year to pay the sum of (i) an amount equal to 1.5 times the principal and interest for the Municipal Obligations and (ii) the principal and interest on any additional bonds or notes or other obligations for which Distributable Aid has been pledged.

5. The Pledge made herein does not constitute or create any indebtedness of the State of Michigan and does not require the State of Michigan to make an appropriation for any City, Village, County or Township.

6. The Governmental Unit hereby warrants and represents that this Revenue Sharing Pledge Agreement has been duly authorized, executed and delivered by the Governmental Unit and is the valid and legally binding agreement and obligation of the Governmental Unit enforceable against the Governmental Unit in accordance with its terms.

7. The Governmental Unit hereby represents and warrants that except as disclosed in writing to the Authority before the date hereof and as set forth in Exhibit A hereto it has not pledged its Distributable Aid for the payment of any obligation other than the Municipal Obligation.

8. This Revenue Sharing Pledge Agreement shall (a) terminate upon payment in full of the Municipal Obligation or (b) shall terminate in whole or in part upon written release in whole or in part by the Authority.

MICHIGAN FINANCE AUTHORITY

By:_____
(Signature)

Its: Authorized Officer

GOVERNMENTAL UNIT

By:_____
(Signature)

Its:_____
(Title)

By:_____
(Signature)

Its:_____
(Title)

Finance/AssignCon/MFA/SRF DWRF Master Docs/DWRF 185 Documents/SRF DWRF Rev Sharing Pledge.doc

CITY OF HART

COUNTY OF OCEANA, MICHIGAN

At a regular meeting of the City Council of the City of Hart, held at the City Hall, 407 S. State Street, Hart, Michigan, on Tuesday, the 25th day of July 2023, at 7:30 p.m., Local Time.

PRESENT: Members: _____

ABSENT: Members: _____

It was moved by Member _____ and seconded by Member _____that the following Ordinance be adopted under the authority of the Revenue Bond Act of 1933, being Act 94 of the Public Acts of Michigan of 1933, as amended.

ORDINANCE NO. 23-03

AN ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE CITY OF HART SEWER SYSTEM, TO PROVIDE FOR THE ISSUANCE OF SEWER SYSTEM REVENUE BONDS OF EQUAL STANDING WITH SEWER SYSTEM REVENUE BONDS NOW OUTSTANDING TO PAY THE COST THEREOF, TO PROVIDE FOR THE SECURITY OF THE BONDS HEREIN AUTHORIZED, AND TO PROVIDE FOR OTHER MATTERS RELATIVE TO SAID BONDS

Upon roll call vote, the vote upon the motion adopting said Ordinance was as follows:

YEAS: Members: _____

NAYS: Members: _____

ABSTAIN: Members: _____

The City Clerk/Treasurer declared the Ordinance adopted.

The following is Ordinance No. 23-03 as adopted:

CITY OF HART

ORDINANCE NO. 23-03

AN ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE CITY OF HART SEWER SYSTEM, TO PROVIDE FOR THE ISSUANCE OF SEWER SYSTEM REVENUE BONDS OF EQUAL STANDING WITH SEWER SYSTEM REVENUE BONDS NOW OUTSTANDING TO PAY THE COST THEREOF, TO PROVIDE FOR THE SECURITY OF THE BONDS HEREIN AUTHORIZED, AND TO PROVIDE FOR OTHER MATTERS RELATIVE TO SAID BONDS

THE CITY OF HART ORDAINS:

Section 1. Definitions. Terms not defined in this Ordinance, including without limitation, "Additional Bonds," "Bonds" and "Outstanding Bonds," shall have the meanings as defined in the Series 2022 Bond Ordinance. In addition, whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

a. "Act 34" means Act 34 of the Public Acts of Michigan of 2001, as amended.

b. "Act 94" means Act 94 of the Public Acts of Michigan of 1933, as amended.

c. "Bond Registrar" means the City Clerk/Treasurer who shall initially act on behalf of the City as paying, registration and bond registrar with respect to the Series 2023A Bonds, or a bank or trust company qualified to act as a paying agent and registrar in the State of Michigan and designated by resolution of the Council.

d. "City" and "Issuer" mean the City of Hart, Oceana County, Michigan.

e. "Code" means the Internal Revenue Code of 1986, as amended.

f. "Construction Fund" means the Series 2023A Bond Construction Fund established with the Depository in accordance with Section 15.

g. "Consulting Engineers" means the engineer or engineering firm or firms appointed from time to time, and having a favorable reputation for skill and experience in the design and operation of municipal Sanitary Sewer Systems, at the time retained by the Council to perform the acts and carry out the duties provided for such Consulting Engineers in the Ordinance, including initially Prein & Newhof retained by the City Council for the Project.

h. "Council" or "City Council" means the City Council of the City.

i. "Depository Bank" shall mean Huntington Bank, Hart, Michigan or such other financial institution as shall be qualified under Section 15 of Act 94 and designated to act as depository pursuant to this Ordinance by resolution of the Council.

j. "CWSRF Loan Program" means the State of Michigan Clean Water State Revolving Fund a.k.a. State Revolving Fund Loan Program.

k. "Ordinance" means this Ordinance which authorizes the issuance of the Series 2023A Bonds and any other ordinance amendatory to or supplemental to this Ordinance and shall include any ordinance authorizing the issuance and sale of any Additional Bonds.

l. "Project" means improvements and replacements to the City's wastewater treatment system including, but not limited to, additions/modifications to the wastewater treatment plant, and related improvements; legal, engineering, financing, and contingency costs; and related appurtenances, which improvements will increase capacity at the wastewater treatment plant, meet increasing flows and loading, replace aging infrastructure, and increase reliability and efficiency; legal, engineering, financing, and contingency costs, and related appurtenances, improvements and interests in land in the City, as described in the plans and specifications prepared by the Consulting Engineer.

m. "Series 2022 Bonds" means the City's Sanitary Sewer System Revenue Bonds, Series 2022 in the amount of $3,070,000, dated as of September 20, 2022, issued in accordance with the Series 2022 Bond Ordinance.

n. "Series 2022 Bond Ordinance" means City Ordinance No. 22-04, adopted by the City Council on August 9, 2022 to authorize the Series 2022 Bonds.

o. "Series 2023A Bonds" means the City's Sanitary Sewer System Revenue Bonds, Series 2023A, as authorized by this Ordinance.

p. "System" means the complete public sanitary sewer collection and treatment system of the City intended to serve the City of Hart, including the improvements to the System made a part of the Project and all pump stations, collection and interceptor mains, together with all plants, works, instrumentalities, properties and appurtenances, used or useful in connection with the collection and treatment of sanitary sewage and all additions, extensions and improvements existing or hereafter acquired, including the Project.

Section 2. Necessity; Approval of Plans and Specification. It is hereby determined to be a necessary public purpose of the City to acquire and construct the Project in accordance with the plans and specifications presented to the Council by the Consulting Engineers, which plans and specifications are hereby approved.

Section 3. Cost and Period of Usefulness of Project. The total as-bid estimated cost of the Project is Thirteen Million Sixty Seven Thousand Dollars ($13,067,000) including the payment of incidental expenses as specified in Section 4 of this Ordinance, is hereby approved and confirmed, and the period of usefulness of the portion of the Project to be defrayed by the Series 2023A Bonds is estimated to be not less than thirty (30) years.

Section 4. Payment of Cost of Project; Bonds Authorized.

a. To pay 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 2023A Bonds, the City shall borrow the sum of Six Million One Hundred Seventy-five Thousand Dollars ($6,175,000) and issue therefor its Series 2023A Bonds in one or

more series pursuant to the provisions of Act 94 to evidence one or more loans from the CWSRF Loan Program. The remaining cost of the Project shall be defrayed from investment earnings on bond proceeds, Issuer funds on hand and legally available for such use, and the proceeds of any grant funds available, including an EDA grant in the amount of $2,887,000 and ARP grants in the amount of $4,005,000.

b. The Series 2023A Bonds shall be issued as Additional Bonds in accordance with Section 19(b) of the Series 2022 Bond Ordinance to finance the cost of improvements to the System and all conditions stated therein for the issuance of the Series 2023A Bonds as Additional Bonds have been satisfied. Accordingly, the Series 2023A Bonds shall have equal standing and priority of lien on the Net Revenues with the Series 2022 Bonds and any further Additional Bonds issued in accordance with the Series 2022 Bond Ordinance.

c. Except as provided by this Ordinance, all provisions of the Series 2022 Bond Ordinance shall apply to the Series 2023A Bonds, including without limitation, the following sections of the Series 2022 Bond Ordinance: Section 12. Operating Year; Section 13. Funds and Accounts, Flow of Funds; Section 17. Investments; Section 18. Covenants; Section 19. Additional Bonds; Section 20. Appointment of Receiver and Statutory Rights; Section 21. Remedies not Exclusive; and Section 22. Effect of Waiver and Other Circumstances.

Section 5. Bond Details, Registration and Execution.

a. **Details of Series 2023A Bonds**. The Series 2023A Bonds shall be issued in the amount of $6,175,000 and shall be designated SEWER SYSTEM REVENUE BONDS, SERIES 2023A, substantially in the form attached to this Ordinance as Exhibit A. The Series 2023A Bonds shall be sold to the Michigan Finance Authority (the "Authority") in accordance with Section 18 pursuant to the terms of a Purchase Contract by and between the Authority and the City (the "Purchase Contract"), the form of which has been approved by the Council, and a Supplemental Agreement by and between the City, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes and Energy (the "Supplemental Agreement"), the form of which has been approved by the Council. The Series 2023A Bonds shall be dated as of the date of delivery to the Authority; shall bear interest at the rate of 1.875% per annum, payable on April 1, 2024, and semi-annually thereafter on each October 1 and April 1 until payment of the principal of the Series 2023A Bonds has been made or duly provided for. The Series 2023A Bonds shall be issued in one or more certificates in $1.00 denominations or any integral multiple thereof up to the aggregate principal amount of the Series 2023A Bonds, shall be numbered from R-1 upwards in order of authentication, shall be fully registered and shall be designated Series 2023A. The Series 202A3 Bonds shall mature serially on April 1 in each year in the amounts as follows:

Date	Principal Maturity	Date	Principal Maturity	Date	Principal Maturity
2026	$155,216	2036	$186,901	2046	$225,055
2027	$158,126	2037	$190,406	2047	$229,275
2028	$161,091	2038	$193,976	2048	$233,573
2029	$164,111	2039	$197,613	2049	$237,953
2030	$167,188	2040	$201,318	2050	$242,415
2031	$170,323	2041	$205,093	2051	$246,960
2032	$173,517	2042	$208,938	2052	$251,590

2033	$176,770	2043	$212,856	2053	$256,308
2034	$180,085	2044	$216,847	2054	$261,113
2035	$183,461	2045	$220,913	2055	$266,009

The Series 2023A Bonds shall not be sold for less than 100% of par value.

Interest on the Series 2023A Bonds shall be payable by check or draft mailed to each Registered Owner at the registered address, as shown on the registration books of the City maintained by the Bond Registrar. Interest shall be payable to the Registered Owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The principal of the Series 2023A Bonds shall be payable by the Bond Registrar at the principal office of the Bond Registrar upon presentation and surrender thereof.

Principal of and interest on the Series 2023A Bonds shall be payable in lawful money of the United States.

The Series 2023A Bonds may be subject to redemption prior to maturity by the City only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding the foregoing or any other provision of this Ordinance:

(1) The Mayor and City Clerk/Treasurer are hereby authorized and directed to approve the final terms of the sale of the Series 2023A Bonds as evidenced by the Purchase Contract or otherwise, including the date of delivery, the purchase price, the aggregate principal amount, which shall in no event exceed $10,000,000, the principal amount and annual maturity dates of individual maturities, the rate or rates of interest payable on the Series 2023A Bonds, which shall not exceed 1.875% per annum, minimum principal denominations, the series designation and the date of the first interest payment, the commencement dates of the required set asides in the Redemption Fund and the Bond Reserve Account, the designation of the Serie 2023A Bonds as "qualified tax exempt obligations" under the provisions of Section 265(b)(3) of the Code, and other matters necessary to issue the Series 2023A Bonds, subject in all respects to the limitations of Act 94.

(2) The Series 2023A Bonds may be delivered in one or more installments of principal in accordance with the Purchase Contract and the Supplemental Agreement.

(3) The City promises to pay to the Authority the principal amount of the Series 2023A Bonds or so much thereof as shall have been advanced to the City pursuant to the Purchase Contract and the Supplemental Agreement, after taking into account CWSRF Loan Program principal forgiveness, if any.

(4) So long as the Authority is the owner of the Series 2023A Bonds, (i) the Series 2023A Bonds shall be payable as to principal, premium, if any, and interest at U.S. Bank Trust Company, National Association or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (ii) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on the Series 2023A Bonds 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 (iii) written notice of any redemption of the Series 2023A Bonds 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.

(5) In the event of a default in the payment of principal or interest on the Series 2023A Bonds 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 the Series 2023A Bonds 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 the Series 2023A Bonds 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 the Series 2023A Bonds.

(6) It is understood and agreed by the City that during the time funds are being drawn down by the City in accordance with the Purchase Contract and the Supplemental Agreement, the Authority will periodically provide 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 the Series 2023A Bonds. The City acknowledges that in the event the principal amount of the loan evidenced by the Series 2023A Bonds is reduced by the Authority in accordance with Schedule I to the form of the Series 2023A Bonds attached hereto as Exhibit A or the Supplemental Agreement, the Authority will prepare a revised Schedule I to the Series 2023A Bonds that is calculated so that the principal payments are rounded to the nearest dollar and such revised Schedule I shall be effective upon receipt by the City.

(7) To the extent that the City is eligible for forgiveness by the CWSRF Loan Program of a portion of the principal amount of the Series 2023A Bonds, the City agrees to accept such principal forgiveness provided by the CWSRF Loan Program.

b. **Registration and Execution of Bonds**. The Bonds shall be signed by the original or facsimile signature of the Mayor and countersigned by the original or facsimile signature of the City Clerk/Treasurer. The Bonds shall have the corporate seal of the City affixed thereto or printed thereon in facsimile form. No Bond shall be valid until authenticated by the

Bond Registrar. Executed blank Bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Bond Registrar for safekeeping.

Any Bond, upon surrender of the Bond to the Bond Registrar by the Registered Owner thereof, accompanied by delivery of a duly executed written instrument of transfer satisfactory to the Bond Registrar, may be exchanged for Bonds of any other authorized denominations of the same aggregate principal amount, maturity date and interest rate as the surrendered Bond.

Any Bond may be transferred upon the books of the City maintained by the Bond Registrar by the Registered Owner thereof, in person or by his 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 Bond Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount, maturity, interest rate and series. The Bond Registrar shall require the payment by the Registered Owner requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

The City shall have the right to designate a successor to the Bond Registrar and, in such event, a notice shall be mailed to the Registered Owners by the Bond Registrar not less than sixty (60) days prior to the change in Bond Registrar.

Section 6. Replacement of Bonds. Upon receipt by the Bond Registrar of proof of ownership of an unmatured bond, of satisfactory evidence that the bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Bond Registrar, the Bond Registrar may deliver a new executed bond to replace the bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the City may authorize the Bond Registrar to pay the bond without presentation upon the receipt of the same documentation required for the delivery of a replacement bond. The Bond Registrar for each new bond delivered or paid without presentation as provided above, shall require the payment by the bondholder of expenses, including counsel fees, which may be incurred by the Bond Registrar and the City in connection therewith. Any bond delivered pursuant to the provisions of this Section 6 in lieu of any bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the bond originally issued.

Section 7. Payment of Bonds; Creation and Priority of Lien; Defeasance. The Bonds and the interest thereon shall be payable solely from the Net Revenues and to secure such payment, there is hereby created a first priority statutory lien upon the Net Revenues. Pursuant to provisions of Act 94, the City hereby pledges the Net Revenues to the repayment of the principal of, redemption premium, if any, and interest on the Bonds. The lien and pledge provided by this Ordinance shall 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 principal and interest on Bonds of a series then outstanding 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 preceding sentence, the statutory lien shall be terminated with respect to the Series 2023A Bonds, the holders of the Series 2023A Bonds shall have no further rights under the Series 2022 Bond Ordinance or this Ordinance except for payment from the funds

so deposited, and the Series 2023A Bonds shall be considered to be defeased and shall no longer be considered to be outstanding under the Series 2022 Bond Ordinance or this Ordinance.

The Series 2023A Bonds shall have equal standing with the Series 2022 Bonds and any Additional Bonds, as defined in the Series 2022 Bond Ordinance, which may be issued in accordance with the Series 2022 Bond Ordinance and this Ordinance.

Section 8. Management. The operation, repair and management of the System and the acquisition and construction of the Project shall be under the supervision and control of the City Council. The City may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient administration of the System. The City may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 9. Rates. The rates to be charged for service furnished by the System and the methods of collection and enforcement of the collection of the rates including late payment fees and penalties applicable to users of the System who fail to pay, in a timely fashion, the rates and charges that have been billed for the use of the System, shall be those permitted by law and established by the Council on or before the date of adoption of this Ordinance and thereafter as established by the Council. In the event that a user of the System does not timely pay the rates and charges that have been billed to such user, the City Council shall take the necessary action to add such delinquent rates and charges to the user's ad valorem property tax bills.

Section 10. No Free Service. No free service shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the City.

Section 11. Rate Covenant. The rates charged in accordance with Section 9 of this Ordinance 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, and when taken together with Net Revenues, to provide for (i) an amount equal to the annual principal and interest requirements on all of the Bonds, including the Series 2022 Bonds and the Series 2023A Bonds, and any other indebtedness payable from Net Revenues, as the same become due and payable, (ii) the maintenance of the Bond Reserve Account, as required by this Ordinance, and (iii) all other obligations, expenditures and funds for the System required by law and this Ordinance. In addition, the City covenants that the rates shall be set from time to time so that there shall be produced, in each fiscal year of the City, Net Revenues, based upon the City's reasonable expectations and historical operating trends, in an amount equal to 100% of the principal of and interest coming due in each fiscal year on the Bonds, and all other indebtedness payable from Net Revenues. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and the City hereby covenants and agrees to fix and maintain rates in accordance with Act 94 for services furnished by the System at all times sufficient to provide for the foregoing.

Section 12. Funds and Accounts, Flow of Funds. Except as set forth below, all Revenues of the System shall be set aside as collected and credited to the Receiving Fund established in accordance with the Series 2022 Bond Ordinance.

a. **Series 2023A Subaccount of the Bond and Interest Redemption Fund**. Out of the Net Revenues remaining in the Receiving Fund, after provision for the credit or deposit to the Operation and Maintenance Fund, the payments to be set aside in the Redemption Fund for payment of the Series 2023A Bonds shall be set aside, quarterly on the first day of each March, June, September and December, commencing December 1, 2024, and deposited in the Series 2023A Subaccount which is hereby established in the Redemption Fund for the Series 2023A Bonds, for payment of interest on the Series 2023A Bonds, a sum equal to at least one-half of the amount of the interest due on the Series 2023A Bonds on the next ensuing interest payment date plus commencing June 1, 2025 for payment of principal on the Series 2023A Bonds a sum equal to not less than one-quarter of the principal maturing on the Series 2023A Bonds on the next ensuing principal payment date in each year, subject to any credit therefore from investment earnings transferred from the Bond Reserve Account. If there shall be any deficiency in the amount previously required to be set aside, then the amount of such deficiency shall be added to the next succeeding quarterly requirement.

b. **Series 2023A Subaccount of Bond Reserve Account**. A Series 2023A Subaccount in the Bond Reserve Account is hereby established and shall be funded by the City commencing September 1, 2024 by the deposit of surplus monies in the Receiving Fund or allocable Net Revenues remaining, if any, after the set aside into the Redemption Fund of a sufficient sum for current principal and interest payments on the Bonds as provided in the Series 2022 Bond Ordinance. The Series 2023A Subaccount of the Bond Reserve Account shall be funded, to the extent of such available monies, in the amount of one-third of the Bond Reserve Requirement annually until an amount equal to the Bond Reserve Requirement has been accumulated. All investment earnings in the Series 2023A Subaccount of the Bond Reserve Account shall be transferred to the Redemption Fund and set aside in the Series 2023A Subaccount maintained for the payment of current principal and interest on the Series 2023A Bonds. If at any time it shall be necessary to use moneys credited to the Series 2023A Subaccount of the Bond Reserve Account for the payment of principal and interest on any of the Series 2023A Bonds, then the moneys so used shall be replaced over a period of not more than 5 years from the Net Revenues first received thereafter which are not required for current principal and interest requirements on the Bonds. If at any time there is any excess in the Bond Reserve Account over the Bond Reserve Requirement, such excess may be transferred to such fund or account as the City Council shall direct. No proceeds of the Series 2023A Bonds shall be used to fund the Bond Reserve Account. Notwithstanding the foregoing, (1) deposits from Net Revenues to the Series 2023A Subaccount of the Bond Reserve Account shall be made on an allocable basis with deposits from Net Revenues to the Bond Reserve Account established by the Series 2022 Bond Ordinance for the Series 2022 Bonds, and (2) the Bond Reserve Requirement for the Series 2023A Bonds shall be determined by subtracting the Bond Reserve Requirement for the Series 2022 Bonds from the Bond Reserve Requirement for the Series 2023A Bonds.

Section 13. Depository Bank. Moneys in the several funds and 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 and deposited to a construction fund, including in the case of the proceeds of the Series 2023A Bonds which shall be deposited to the Construction Fund in accordance with Section 15, may be kept in one bank account with the Depository Bank, in which event the moneys in the bank account shall be allocated on the books and records of the City and deposited to the funds and accounts herein established in this Ordinance, in the manner and at the times provided in this Ordinance and 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, the Redemption Fund (including the current requirements of the Bond Reserve Account), any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds deposited to a construction fund, including in the case of the proceeds of the Series 2023A Bonds on deposit in the Construction Fund in accordance with Section 15, shall be credited or transferred, first, to the Operation and Maintenance Fund and second, to the Redemption Fund, to the extent of any deficit therein.

Section 15. Bond Proceeds. The proceeds of the sale of the Series 2023A Bonds shall be deposited in the Construction Fund as a separate depository account at the Depository. Proceeds of the Series 2023A Bonds shall be advanced to the City in installments of principal in accordance with the terms of the Purchase Contract and Supplemental Agreement.

Money 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. No proceeds of the Series 2023A Bonds shall be used to pay capitalized interest. Payment for construction, either on account or otherwise, shall not be made unless the Consulting Engineer 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 the work 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 in the Construction Fund of the proceeds of the sale of the Series 2023A Bonds remaining after completion of the Project may, at the discretion of the City, be used for such further improvements, enlargements and extensions of the System, if, at the time of such expenditures, such use is approved by the CWSRF Loan Program or the Michigan Department of Treasury, if such approval is then required by the CWSRF Loan Program or by law. Any remaining balance after such expenditure shall be paid to the Series 2023A Subaccount of the Redemption Fund and may be used for the purpose of purchasing Series 2023A Bonds on the open market at not more than the fair market value thereof, redeeming Series 2023A Bonds or paying principal of the Series 2023A Bonds upon maturity. The foregoing is subject to the terms and conditions of the Purchase Contract and the Supplemental Agreement.

After completion of the Project financed by the Series 2023A Bonds and disposition of remaining proceeds, if any, of the Series 2023A Bonds pursuant to the provisions of this Section, the Construction Fund shall be closed.

Section 16. Covenants. The City covenants and agrees with the Registered Owners of the Series 2022 Bonds and the Series 2023A Bonds that so long as any of the Series 2022 Bonds and the Series 2023A Bonds are Outstanding Bonds as defined in the Series 2022 Bond Ordinance and unpaid as to either principal or interest:

a. The City will cause the Project to be acquired and constructed promptly and in accordance with the plans and specifications therefor.

b. With respect to the Series 2023A Bonds, the City shall comply with all terms and conditions of the Purchase Contract and the Supplemental Agreement.

c. The City shall comply with all terms, conditions and covenants in the Series 2022 Bond Ordinance with respect to the Series 2022 Bonds, this Ordinance with respect to the Series 2023A Bonds, and any Additional Bonds issued in accordance with the Series 2022 Bond Ordinance.

Section 17. Covenant Regarding Tax Exempt Status of the Series 2023A Bonds.

a. The City covenants to comply with all requirements of the Code necessary to assure that the interest on the Series 2023A Bonds, if any, will be and will remain excludable from gross income for federal income tax purposes (as opposed to alternative minimum or other indirect taxation). The City hereby covenants that the City will make no use of the proceeds of the Series 2023A Bonds, if any, which if such use had been reasonably expected on the date of issuance of the Series 2023A Bonds, would have caused the Series 2023A Bonds to be "arbitrage bonds", as defined in Section 148 of the Code. In addition, the City covenants to comply with all applicable provisions of the Code that must be satisfied subsequent to the issuance of the Series 2023A Bonds, if any, in order that the interest on the Series 2023A Bonds be excluded (or continue to be excluded) from gross income within the meaning of Section 103(a) of the Code.

b. The City hereby designates the Series 2023A Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265(b)(3) of the Code, it being reasonably anticipated that the aggregate amount of qualified tax exempt obligations which will be issued by the City and all subordinate entities to the City shall not exceed $10,000,000 during calendar year 2023.

c. The Series 2023A Bonds and the interest, if any, on the Series 2023A Bonds shall be exempt from taxation by the State of Michigan or by any taxing authority within the State of Michigan.

Section 18. Negotiated Sale of Series 2023A Bonds. The Mayor and the City Clerk/Treasurer are hereby authorized to sell the Series 2023A Bonds at a negotiated sale to the Authority, in accordance with the Purchase Contract, the Supplemental Agreement and applicable state law and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Series 2023A Bonds in accordance with the provisions of this Ordinance. The Series 2023A Bonds shall be sold at a negotiated sale instead of a competitive sale to take advantage of the terms and conditions of the CWSRF Loan Program, including the fixed rate of interest of 1.875% per annum for all maturities of the Series 2023A Bonds, which is below prevailing open market interest rates, and CWSRF Loan Program principal forgiveness, if any.

Section 19. Disclosure of Information. The City agrees to provide the Authority in a timely manner with all information and documents regarding the City and the Series 2023A Bonds, including an official statement that the Authority or its bond underwriters need to meet any Securities and Exchange Commission regulation, any industry standard or other federal or state regulation which imposes a disclosure requirement or continuing disclosure requirement relating to any Authority bond issue which was used or is needed to provide monies to the fund used to purchase the Series 2023A Bonds or relating to any other Authority bond issue which was used by the Authority to purchase an obligation of the City. In furtherance of the above, the City also agrees that upon the request of the Authority it will promptly execute and deliver a continuing disclosure undertaking in form and substance determined by the Authority to be necessary or desirable to assist the Authority or its underwriters in complying with Rule 15c2-12 promulgated

by the Securities and Exchange Commission. If required, such continuing disclosure undertaking shall be executed by the Mayor and the Clerk/Treasurer.

Section 20. Michigan Department of Treasury. The City, acting with the assistance of Bond Counsel for the Project, shall obtain approval from the Michigan Department of Treasury for the issuance of the Series 2023A Bonds either by filing a municipal finance qualifying statement or submitting a prior approval application in accordance with Act 34, and the Mayor and/or City Manager are hereby authorized and directed to file any required documents.

Section 21. Delivery of Series 2023A Bonds. The Series 2023A Bonds shall be executed in the manner provided by Section 5 in substantially the form approved with such necessary variations, omissions, corrections and insertions as the Mayor and City Clerk/Treasurer deem appropriate and are required for and on behalf of the City. Upon execution of the Series 2023A Bonds, the City Clerk/Treasurer is hereby authorized and directed to deliver or cause to be delivered the Series 2023A Bonds to the Bond Registrar for authentication and, in turn to the purchaser thereof, upon receipt of the purchase price therefor. The proceeds of the Series 2023A Bonds shall be deposited into the Construction Fund as provided in Section 15, above.

The Mayor and Clerk/Treasurer are authorized and directed to execute and deliver on behalf of the City such other certificates, affidavits, investment agreements or other documents or instruments as may be required by the purchaser of the Series 2023A Bonds or bond counsel or convenient to effectuate the execution and delivery of the Series 2023A Bonds.

The City shall furnish the Series 2023A Bonds ready for execution without expense to the purchaser. The City shall also furnish without expense to the purchaser at the time of delivery of the Series 2023A Bonds, the approving opinion of Mika Meyers PLC, Attorneys, Grand Rapids, Michigan, approving the legality of the Series 2023A Bonds. The Series 2023A Bonds will be delivered at the expense of the City in the manner and at the location as agreed upon with the purchaser thereof.

Section 22. Absence or Disability. In the absence or disability of the Mayor, the Mayor Pro-Tempore shall act hereunder in her stead. In the absence or disability of the Clerk/Treasurer, the Deputy Clerk/Treasurer (if any) shall act hereunder in her stead.

Section 23. Ordinance to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Series 2023A Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance and the Series 2022 Bond Ordinance together shall be deemed to be and shall constitute a contract between the City and the Registered Owners from time to time of the Series 2023A Bonds and the lien and pledge made in this Ordinance and the covenants and agreements set forth herein and the Series 2022 Bond Ordinance to be performed on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Series 2023A Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by the Series 2022 Bond Ordinance and this Ordinance.

Section 24. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provisions 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 a part of this Ordinance.

Section 25. Publication and Recordation. This Ordinance shall be published in full in the *Oceana's Herald-Journal*, 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 City and such recording authenticated by the signatures of the Mayor and the City Clerk/Treasurer.

Section 26. Effective Date. In accordance with Act 94, this Ordinance shall become effective immediately upon its adoption.

Passed and adopted by the City Council of the City of Hart, County of Oceana, Michigan, on July 25, 2023, and approved by me on July 25, 2023.

_____
Vicki Platt, Mayor
City of Hart

ATTEST:

_____
Karla Swihart, Clerk/Treasurer
City of Hart

EXHIBIT A

REGISTERED REGISTERED

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF OCEANA

CITY OF HART

SEWER SYSTEM REVENUE BONDS, SERIES 2023A

No. R-1

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: _____ Million _____ Hundred _____ Thousand _____ Hundred Dollars ($_____)

INTEREST RATE: _____ percent (_____%) per annum

DATE OF ORIGINAL ISSUE AND REGISTRATION: The date each installment portion of the Principal Amount was delivered to the Registered Owner in accordance with the Purchase Contract and Supplemental Agreement.

KNOW ALL MEN BY THESE PRESENTS, that the City of Hart, County of Oceana, State of Michigan (the "City" or "Issuer"), acknowledges itself indebted and for value received, hereby promises to pay the Principal Amount shown above to the Registered Owner specified above or its registered assigns shown as the owner of record of this bond on the books of the City Treasurer, Hart, Michigan, as bond registrar (the "Bond Registrar") on the applicable date of record, in installments in the amounts and on the dates as set forth in Schedule I, attached hereto and made a part hereof, with interest thereon from the Date of Original Issue and Registration specified above until paid at the Interest Rate per annum specified above, first payable April 1, 202__ and semi-annually thereafter and principal is payable on the first day of October commencing October 1, 202__ (as identified in the Purchase Contract) and annually thereafter. Payment of principal and interest shall be paid to the Registered Owner hereof by the Bond Registrar by first class mail. The date of record shall be each March 15 and September 15 with respect to the payments due on each April 1 and October 1, respectively. Principal and interest are payable in lawful money of the United States of America.

The City promises to pay to the Michigan Finance Authority (the "Authority") the principal amount of the Bond or so much 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

Environment, Great Lakes and Energy, less the principal amount of such Bond, if any, that is subject to principal forgiveness.

During the time funds are being drawn down by the City under this Bond, the Authority will periodically provide 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 City acknowledges that in the event the principal amount of the loan evidenced by the Bonds is reduced by the Authority in accordance with Schedule I attached hereto or the Supplemental Agreement, the Authority will prepare a revised Schedule I to this Bond that is calculated so that the principal payments are rounded to the nearest dollar and which revised Schedule I shall be effective upon receipt by the City.

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.

Bonds may be subject to redemption prior to maturity by the City 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 U.S. Bank Trust Company, National Association 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.

This bond is issued pursuant to Ordinance No. _____ (the "Ordinance"), 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 of the Public Acts of Michigan of 1933, as amended, for the purpose of paying a portion of the cost of improvements to the City of Hart Sanitary Sewer System (the "System").

The revenues of the System, including all appurtenances, additions, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System, exclusive of depreciation (the "Net Revenues"), are irrevocably pledged for the prompt payment of principal and interest on this Bond on a parity basis with bonds of equal standing, and a first priority statutory lien thereon has been created. The principal of and interest on this Bond shall be payable in lawful money of the United States.

The bonds of this issue are of equal standing and priority of lien as to the Net Revenues with the Issuer's Sewer System Revenue Bonds, Series 2022, issued September 20, 2022.

This bond is a self-liquidating bond and is not a general obligation of the City and does not constitute an indebtedness of the City within any constitutional, statutory or charter limitation, but is payable, both as to Principal Amount and interest, solely from the Net Revenues of the System, with the priority of lien summarized above.

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, when taken together with Net Revenues, to provide for payment of the principal of and interest on the bonds of this issue and any other indebtedness payable from the Net Revenues as and when the same shall become due and payable, and to maintain a bond reserve for the bonds of this series, 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. In addition, the City has covenanted in the Ordinance to operate the System so as to provide Net Revenues equal to at least 100% of debt service on all bonds and indebtedness payable from the Net Revenues of the System in each year.

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, the rights and limitations on the owners of the bonds and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance.

This bond is transferable only upon the registration books of the City kept by the Bond Registrar by the registered owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its 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, 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 Certificate of Registration and Authentication on this bond has been executed by the Bond Registrar.

IN WITNESS WHEREOF, the City of Hart, County of Oceana, State of Michigan, by its City Council, has caused this bond to be executed by its Mayor and its City Clerk/Treasurer and its corporate seal to be affixed on this bond all as of the Date of Original Issue.

CITY OF HART

By_____
Vicki Platt, Mayor

[SEAL]

By_____
Karla Swihart, Clerk/Treasurer

CERTIFICATION OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Authorizing Ordinance and has been registered in the name of the payee designated on the face hereof in the Register maintained for the issuer thereof.

CITY OF HART CLERK/TREASURER
as Bond Registrar

Date of
Authentication:_____ By_____
Authorized Representative

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ _____, the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:_____

_____
Signature Guaranteed

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program

_____
NOTICE: The signature(s) to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program

The Bond Registrar will not affect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address:_____
_____
_____
_____
_____
(Include information for all joint owners if this Bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OF
OTHER IDENTIFYING NUMBER OF TRANSFEREE

_____
(Insert number for first-named transferee if held by joint account)

EGLE Project No.
EGLE Approved Amt: $_____

SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (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 Issuer 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 Issuer by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due
_____,	_____

Interest on the Bond shall accrue on principal disbursed by the Authority to the Issuer from the date principal is disbursed, until paid, at the rate of 1.875% per annum, payable _____, 20____, and semi-annually thereafter.

The Issuer agrees that it will deposit with U.S. Bank Trust Company, National Association, or at such other place as shall be designated in writing to the Issuer by the Authority (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 Issuer's deposit by 12:00 noon on the scheduled day, the Issuer 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.

CERTIFICATE OF CITY CLERK/TREASURER

I hereby certify that the foregoing is a true and complete copy of an Ordinance adopted by the City Council of the City of Hart, County of Oceana, State of Michigan, at a regular meeting held on July 25, 2023, and that public notice of said meeting was given pursuant to the Open Meetings Act, being Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by posting at least eighteen (18) hours prior to the time set for said meeting.

I further certify that said Ordinance has been recorded in the Ordinance Book of the City and such recording has been authenticated by the signatures of the Mayor and the City Clerk/Treasurer.

_____

Karla Swihart
City Clerk/Treasurer

CERTIFICATE OF PUBLICATION

I, Karla Swihart, City Clerk/Treasurer of the City of Hart, County of Oceana, State of Michigan, hereby certify that the Ordinance No. 23-__ was published in *Oceana's Herald-Journal* on July __, 2023.

_____

Karla Swihart
City Clerk/Treasurer

RESOLUTION 2023-36

CITY OF HART

COUNTY OF OCEANA, MICHIGAN

At a regular meeting of the City Council of the City of Hart, held at the City Hall, 407 S. State Street, Hart, Michigan, on the 25th day of July 2022, at 7:30 p.m., Local Time.

PRESENT: Members: _____

_____

ABSENT: Members: _____

The following resolution was offered by Member _____and supported by Member _____:

RESOLUTION TO APPROVE STATE CLEAN WATER REVOLVING FUND AGREEMENTS AND DOCUMENTS IN CONNECTION WITH PROPOSED ISSUANCE OF CITY SEWER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2023B TO EVIDENCE A STATE CLEAN WATER REVOLVING FUND LOAN

WHEREAS, the City of Hart (the "City") is proposing to sell Sewer System Junior Lien Revenue Bonds, Series 2023B in accordance with Act 94 of the Public Acts of Michigan of 1933, as amended, (the "Bonds") in the maximum amounts of $1,432,500, to evidence a State of Michigan Clean Water Revolving Fund loan (the "CWSRF Loan") to fund improvements to the City Sewer System; and

WHEREAS, the proposed Bonds are to be sold to the Michigan Finance Authority (the "Authority") in accordance with the terms of a Purchase Contract by and between the City and the Authority (the "Purchase Contract") in substantially the form set forth in Exhibit A attached hereto and a Supplemental Agreement by and between the City, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes and Energy (the "Supplemental Agreement") in substantially the form set forth in Exhibit B attached hereto; and

WHEREAS, the City will also be required to execute and deliver an Issuer's Certificate (the "Issuer's Certificate") to the Authority in substantially the form set forth in Exhibit C attached hereto; and

WHEREAS, the Authority may require the City to execute and deliver a Revenue Sharing Pledge Agreement (the "Pledge Agreement") with respect to the Bonds in substantially the form set forth in Exhibit D attached hereto.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. The Purchase Contract, the Supplemental Agreement, the Issuer's Certificate, and the Pledge Agreement are hereby each approved in the forms attached hereto as Exhibits A, B, C, and D, respectively. The Mayor and City Clerk/Treasurer are hereby authorized and directed to execute on behalf of the City, and deliver to the Authority, the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate in substantially the forms approved with such additions and deletions as are consistent with the terms of the Bonds and in the best interest of the City.

2. To the extent determined to be necessary by the Authority, the Mayor and City Clerk/Treasurer are hereby authorized and directed to execute on behalf of the City, and deliver to the Authority, the Pledge Agreement.

3. In the absence or disability of the Mayor, the Mayor Pro Tempore shall act in her stead. In the event of the absence or disability of the City Clerk/Treasurer, the Deputy (if any) shall act in her stead.

4. All resolutions or portions thereof inconsistent with the provisions of this resolution are hereby rescinded.

YEAS: Members: _____

_____

NAYS: Members: _____

ABSTAIN: Members: _____

RESOLUTION DECLARED ADOPTED

_____
Karla Swihart, Clerk
City of Hart

STATE OF MICHIGAN)
) ss.
COUNTY OF OCEANA)

I, Karla Swihart, the duly qualified and acting Clerk/Treasurer of the City of Hart, Oceana County, Michigan (the "City") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a regular meeting held on the 25th day of July, 2023, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 25th day of July 2023.

_____
Karla Swihart, Clerk/Treasurer
City of Hart

EXHIBIT A

Purchase Contract

(*Legal Name of Municipality*) State Revolving Fund
Project No: *(Project Number)*

PURCHASE CONTRACT

The Michigan Finance Authority (the "Authority"), a public body corporate, separate and distinct from the State of Michigan, hereby offers to enter into this Purchase Contract with the Issuer named below (the "Issuer") which, upon the acceptance of this offer by the Issuer and ratification by the Authority, will be binding upon the Authority and the Issuer. This offer is made subject to acceptance on or before [_____].

Upon the terms and conditions and upon the basis of the representations, warranties, and agreements set forth herein, including those set forth on Schedule I hereto, the Authority hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Authority, bonds (the "Bonds") in the principal amount and with the maturities and interest rate as shown on Schedule I and with redemption provisions acceptable to the Authority. The purchase price for the Bonds shall be 100%. The Authority's obligation to disburse Bond proceeds shall be contingent upon funding of the State Water Pollution Control Revolving Fund created by 1988 PA 316 and 1988 PA 317. The method of payment of Bond proceeds to the Issuer shall be as set forth in the Supplemental Agreement among the Issuer, the Authority, and the State of Michigan acting through the Department of Environment, Great Lakes and Energy.

The Issuer represents and warrants to, and agrees with, the Authority that the Issuer has, and on the Closing Date (specified below) will have, full legal right, power and authority (i) to enter into this Purchase Contract, and (ii) to sell and deliver the Bonds to the Authority as provided herein and in the resolution or ordinance authorizing the Bonds and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in this Purchase Contract including those set forth in Schedule I.

On _____, _____, the local preclosing date, the Issuer shall make available for inspection by the Authority at the offices of the Department of Attorney General, Finance Division, Lansing, Michigan, the Bonds, together with such other documents, certificates and closing opinions as the Authority shall require (the "Closing Documents").

On _____, _____, (the "Closing Date"), the Authority shall accept delivery of the Bonds and the Closing Documents and pay the purchase price for the Bonds.

MICHIGAN FINANCE AUTHORITY

By:_____
Authorized Officer

Accepted and Agreed to this
[_____] day of [_____]

(*Legal Name of Municipality*) ("Issuer")

By:_____

Title:_____

SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (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 Issuer 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 Issuer by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due
_____,	_____

Interest on the Bond shall accrue on principal disbursed by the Authority to the Issuer from the date principal is disbursed, until paid, at the rate of __% [as shown in the applicable fiscal year intended use plan] per annum, payable _____, 20__, and semi-annually thereafter.

The Issuer agrees that it will deposit with U.S. Bank Trust Company, National Association, or at such other place as shall be designated in writing to the Issuer by the Authority (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 Issuer's deposit by 12:00 noon on the scheduled day, the Issuer 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.

EXHIBIT B

Supplemental Agreement

Supplemental Agreement
Regarding
$_____
of
_____ County of _____
State of Michigan

(the "Bond")

This Agreement is made as of_____, 20__ among the _____ of _____, County of _____ (the "Issuer"), the Michigan Finance Authority (the "Authority"), and the State of Michigan acting through the Department of Environment, Great Lakes and Energy ("EGLE"), in consideration for the purchase of the above-captioned Bond by the Authority. This Agreement shall be in addition to any other contractual undertaking by the Issuer contained in the Ordinance or Resolution authorizing the Bond (the "Resolution").

PREMISES:

Executive Order No. 2010-2 (the "Executive Order") created the Authority as an autonomous public body corporate and politic within the Michigan Department of Treasury and transferred powers, duties, obligations, and functions from various entities (including those of the Michigan Municipal Bond Authority established under 1985 PA 227, as amended ("Act 227")) to the Authority and the Authority is empowered, among other things, to purchase obligations from Governmental Units within the State of Michigan such as the Issuer. Pursuant to the terms of the Resolution, the Issuer intends to issue its Bond and undertake a Project as described in Exhibit B attached to this Supplemental Agreement (the "Project"), which Project is a sewage treatment works or nonpoint source project, or both, as defined in Part 53, Clean Water Assistance of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994 ("Part 53"). In order to provide assistance to the Issuer to finance the Project, the Authority has agreed to purchase the Bond upon certain conditions including receipt by the Authority of an order of approval (the "Order") issued by EGLE pursuant to the provisions of Part 53. All words and terms defined in Act 227 or Part 53 and not otherwise defined in this Agreement shall have the meanings as defined in those Acts.

In consideration of these premises and their mutual agreements, the Issuer, the Authority, and EGLE agree as follows:

Section 1. General Representations. The Issuer represents and warrants to, and agrees with, the Authority and EGLE, as of the date hereof as follows:

a. The Issuer is duly organized and existing under the laws of the State of Michigan and is authorized by the provisions of the Constitution and the laws of the State of Michigan to issue the Bond.

b. The Issuer has full legal right, power and authority to (i) sell and deliver the Bond to the Authority as provided in this Agreement and the Resolution, and (ii) execute this Agreement, and to consummate all transactions contemplated by this Agreement, the Bond, the Resolution, and any and all other agreements relating thereto. The Issuer has duly authorized and approved the execution and delivery of this Agreement, the performance by the Issuer of its obligations contained in this Agreement, and this Agreement is a valid, legally binding action of the Issuer, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

c. The Resolution has been duly adopted by the Issuer, acting through its governing body, is in full force and effect as of the date hereof, is a contract with the Authority as the holder of the Bond and is a valid, legally binding action of the Issuer, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

d. When delivered to the Authority and paid for in accordance with the terms of the Resolution, the Bond (i) will have been duly authorized, executed, issued and delivered by the Issuer, (ii) will constitute a valid, legally binding obligation of the Issuer enforceable in accordance with its terms, and (iii) will not, when taken together with all other obligations of the Issuer, exceed or violate any constitutional, charter or statutory limitation.

e. The information submitted to the Authority and EGLE in connection with the purchase of the Bond by the Authority is as of the date hereof true, accurate and complete and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

f. Except as may have been disclosed in writing to the Authority and EGLE before the date hereof and as set forth in Exhibit D hereto, if applicable, the Issuer has not been served with any litigation (and to the knowledge of the Issuer no litigation has been commenced or is threatened) against the Issuer, in any court (i) to restrain or enjoin the sale, execution or delivery by the Issuer of the Bond, (ii) in any manner questioning the authority of the Issuer to issue, or the issuance or

validity of, the Bond or any other indebtedness of the Issuer, (iii) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the issuance of the Bond, (iv) questioning the validity or enforceability of the Resolution, (v) to secure a lien on any and all revenues, taxes, fees, or other moneys, securities, funds and property pledged in the Resolution that are a source of payments on the Bond and which would materially impair the ability of the Issuer to repay the Bond, or (vi) which might in any material respect adversely affect the transactions contemplated in this Agreement herein; and no right of any member of the governing body of the Issuer to his or her office is being contested.

g. The execution and delivery of this Agreement by the Issuer, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Resolution and this Agreement do not and will not conflict with or constitute on the part of the Issuer a breach of, or a default under any existing law (including, without limitation, the Michigan Constitution), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Issuer is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Bond or the ability of the Issuer to pay the principal of and the interest on the Bond, or result in a default or lien on any assets of the Issuer. No event has occurred or is continuing which with the lapse of time or the giving of notice, or both, would constitute a default by the Issuer under the Resolution or this Agreement.

h. No consent or approval of, or registration or declaration with, or permit from, any federal, state or other governmental body or instrumentality, is or was required in connection with enactment by the Issuer of the Resolution, issuance of the Bond, or execution and delivery by the Issuer of this Agreement which has not already been obtained, except as may be required under blue sky or securities laws of any state (as to which no representation or warranty is given) nor is any further election or referendum of voters required in connection therewith which has not already been held and certified and all applicable referendum periods have expired.

i. Proceeds of the Bond will be applied (i) to the financing of the Project or a portion thereof as set forth in the Resolution or (ii) to reimburse the Issuer for a portion of the cost of the Project which was incurred in anticipation of Bond proceeds and which is eligible for reimbursement in accordance with Treasury Regulations 1.150-2. The Issuer will expend the proceeds of each disbursement of the Bond for the governmental purpose for which the Bond was issued within five banking days of receipt. Proceeds of the Bond shall not be used to refund (as defined in Treasury Regulation 1.150-1 (d)) other outstanding obligations without the prior written consent of the Authority.

j. The attached Exhibit A is a summary of the estimated cost of the Project, which the Issuer certifies is a reasonable and accurate estimate.

k. The Issuer certifies: (i) if it is the owner or operator of an oceangoing vessel or a nonoceangoing vessel that it is in compliance with the requirements of § 3103a of the NREPA, 1994 PA 451, as amended, MCL 324.3103a, and is on an applicable list prepared under MCL 324.3103a(4) and (ii) if it has contracts for the transportation of cargo with an oceangoing or nonoceangoing vessel operator that operator(s) is/are on an applicable list prepared under MCL 324.3103a(4).

Section 2. General Covenants. The Issuer also represents, warrants and covenants to EGLE and the Authority as follows:

a. Rates and charges for the services of the Project will be established, levied or collected in an amount sufficient to pay the expenses of administration, operation and maintenance of the Project and to pay the principal and interest requirements on all bonds payable from revenues of the Project, including the Bond.

b. The Issuer agrees that the Project shall proceed in a timely fashion and will exercise its best efforts to complete the Project in accordance with the estimated Project schedule as set forth in its application and to provide from fiscal resources all moneys in excess of Bond proceeds necessary to complete the Project.

c. The Issuer will not voluntarily sell, lease, abandon, dispose of or transfer its title to the Project or any part thereof, including lands and interest in lands, by sale, mortgage, lease or other encumbrances, without an effective assignment of obligations and the prior written approval of the Authority and EGLE.

d. To the extent permitted by law, the Issuer shall take all actions within its control and shall not fail to take any action as may be necessary to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

e. The Issuer will take no action which would cause the Bond to be a private activity bond pursuant to Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer will make no use of Bond proceeds which would make the Bond federally guaranteed as provided in Section 149(b) of the Code. The Issuer will keep records of the expenditure and investment of Bond proceeds as required under the Code and the regulations thereunder.

f. The Issuer will operate and maintain the Project in good repair, working order and operating condition.

g. The Issuer will maintain complete books and records relating to the construction, operation and financial affairs of the Project in accordance with generally accepted accounting principles (GAAP) and generally accepted government auditing standards (GAGAS). At the conclusion of the Project or upon

notification by EGLE, the Issuer will submit a final Project cost summary with necessary supporting documentation as required by EGLE. The Issuer will include in its contracts for the Project notice that the contractor and any subcontractors may be subject to a financial audit as part of an overall Project audit and requirements that the contractor and subcontractors shall comply with generally accepted auditing standards.

h. The Issuer will have an audit of its entire operations prepared by a recognized independent certified public accountant for each year in which the Issuer expended $750,000 or more in federal assistance. The audit shall be prepared in conformance with the requirements of 2 CFR 200 (Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards) and Office of Management and Budget Circular No. A-133. The Issuer will mail a copy of such audit and its annual financial audit to the Local Audit and Finance Division of the Michigan Department of Treasury and the Authority. The provision of federal assistance detailed in this Supplemental Agreement can be traced to Catalog of Federal Domestic Assistance (CFDA) Program No. 66.458: Capitalization Grants for Clean Water State Revolving Funds. In addition, the Issuer agrees to provide the Authority in a timely manner with all information and documents regarding the Issuer that the Authority or its bond underwriters need to meet any Securities and Exchange Commission regulation, any industry standard or other federal or state regulation which imposes a disclosure requirement or continuing disclosure requirement relating to any Authority bond issue which was used or is needed to provide monies to the fund used to purchase the Bond or relating to any other Authority bond issue which was used by the Authority to purchase an obligation of the Issuer. In furtherance of the above the Issuer also agrees that upon the request of the Authority it will promptly execute and deliver a continuing disclosure undertaking in form and substance determined by the Authority to be necessary or desirable to assist the Authority or its underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

i. The Issuer will maintain and carry insurance on all physical properties of the Project, of the kinds and in the amounts normally carried by municipalities engaged in the operation of similar systems. All moneys received for losses under any such insurance policies shall be applied to the replacement and restoration of the property damaged or destroyed or for repayment of the Bond.

j. The Issuer will notify EGLE and the Authority within 30 days of the occurrence of any event which, in the judgment of the Issuer, will cause a material adverse change in the financial condition of the Project, or, if the Issuer has knowledge, of the system of which the Project is a part or which affects the prospects for timely completion of the Project.

k. The Issuer agrees to comply with the disadvantaged business participation provisions of Executive Order 11625 (October 13, 1971) and Executive

Order 12138 (May 18, 1979), as amended by Executive Order 12608 (September 9, 1987), whereby the Issuer will employ the six affirmative steps in its procurement efforts and assure its first tier contractors also employ these steps (40 CFR 33.301), maintain a bidders list (40 CFR 33.501), and report on its efforts to utilize Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs) (40 CFR 33.502-503), on the forms and in the manner prescribed by EGLE, all consistent with the provisions set forth in 40 CFR Part 33.

l. The Issuer has the legal, managerial, institutional and financial capability to build, operate and maintain the Project.

m. The Issuer has, or will have prior to the start of construction, all applicable state and federal permits required for construction of the Project and will comply with the conditions set forth in such permits.

n. No undisclosed fact or event, or pending litigation, will materially or adversely affect the Project, the prospects for its completion, or the Issuer's ability to make timely repayments on the Bond.

o. The Issuer will, upon request, provide EGLE, the United States Environmental Protection Agency (the "USEPA") and the Authority with access to the physical plant of the Project and all operational or financial records of the Project, and the Issuer will require similar authorizations from all contractors, consultants, or agents with which the Issuer negotiates an agreement.

p. All pertinent records shall be retained and available to EGLE, the USEPA and the Authority for a minimum of 3 years after actual initiation of the operation of the Project and if litigation, a claim, an appeal, or an audit is begun before the end of the 3 year period, records shall be retained and available until the 3 years have passed or until the action is completed and resolved, whichever is longer.

q. If the Project is segmented as provided in Section 5309 of Part 53, the Issuer agrees that the remaining segments shall be completed with or without additional financial assistance from the Michigan Water Pollution Control Revolving Loan Fund.

r. If the Project involves construction or property acquisition in a special flood hazard area, the Issuer agrees to comply with the flood insurance purchase requirements of the Flood Disaster Protection Act of 1973 (Pub.L. 93-234) whereby the Issuer will purchase flood insurance in conformance with the National Flood Insurance Program (42 USC section 4001-4128).

s. The Issuer will comply with the procurement prohibitions of Section 306 of the Clean Air Act Amendments of 1970 (42 USC section 7606) and Section 508 of the Federal Water Pollution Control Act Amendments of 1972 (33 USC section 1368), as implemented by Executive Order 11738 (September 10, 1973) whereby the

Issuer certifies that goods, services, and materials for the Project will not be procured from a supplier on the List of Violating Facilities published by the U.S. Environmental Protection Agency.

t. The Issuer agrees to comply with the anti-discrimination provisions of Section 602, Title VI of the Civil Rights Act of 1964 (42 USC section 2000d), Section 13 of the Federal Water Pollution Control Act Amendments of 1972 (Pub.L. 92-500), Section 504 of the Rehabilitation Act of 1973 (29 USC section 794), and Section 303, Title III of the Age Discrimination Act of 1975 (42 USC section 6102) whereby the Issuer will not discriminate on the basis of race, color, national origin, sex, handicap, or age in any activity related to the Project.

u. If the Project involves the acquisition of an interest in real property or the displacement of any person, business, or farm operation, the Issuer agrees to comply with the land acquisition and relocation assistance requirements of the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970 (42 USC section 4601 *et seq*) whereby the Issuer will follow procedures set forth in 49 CFR Part 24.

v. The Issuer agrees to comply with the Hatch Act (5 USC section 1501 *et seq*) whereby the Issuer will ensure that employees whose principal employment activities are funded in whole or in part with moneys from the Michigan Water Pollution Control Revolving Loan Fund comply with the prohibitions set forth in 5 CFR Part 151. The Issuer also agrees to comply with provisions of 40 CFR Part 34, New Restrictions on Lobbying, and understands, in accordance with the Byrd Anti-Lobbying Amendment, making a prohibited expenditure under 40 CFR Part 34 or failing to file the required certification or lobbying forms shall subject the Issuer to a civil penalty of not less than $10,000 and not more than $100,000 for each such expenditure.

w. The Issuer agrees to comply with the Davis-Bacon Act and related Acts (40 USC section 276a; 29 CFR Parts 1, 3, 5, 6 and 7). These Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of $2,000 for the construction, alteration, or repair (including painting and decorating) of public building or public works.

x. The Issuer agrees to comply with Subpart C of 40 CFR Part 32, entitled "Responsibilities of Participants Regarding Transactions." The Issuer is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 40 CFR Part 32, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. The Issuer is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. The Issuer acknowledges that failing to disclose the information required under 40 CFR 32.335 may result in the delay or negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.

y. The Issuer agrees to construct and operate the Project in compliance with all other applicable state and federal laws, executive orders, regulations, policies, and procedures and the covenants, assurances and certifications contained in its application for financial assistance relating to the Project. Also, the Issuer will comply with all applicable requirements of all other states and federal laws, executive orders, policies, and regulations governing the program pursuant to which the Order was issued.

z. The Issuer agrees to comply with the equal employment opportunity provisions of Executive Order 11246 (September 24, 1965), as amended by Executive Order 11375 (October 13, 1967), and supplemented by United States Department of Labor regulations (41 CFR Part 60).

aa. If historic or archeological artifacts or remains are discovered during Project construction, the Issuer agrees to immediately contact the State Historic Preservation Officer and EGLE. The Issuer further agrees to discontinue work in the vicinity of the discovery until the State Historic Preservation Officer has determined the general limits and potential significance of the site. If human remains are discovered during Project construction, the Issuer agrees to immediately contact the State Police.

bb. The Issuer will provide written notification to EGLE identifying the actual initiation of operation of the Project within 30 days of its occurrence. The actual initiation of operation is the date when the Project becomes capable of operation for the purposes for which it was planned, designed and built.

cc. The Issuer agrees to comply with Section 436 of the Consolidated Appropriations Act, 2014 (Pub. L. 113-76) which requires that all of the iron and steel products used in the Project be produced in the United States ("Use of American Iron and Steel Requirement"), unless (i) the Issuer has requested and obtained a waiver from the USEPA pertaining to the Project or (ii) EGLE has otherwise advised the Issuer in writing that the American Iron and Steel Requirement is not applicable to the Project.

dd. The Issuer agrees that a fiscal sustainability plan has been developed and implemented that includes the minimum requirements per 33 UCS § 1383 for treatment works by the loan closing.

Section 3. Further Covenants. The Issuer agrees to the covenants, if any, set forth in Exhibit C attached to this Agreement.

Section 4. Statutory Compliance of Project. Based on the information supplied to EGLE by the Issuer, EGLE hereby certifies that the Project complies with the statutory requirements established by Part 53 for a project eligible for assistance.

Section 5. Advancement of Funds to Issuer. Upon receipt by EGLE from the Issuer of a Disbursement Request in the form to be provided by EGLE, EGLE shall, after processing such Disbursement Request, notify the Authority of the amount of the Disbursement Request. The Authority shall withdraw from the State Water Pollution Control Revolving Fund established pursuant to Act 227 moneys necessary to purchase principal installments of the Bond from the Issuer in the amount processed by EGLE.

In the event the Issuer receives disbursements for costs which, at the time of final disbursement or at the submission of final Project cost documentation or at any other time, are determined by EGLE to be ineligible for financing from the Fund, the Issuer agrees to repay the Fund all such amounts. EGLE shall notify the Issuer in writing of any and all such ineligible costs (the "Repayment Amount"). The Issuer agrees to repay the Authority the Repayment Amount within 30 days following the receipt of written notice from EGLE (the "Repayment Date"). If such amount is not received by the Authority by the Repayment Date, the Issuer agrees that the Repayment Amount shall bear interest (the "Additional Interest") from the Repayment Date to the date of payment at the highest rate, as determined by the Authority, equal to (a) the rate of interest then earned by the common cash fund of the State of Michigan on its short term (30 day) investments or (b) the interest rate on the Bond, or (c) the average interest rate at which the Authority's leveraged bond proceeds that funded the purchase of the Bond are invested, or such other rate as shall be determined by resolution of the Board of the Authority but in no event in excess of the maximum rate of interest permitted by law and as set forth in the notice from EGLE to the Issuer. Such Additional Interest is in addition to the interest rate on the Bond. The Additional Interest shall continue to accrue until the Authority has been fully reimbursed for the Repayment Amount. Upon receipt by the Authority of the Repayment Amount, the Authority shall prepare a new payment schedule for the Bond which shall be effective upon receipt by the Issuer.

Section 6. Termination of Assistance. In the event EGLE issues an order under Section 5312 or 5313 of Part 53 recommending that assistance to the Issuer be terminated for the Project, the Authority shall cease to advance funds to the Issuer pursuant to Section 5 of this Agreement. Any termination of assistance under this Agreement shall not excuse or otherwise affect the Issuer's obligation to repay principal installments of the Bond previously disbursed to the Issuer or interest or premiums due thereon. If as a result of termination of assistance, less than the principal amount of assistance approved by EGLE is disbursed, the Authority shall prepare a new payment schedule, which maintains the existing level of principal installments but shortens the term of the Bond, which schedule shall be effective upon receipt by the Issuer. Any termination of assistance under this Agreement shall not relieve the Issuer of any requirements that may exist under state or federal law to construct the Project.

Section 7. Breach of Agreement. In regard to Section 1 through 3 of this Agreement, if any of the representations or warranties are untrue, or if the Issuer shall fail to perform or comply with any of the covenants of these Sections, it shall be a material breach of this Agreement.

No failure by the Authority or EGLE to insist upon strict performance of any covenant, warranty or representation in these Sections, nor any failure on the part of the Authority or EGLE to declare a breach, shall constitute a waiver of any such breach or a relinquishment for the future of the right to insist upon and to enforce by any appropriate legal remedy strict compliance with all of the covenants, warranties or representations, or of the right to exercise any such right or remedies, if any breach of the Issuer continues or is repeated.

Upon any such breach in addition to any other legal remedy EGLE or the Authority may have, EGLE can provide written notice to the Authority of such breach and the Authority shall cease to advance funds to the Issuer pursuant to Section 5 of this Agreement. Any termination of assistance under this Agreement shall not excuse or otherwise affect the Issuer's obligation to repay principal installments of the Bond previously disbursed to the Issuer plus interest and premiums due thereon. If as a result of termination of assistance, less than the principal amount of assistance approved by EGLE is disbursed, the Authority shall prepare a new payment schedule, which maintains the existing level of principal installments but shortens the term of the Bond, which schedule shall be effective upon receipt by the Issuer. Any termination of assistance under this Agreement shall not relieve the Issuer of any requirements that may exist under state or federal law to construct the Project.

Section 8. Applicable Law and Nonassignability. This Agreement shall be governed by the laws of the State of Michigan. This Agreement shall not be assigned by the Issuer.

Section 9. Severability. If any clause, provision or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

Section 10. Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

Section 11. Consent to Execution by Electronic Signature. The parties hereto consent and agree that the Authority and EGLE may execute this Agreement by manual or facsimile signature or by electronic signature via OneSpan Sign, DocuSign, or similar software. The parties agree that electronic signatures shall be valid and binding against the party providing such electronic signature.

This consent is valid only for the execution of this Agreement and will not be used as evidence of consent for any future agreement.

_____ OF _____
(the "Issuer")

By:_____

Its:_____

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURES CONTINUE ON NEXT PAGE)

MICHIGAN FINANCE AUTHORITY
(the "Authority")

By:_____

Its: Authorized Officer

DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY OF THE STATE OF MICHIGAN ("EGLE")

By:_____

Its: Authorized Officer

EXHIBIT A
Summary of Estimated Project Costs

EXHIBIT B
Project Description

EXHIBIT C

Additional Covenants of the Issuer

EXHIBIT D

Summary of Litigation

EXHIBIT C

Issuer's Certificate

$_____
_____ of _____
County of _____
State of Michigan

(the "Bond")

ISSUER'S CERTIFICATE

This Certificate is delivered by the undersigned on behalf of the _____ of _____ (the "Issuer") in connection with the issuance of its above-captioned bond (the "Bond") on even date herewith and the sale of such Bond to the Michigan Finance Authority (the "Authority"). This Certificate is being delivered to the Authority pursuant to a certain Purchase Contract between the Authority and the Issuer (the "Purchase Contract"). The Issuer represents and warrants to, and agrees with, the Authority, as of the date hereof as follows:

1. The undersigned are on the date hereof the duly elected or appointed acting and qualified incumbents of the offices of the Issuer set below their respective names and the signatures appearing are the genuine signatures of said officers. The Bond has been officially signed by the officers of the Issuer having authority to execute and deliver the Bond.

2. The Issuer has full legal right, power and authority to enter into the Purchase Contract, and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in the Purchase Contract.

3. No further authorization or approval is required for the execution and delivery of the Purchase Contract on behalf of the Issuer by its governing body, and the Purchase Contract constitutes a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought; and, except as may be required under the blue sky or

securities laws of any state (as to which no representation or warranty is given) no further authorization or approval is required for the performance by the Issuer of its obligations thereunder.

4. The execution and delivery of the Purchase Contract by the Issuer, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Purchase Contract do not and will not conflict with or constitute on the part of the Issuer a breach of, or a default under any existing law (including, without limitation, the Constitution of the State), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Issuer is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Bond or the ability of the Issuer to pay the principal of and the interest on the Bond.

5. Any certificate or copy of any certificate signed by any official of the Issuer and delivered to the Authority pursuant to the Authority's purchase of the Bond shall be deemed a representation by the Issuer to the Authority as to the truth of the statements therein made.

6. The Issuer is not in default in the payment of principal of, or premium, if any, or interest on any bonds, notes, or contract payments pledged for the payment of notes or bonds.

7. The Issuer agrees that it will not purchase bonds from the Authority in an amount related to the principal amount of the Bond.

8. The Issuer is a political subdivision of the State of Michigan which qualifies as a "governmental unit" within the meaning of Sections 141(b)(6)(A) and 141(c)(1) of the Internal Revenue Code of 1986, as amended and any successor provision, act or statute and the regulations from time to time promulgated or proposed thereunder (the "Code").

9. The Issuer hereby covenants and agrees for the benefit of the Authority as the holder of the Bond that it will comply with the applicable requirements of Section 149 of the Code.

10. Except as required by law, the Issuer will at no time take any action or omit to take any action which, by commission or omission, would cause the Bond to be an "arbitrage bond" as defined in Section 148 of the Code including failing to satisfy the arbitrage rebate requirements of such Section.

11. The Issuer will not permit at any time or times any of the proceeds of the Bond (or the property financed with the proceeds of the Bonds) or any other funds of

the Issuer to be used directly or indirectly in a manner which would result in the exclusion of any bonds of the Issuer from the treatment afforded by Section 103(a) of the Code, as from time to time amended, by reason of the classification of such bonds as "private activity bonds" within the meaning of Section 141(a) of the Code, or as obligations guaranteed by the United States of America, as provided in Section 149(b) of the Code; or cause interest on the Bond to be includable in gross income for federal income tax purposes.

12. The Issuer has executed the standard documents required by the Authority and has included in the Issuer's documents the standard provisions required by the Authority in each case without alteration in any way.

IN WITNESS WHEREOF, we have signed this Certificate on _____, 20___.

_____
(the "Issuer")

By:_____

Its:_____

By:_____

Its:_____

EXHIBIT D

Revenue Sharing Pledge Agreement

Revenue Sharing Pledge Agreement

This Revenue Sharing Pledge Agreement is dated _____, 20__, by and between the Michigan Finance Authority (the "Authority") and _____ _____(the "Governmental Unit").

WHEREAS, the Authority is purchasing the Governmental Unit's _____ _____(the "Municipal Obligation") on the date hereof; and

WHEREAS, the Authority, in connection with its purchase of the Municipal Obligation, requires the Governmental Unit to provide additional security for the repayment of the Municipal Obligation.

1. Pledge. As authorized by Act 227 PA 1985, as amended ("Act 227") and Act 140 PA 1971, as amended, ("Act 140") the Governmental Unit hereby pledges and assigns to the full extent permitted by Act 227 and Act 140 (as hereafter provided) to the Authority as purchaser and holder of the Municipal Obligation all of the payments that the Governmental Unit is eligible to receive under Act 140 ("Distributable Aid") as additional security for the Governmental Unit's obligations to pay principal of, premium, if any, and interest on the Municipal Obligation, as the same become due (the "Payment Obligation").

2. Payment of Distributable Aid. If for any reason the Governmental Unit fails to have on deposit with the Authority (or with any depository designated by the Authority) sufficient moneys to pay the Payment Obligation not less than five (5) business days before the same is due under the Municipal Obligation, the State Treasurer is hereby authorized and directed by the Governmental Unit, upon written notice by the Authority or its depository to the State Treasurer, to pay on such date sufficient Distributable Aid to the Authority (or to any depository designated by the Authority) from the amounts of Distributable Aid payable thereafter to the Governmental Unit so that the Authority (or its depository) has on hand from Distributable Aid or moneys provided by the Governmental Unit sufficient moneys to pay such Payment Obligation up to the full amount of Distributable Aid allowable to the Governmental Unit lawfully available on such date to the State Treasurer. The Authority shall cause a copy of any notice given by it or by its depository pursuant to this paragraph to be promptly given to the Governmental Unit.

3. Continuing Payments. In the event the amount paid pursuant to the foregoing provisions is not sufficient to pay the Payment Obligation on the Municipal Obligation, then, the Governmental Unit hereby authorizes and directs the State Treasurer to continue to transmit to the Authority (or any depository designated by the Authority) all Distributable Aid which the Governmental Unit is entitled to receive pursuant to the provisions of Act 140 until the Authority (or its depository) has on deposit from moneys representing Distributable Aid or from other funds supplied by the Governmental Unit an amount sufficient to satisfy the Payment Obligation on the Municipal Obligation which has not previously been paid. Until the foregoing requirements are met the Governmental Unit agrees that Distributable Aid for any year shall not be paid by the State Treasurer to the Governmental Unit.

4. Right To Pledge Distributable Aid. The Governmental Unit reserves the right to pledge Distributable Aid to secure any additional bonds or notes or other obligations provided that (1) the amount of Distributable Aid received by the Governmental Unit in the fiscal year of the State preceding the issuance of such bonds or notes or other obligations equals or exceeds the amount required in each year to pay the sum of (i) an amount equal to two times the principal and interest for the Municipal Obligation, and (ii) the principal and interest on any additional bonds or notes or other obligations for which Distributable Aid has been pledged, and (2) the amount of Distributable Aid composed of sales tax revenues received by the Governmental Unit in the fiscal year of the State preceding the issuance of such bonds or notes or other obligations equals or exceeds the amount required in each year to pay the sum of (i) an amount equal to 1.5 times the principal and interest for the Municipal Obligations and (ii) the principal and interest on any additional bonds or notes or other obligations for which Distributable Aid has been pledged.

5. The Pledge made herein does not constitute or create any indebtedness of the State of Michigan and does not require the State of Michigan to make an appropriation for any City, Village, County or Township.

6. The Governmental Unit hereby warrants and represents that this Revenue Sharing Pledge Agreement has been duly authorized, executed and delivered by the Governmental Unit and is the valid and legally binding agreement and obligation of the Governmental Unit enforceable against the Governmental Unit in accordance with its terms.

7. The Governmental Unit hereby represents and warrants that except as disclosed in writing to the Authority before the date hereof and as set forth in Exhibit A hereto it has not pledged its Distributable Aid for the payment of any obligation other than the Municipal Obligation.

8. This Revenue Sharing Pledge Agreement shall (a) terminate upon payment in full of the Municipal Obligation or (b) shall terminate in whole or in part upon written release in whole or in part by the Authority.

MICHIGAN FINANCE AUTHORITY

By:_____
(Signature)

Its: Authorized Officer

GOVERNMENTAL UNIT

By:_____
(Signature)

Its:_____
(Title)

By:_____
(Signature)

Its:_____
(Title)

Finance/AssignCon/MFA/SRF DWRF Master Docs/DWRF 185 Documents/SRF DWRF Rev Sharing Pledge.doc

CITY OF HART

COUNTY OF OCEANA, MICHIGAN

At a regular meeting of the City Council of the City of Hart, held at the City Hall, 407 S. State Street, Hart, Michigan, on Tuesday, the 25th day of July 2023, at 7:30 p.m., Local Time.

PRESENT: Members: _____

ABSENT: Members: _____

It was moved by Member _____ and seconded by Member _____that the following Ordinance be adopted under the authority of the Revenue Bond Act of 1933, being Act 94 of the Public Acts of Michigan of 1933, as amended.

ORDINANCE NO. 23-04

AN ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE CITY OF HART SEWER SYSTEM, TO PROVIDE FOR THE ISSUANCE OF SEWER SYSTEM JUNIOR LIEN REVENUE BONDS, TO PROVIDE FOR THE SECURITY OF THE BONDS HEREIN AUTHORIZED, AND TO PROVIDE FOR OTHER MATTERS RELATIVE TO SAID BONDS

Upon roll call vote, the vote upon the motion adopting said Ordinance was as follows:

YEAS: Members: _____

NAYS: Members: _____

ABSTAIN: Members: _____

The City Clerk/Treasurer declared the Ordinance adopted.

The following is Ordinance No. 23-04 as adopted:

CITY OF HART

ORDINANCE NO. 23-04

AN ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE CONSTRUCTION OF IMPROVEMENTS TO THE CITY OF HART SEWER SYSTEM, TO PROVIDE FOR THE ISSUANCE OF SEWER SYSTEM JUNIOR LIEN REVENUE BONDS, TO PROVIDE FOR THE SECURITY OF THE BONDS HEREIN AUTHORIZED, AND TO PROVIDE FOR OTHER MATTERS RELATIVE TO SAID BONDS

THE CITY OF HART 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 34" means Act 34 of the Public Acts of Michigan of 2001, as amended.

b. "Act 94" means Act 94 of the Public Acts of Michigan of 1933, as amended.

c. "Additional Bonds" means any additional bonds of equal standing with the Series 2023B Bonds issued in accordance with Section 18 of this Ordinance.

d. "Bond Registrar" means the City Clerk/Treasurer who shall initially act on behalf of the City as paying, registration and bond registrar with respect to the Series 2023B Bonds, or a bank or trust company qualified to act as a paying agent and registrar in the State of Michigan and designated by resolution of the Council.

e. "Bond Reserve Account" means the separate Bond Reserve Account established in the Redemption Fund in accordance with Section 14a of this Ordinance.

f. "Bond Reserve Requirement" means generally an amount equal to the lesser of (i) 10% of the stated principal amount of the Bonds, after taking into account CWSRF Loan Program principal forgiveness, if any, (ii) an amount equal to the maximum annual principal and interest requirements on the Bonds, after taking into account CWSRF Loan Program principal forgiveness, if any, or (c) 125 percent (125%) of the average annual principal and interest requirements on the Bonds, after taking into account CWSRF Loan Program principal forgiveness, if any.

g. "Bonds" means the Series 2022 Bonds, the Series 2023A Bonds, and the Series 2023B Bonds, including the bonds delivered to the initial purchaser thereof and any individual bonds exchanged therefor and, when issued and delivered, any Additional Bonds.

h. "City" and "Issuer" mean the City of Hart, Oceana County, Michigan.

i. "Code" means the Internal Revenue Code of 1986, as amended.

j. "Construction Fund" means the Series 2023B Bond Construction Fund established with the Depository in accordance with Section 15.

k. "Consulting Engineers" means the engineer or engineering firm or firms appointed from time to time, and having a favorable reputation for skill and experience in the design and operation of municipal Sanitary Sewer Systems, at the time retained by the Council to perform the acts and carry out the duties provided for such Consulting Engineers in the Ordinance, including initially Prein & Newhof retained by the City Council for the Project.

l. "Council" or "City Council" means the City Council of the City.

m. "Depository Bank" shall mean Huntington Bank, Hart, Michigan or such other financial institution as shall be qualified under Section 15 of Act 94 and designated to act as depository pursuant to this Ordinance by resolution of the Council.

n. "CWSRF Loan Program" means the State of Michigan Clean Water State Revolving Fund a.k.a. State Revolving Fund Loan Program.

o. "Government Obligations" means direct obligations of (including obligations issued or held in book entry form on the books of) the United States of America.

p. "Investment Obligations" means the investments permitted by the City investment policy.

q. "Net Revenues" means the Revenues remaining after deducting the reasonable expenses of administration, operation, and maintenance of the System, exclusive of depreciation.

r. "Ordinance" means this Ordinance and any other ordinance amendatory to or supplemental to this Ordinance and shall include any ordinance authorizing the issuance and sale of any Additional Bonds.

s. "Outstanding Bonds" means Bonds authenticated and delivered under this Ordinance except:

(1) Bonds canceled by the Bond Registrar at or prior to such date;

(2) Bonds (or portions of Bonds) for the payment or redemption of which moneys or Government Obligations, equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Ordinance and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as provided in this Ordinance or provision satisfactory to the Bond Registrar shall have been made for the giving of such notice; and

(3) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered hereunder.

t. "Project" means improvements to the City's sewer wastewater system including, but not limited to, the replacement of failing and aging sanitary sewers that are nearing the end of their useful lives; removal of stormwater infiltration and inflow to reduce the load on the wastewater treatment facilities; reconstruction of roads where sewers are replaced; and related

improvements; legal, engineering, financing, and contingency costs; and related appurtenances, improvements and interests in land in the City, as described in the plans and specifications prepared by the Consulting Engineer.

u. "Registered Owner" means the owner of a Bond as shown by the registration records kept by the Bond Registrar.

v. "Revenues" means the income derived from the rates charged for the services, facilities, and commodities furnished by the System, including income derived by reason of future improvements, enlargements, extensions or repairs to the System. Revenues shall include earnings on investment of funds and accounts of the System required to be deposited in the Receiving Fund pursuant to this Ordinance and other revenues derived from or pledged to operation of the System.

w. "Series 2022 Bonds" means the City's Sanitary Sewer System Revenue Bonds, Series 2022 in the amount of $3,070,000, dated as of September 20, 2022, issued in accordance with the Series 2022 Bond Ordinance.

x. "Series 2022 Bond Ordinance" means City Ordinance No. 22-04, adopted by the City Council on August 9, 2022 to authorize the Series 2022 Bonds.

y. "Series 2023A Bonds" means the City's Sanitary Sewer System Revenue Bonds, Series 2023A in the amount of $6,175,000, dated August 28, 2023, issued as authorized by the Series 2023A Bond Ordinance.

z. "Series 2023A Bond Ordinance" means City Ordinance No. 23-0_, adopted by the City Council on July 25, 2023, to authorize the Series 2023A Bonds.

aa. "Series 2023B Bonds" means the City's Sanitary Sewer System Revenue Bonds, Series 2023B, as authorized by this Ordinance.

bb. "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal of and interest on which are fully guaranteed by the United States of America, 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 (or portions of the Bonds) and the principal and redemption premium, if any, on the Bonds (or portions of 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 (or portions of the Bonds) are to be called for redemption prior to maturity, irrevocable instructions to call such Bonds for redemption shall be given to the Bond Registrar.

cc. "System" means the complete public sanitary sewer collection and treatment system of the City intended to serve the City of Hart, including the improvements to the System made a part of the Project and all pump stations, collection and interceptor mains, together with all plants, works, instrumentalities, properties and appurtenances, used or useful in connection with the collection and treatment of sanitary sewage and all additions, extensions and improvements existing or hereafter acquired, including the Project.

Section 2. Necessity; Approval of Plans and Specification. It is hereby determined to be a necessary public purpose of the City to acquire and construct the Project in accordance with the plans and specifications presented to the Council by the Consulting Engineers, which plans and specifications are hereby approved.

Section 3. Cost and Period of Usefulness of Project. The total as-bid estimated cost of the Project is Four Million One Hundred Thirty-three Thousand Three Hundred Eighty-eight Dollars ($4,133,388) including the payment of incidental expenses as specified in Section 4 of this Ordinance, is hereby approved and confirmed, and the period of usefulness of the portion of the Project to be defrayed by the Series 2023B Bonds is estimated to be not less than thirty (30) years.

Section 4. Payment of Cost of Project; Bonds Authorized. To pay 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 2023B Bonds, the City shall borrow the sum of One Million Four Hundred Thirty-two Thousand Five Hundred Dollars ($1,432,500) and issue therefor its Series 2023B Bonds in one or more series pursuant to the provisions of Act 94 to evidence one or more loans from the CWSRF Loan Program. The remaining cost of the Project shall be defrayed from investment earnings on bond proceeds, Issuer funds on hand and legally available for such use, and an ARP grant in the amount of $1,432,500.

Section 5. Bond Details, Registration and Execution.

a. **Details of Series 2023B Bonds**. The Series 2023B Bonds shall be issued in the amount of $1,432,500 and shall be designated SEWER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2023B, substantially in the form attached to this Ordinance as Exhibit A. The Series 2023B Bonds shall be sold to the Michigan Finance Authority (the "Authority") in accordance with Section 23 pursuant to the terms of a Purchase Contract by and between the Authority and the City (the "Purchase Contract"), the form of which has been approved by the Council, and a Supplemental Agreement by and between the City, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes and Energy (the "Supplemental Agreement"), and a Revenue Sharing Pledge Agreement by and between the City and the Authority (the "Revenue Sharing Pledge Agreement"), the form of which documents have been approved by the Council. The Series 2023B Bonds shall be dated as of the date of delivery to the Authority; shall bear interest at the rate of 1.875% per annum, payable on April 1, 2024, and semi-annually thereafter on each October 1 and April 1 until payment of the principal of the Series 2023B Bonds has been made or duly provided for. The Series 2023B Bonds shall be issued in one or more certificates in $1.00 denominations or any integral multiple thereof up to the aggregate principal amount of the Series 2023B Bonds, shall be numbered from R-1 upwards in order of authentication, shall be fully registered and shall be designated Series 2023B. The Series 2023B Bonds shall mature serially on April 1 in each year in the amounts as follows:

Date	Principal Maturity	Date	Principal Maturity	Date	Principal Maturity
2026	$32,500	2036	$45,000	2046	$50,000
2027	$35,000	2037	$45,000	2047	$55,000
2028	$40,000	2038	$45,000	2048	$55,000
2029	$40,000	2039	$45,000	2049	$55,000
2030	$40,000	2040	$45,000	2050	$55,000
2031	$40,000	2041	$50,000	2051	$55,000

2032	$40,000	2042	$50,000	2052	$60,000
2033	$40,000	2043	$50,000	2053	$60,000
2034	$40,000	2044	$50,000	2054	$60,000
2035	$45,000	2045	$50,000	2055	$60,000

The Series 2023B Bonds shall not be sold for less than 100% of par value.

Interest on the Series 2023B Bonds shall be payable by check or draft mailed to each Registered Owner at the registered address, as shown on the registration books of the City maintained by the Bond Registrar. Interest shall be payable to the Registered Owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The principal of the Series 2023B Bonds shall be payable by the Bond Registrar at the principal office of the Bond Registrar upon presentation and surrender thereof.

Principal of and interest on the Series 2023B Bonds shall be payable in lawful money of the United States.

The Series 2023B Bonds may be subject to redemption prior to maturity by the City only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding the foregoing or any other provision of this Ordinance:

(1) The Mayor and City Treasurer are hereby authorized and directed to approve the final terms of the sale of the Series 2023B Bonds as evidenced by the Purchase Contract or otherwise, including the date of delivery, the purchase price, the aggregate principal amount, which shall in no event exceed $5,000,000, the principal amount and annual maturity dates of individual maturities, the rate or rates of interest payable on the Series 2023B Bonds, which shall not exceed 1.875% per annum, minimum principal denominations, the series designation and the date of the first interest payment, the commencement dates of the required set asides in the Redemption Fund and the Bond Reserve Account, the designation of the Series 2023B Bonds as "qualified tax-exempt obligations" under the provisions of Section 265(b)3) of the Code, and other matters necessary to issue the Series 2023B Bonds, subject in all respects to the limitations of Act 94.

(2) The Series 2023B Bonds may be delivered in one or more installments of principal in accordance with the Purchase Contract and the Supplemental Agreement.

(3) The City promises to pay to the Authority the principal amount of the Series 2023B Bonds or so much thereof as shall have been advanced to the City pursuant to the Purchase Contract and the Supplemental Agreement, after taking into account CWSRF Loan Program principal forgiveness, if any.

(4) So long as the Authority is the owner of the Series 2023B Bonds, (i) the Series 2023B Bonds shall be payable as to principal, premium, if any, and interest at U.S. Bank Trust Company, National Association or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (ii) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on the

Series 2023B Bonds 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 (iii) written notice of any redemption of the Series 2023B Bonds 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.

(5) In the event of a default in the payment of principal or interest on the Series 2023B Bonds 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 the Series 2023B Bonds 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 the Series 2023B Bonds 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 the Series 2023B Bonds.

(6) It is understood and agreed by the City that during the time funds are being drawn down by the City in accordance with the Purchase Contract and the Supplemental Agreement, the Authority will periodically provide 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 the Series 2023B Bonds. The City acknowledges that in the event the principal amount of the loan evidenced by the Series 2023B Bonds is reduced by the Authority in accordance with Schedule I to the form of the Series 2023B Bonds attached hereto as Exhibit A or the Supplemental Agreement, the Authority will prepare a revised Schedule I to the Series 2023B Bonds that is calculated so that the principal payments are rounded to the nearest dollar and such revised Schedule I shall be effective upon receipt by the City.

(7) To the extent that the City is eligible for forgiveness by the CWSRF Loan Program of a portion of the principal amount of the Series 2023B Bonds, the City agrees to accept such principal forgiveness provided by the CWSRF Loan Program.

b. **Registration and Execution of Bonds**. The Bonds shall be signed by the original or facsimile signature of the Mayor and countersigned by the original or facsimile signature of the City Clerk/Treasurer. The Bonds shall have the corporate seal of the City affixed

thereto or printed thereon in facsimile form. No Bond shall be valid until authenticated by the Bond Registrar. Executed blank Bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Bond Registrar for safekeeping.

Any Bond, upon surrender of the Bond to the Bond Registrar by the Registered Owner thereof, accompanied by delivery of a duly executed written instrument of transfer satisfactory to the Bond Registrar, may be exchanged for Bonds of any other authorized denominations of the same aggregate principal amount, maturity date and interest rate as the surrendered Bond.

Any Bond may be transferred upon the books of the City maintained by the Bond Registrar by the Registered Owner thereof, in person or by his 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 Bond Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount, maturity, interest rate and series. The Bond Registrar shall require the payment by the Registered Owner requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

The City shall have the right to designate a successor to the Bond Registrar and, in such event, a notice shall be mailed to the Registered Owners by the Bond Registrar not less than sixty (60) days prior to the change in Bond Registrar.

Section 6. Replacement of Bonds. Upon receipt by the Bond Registrar of proof of ownership of an unmatured bond, of satisfactory evidence that the bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Bond Registrar, the Bond Registrar may deliver a new executed bond to replace the bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the City may authorize the Bond Registrar to pay the bond without presentation upon the receipt of the same documentation required for the delivery of a replacement bond. The Bond Registrar for each new bond delivered or paid without presentation as provided above, shall require the payment by the bondholder of expenses, including counsel fees, which may be incurred by the Bond Registrar and the City in connection therewith. Any bond delivered pursuant to the provisions of this Section 6 in lieu of any bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the bond originally issued.

Section 7. Payment of Bonds; Creation and Priority of Lien; Defeasance. The Bonds and the interest thereon shall be payable solely from the Net Revenues, subject to the first priority statutory lien upon the Net Revenues for payment of the Series 2022 Bonds in accordance with the Series 2022 Bond Ordinance and the Series 2023A Bonds in accordance with the Series 2023A Bond Ordinance. To secure payment of the Series 2023B Bonds, there is hereby created a statutory lien upon the Net Revenues junior and subordinate to the payment of the Series 2022 Bonds and the Series 2023A Bonds. Pursuant to provisions of Act 94 and subject to the lien of the Series 2022 Bonds and the Series 2023A Bonds, the City hereby pledges the Net Revenues to the repayment of the principal of, redemption premium, if any, and interest on the Series 2023B Bonds. The lien and pledge provided by this Ordinance shall 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 principal and

interest on Bonds of a series then outstanding 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 preceding 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 funds so deposited, and the Bonds of that series shall be considered to be defeased and shall no longer be considered to be outstanding under this Ordinance.

The Series 2023 Bonds shall have equal standing with any Additional Bonds, as defined in this Ordinance, issued in accordance with this Ordinance.

Section 8. No Pledge of City Full Faith and Credit as Additional Security for Series 2023B Bonds. The full faith and credit of the City has not been pledged as security for the payment of the principal and interest on the Series 2023B Bonds and the Series 2023B Bonds do not constitute a general obligation of the City.

Section 9. Management. The operation, repair and management of the System and the acquisition and construction of the Project shall be under the supervision and control of the City Council. The City may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient administration of the System. The City 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. The rates to be charged for service furnished by the System and the methods of collection and enforcement of the collection of the rates including late payment fees and penalties applicable to users of the System who fail to pay, in a timely fashion, the rates and charges that have been billed for the use of the System, shall be those permitted by law and established by the Council on or before the date of adoption of this Ordinance and thereafter as established by the Council. In the event that a user of the System does not timely pay the rates and charges that have been billed to such user, the City Council shall take the necessary action to add such delinquent rates and charges to the user's ad valorem property tax bills.

Section 11. No Free Service. No free service shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the City.

Section 12. Rate Covenant. The rates charged in accordance with Section 10 of this Ordinance 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, and when taken together with Net Revenues, to provide for (i) an amount equal to the annual principal and interest requirements on all of the Bonds and any other indebtedness payable from Net Revenues, as the same become due and payable, (ii) the maintenance of the Bond Reserve Account, as required by this Ordinance, and (iii) all other obligations, expenditures and funds for the System required by law, the Series 2022 Bond Ordinance, the Series 2023A Bond Ordinance, and this Ordinance. In addition, the City covenants that the rates shall be set from time to time so that there shall be produced, in each fiscal year of the City, Net Revenues, based upon the City's reasonable expectations and historical operating trends, in an amount equal to 100% of the principal of and interest coming due in each fiscal year on the Bonds, and all other indebtedness payable from Net Revenues. The rates shall

be fixed and revised from time to time as may be necessary to produce these amounts, and the City hereby covenants and agrees to fix and maintain rates in accordance with Act 94 for services furnished by the System at all times sufficient to provide for the foregoing.

Section 13. Operating Year. The System shall be operated on the basis of an operating year which corresponds to the fiscal year of the City which currently commences on July 1 and ends on the last day of the following June.

Section 14. Funds and Accounts, Flow of Funds. All Revenues of the System shall be set aside as collected and credited to the Receiving Fund established with the Depository in the manner provided in Section __ of the Series 2022 Bond Ordinance, provided:

a. BOND AND INTEREST REDEMPTION FUND – SUBACCOUNT FOR SERIES 2023B BONDS. There shall be established and maintained in the BOND AND INTEREST REDEMPTION FUND (the "Redemption Fund") a separate subaccount for the Series 2023B Bonds.

Out of the Net Revenues remaining in the Receiving Fund, after provision for the credit or deposit to the Operation and Maintenance Fund, there shall next be set aside, quarterly on the first day of each March, June, September and December, commencing December 1, 2023, and deposited in the Redemption Fund, for payment of interest on the Series 2023B Bonds, a sum equal to at least one-half of the amount of the interest due on the next ensuing interest payment date plus, commencing June 1, 2025 for payment of principal on the Series 2023B Bonds, a sum equal to not less than one-quarter of the principal maturing on the next ensuing principal payment date in each year, subject to any credit therefore from investment earnings transferred from the Bond Reserve Account. Notwithstanding the foregoing, the payment to be set aside on December 1, 2023, with respect to the Series 2023B Bonds, with respect to interest shall equal the interest payment due on the Series 2023B Bonds on April 1, 2024, the payments to be set aside on March 1, 2024 shall be interest only and the payments to be set aside on June 1, 2025, and quarterly thereafter shall include principal and interest on the Series 2023B Bonds. If there shall be any deficiency in the amount previously required to be set aside, then the amount of such deficiency shall be added to the next succeeding monthly requirement. If there shall be any deficiency in the amount previously required to be set aside, then the amount of such deficiency shall be added to the next succeeding quarterly requirement.

The Bond Reserve Account is hereby established as a separate account in the Redemption Fund. The Bond Reserve Account shall be funded by the City commencing September 1, 2024 by the deposit of surplus monies in the Receiving Fund or Net Revenues remaining, if any, after the set aside into the Redemption Fund of a sufficient sum for current principal and interest payments on the Bonds as provided in the preceding paragraph. The Bond Reserve Account shall be funded, to the extent of such available monies, in the amount of one-tenth of the Bond Reserve Requirement annually until an amount equal to the Bond Reserve Requirement has been accumulated. All investment earnings in the Bond Reserve Account shall be transferred to the Redemption Fund and allocably set aside in each subaccount maintained for the payment of current principal and interest on the Bonds. If at any time it shall be necessary to use moneys credited to the Bond Reserve Account for the payment of principal and interest on any of the Bonds, then the moneys so used shall be replaced over a period of not more than 5 years from the Net Revenues first received thereafter which are not required for current principal and interest requirements on the Bonds. If at any time there is any excess in the Bond Reserve Account over the Bond Reserve

Requirement, such excess may be transferred to such fund or account as the City Council shall direct. No proceeds of the Series 2023B Bonds shall be used to fund the Bond Reserve Account.

No further payments need be made into the Redemption Fund subaccount for a particular series of Bonds after enough principal on said series of Bonds has been paid so that the amount then held in the Redemption Fund subaccount together with the amount then held in the Bond Reserve Account for said series of Bonds is equal to the entire amount of principal and interest which will be payable at the time of maturity of said series of Bonds and the monies so held shall be used solely to pay the principal of and interest on said series of Bonds, including redemption premium, if any, as the series of Bonds become due.

Section 15. Proceeds of Series 2023B Bonds; Construction Fund. The proceeds of the sale of the Series 2023B Bonds shall be deposited in the Construction Fund as a separate depository account at the Depository. Proceeds of the Series 2023B Bonds shall be advanced to the City in installments of principal in accordance with the terms of the Purchase Contract and Supplemental Agreement.

Money 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. No proceeds of the Series 2023B Bonds shall be used to pay capitalized interest. Payment for construction, either on account or otherwise, shall not be made unless the Consulting Engineer 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 the work 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 in the Construction Fund of the proceeds of the sale of the Series 2023B Bonds remaining after completion of the Project may, at the discretion of the City, be used for such further improvements, enlargements and extensions of the System, if, at the time of such expenditures, such use is approved by the CWSRF Loan Program or the Michigan Department of Treasury, if such approval is then required by the CWSRF Loan Program or by law. Any remaining balance after such expenditure shall be paid to the Series 2023B Subaccount of the Redemption Fund and may be used for the purpose of purchasing Series 2023B Bonds on the open market at not more than the fair market value thereof, redeeming Series 2023B Bonds or paying principal of the Series 2023B Bonds upon maturity. The foregoing is subject to the terms and conditions of the Purchase Contract and the Supplemental Agreement.

After completion of the Project financed by the Series 2023B Bonds and disposition of remaining proceeds, if any, of the Series 2023B Bonds pursuant to the provisions of this Section, the Construction Fund shall be closed.

Section 16. Investments. Moneys in the funds and accounts established herein may be invested by the City Treasurer on behalf of the City in Investment Obligations. Investment of moneys in the Redemption Fund being accumulated for payment of the next maturing principal or interest payment on the Bonds shall be limited to Government Obligations bearing maturity dates prior to the date of the next maturing principal or interest payment respectively on the Bonds or a money market fund with daily liquidity invested exclusively in Government Obligations and which maintains a net asset value of $1.00 per share. Investments of moneys in any other funds or accounts, including moneys derived from the proceeds of sale of the Bonds, shall be limited to

obligations bearing maturity dates or subject to redemption, at the option of the holder thereof, not later than the time estimated by the City when the moneys represented by such investments will be required. Earnings or profits on any investment of funds in any fund or account established in this Ordinance shall be deposited in or credited to the fund or account to which the investment belongs unless otherwise provided in this Ordinance.

Section 17. Covenants. The City covenants and agrees with the Registered Owners of the Bonds that so long as any of the Bonds are Outstanding Bonds and unpaid as to either principal or interest:

a. The City 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 City will keep proper books of record and account separate from all other records and accounts of the City, in which shall be made full and correct entries of all transactions relating to the System. The City 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. The audit shall be completed and made available not later than six (6) months after the close of each operating year.

c. The City will maintain and carry, for the benefit of the holders of the Bonds, insurance on all insurable physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by municipalities engaged in the operation of Sanitary Sewer Systems. 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, payable from Net Revenues.

d. The City 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 therefor, as herein provided. The City 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 City will not grant any franchise or other rights to any person, firm or corporation to operate a Sanitary Sewer System that will compete with the System and the City will not operate a Sanitary Sewer System that will compete with the System.

f. The City will cause the Project to be acquired and constructed promptly and in accordance with the plans and specifications therefor.

g. With respect to the Series 2023B Bonds, the City shall comply with all terms and conditions of the Purchase Contract, the Supplemental Agreement, and the Revenue Sharing Pledge Agreement.

Section 18. Additional Bonds. The City shall not issue Additional Bonds payable from Net Revenues of the System that have equal standing and priority of lien on the Net Revenues of

the System with the Series 2023B Bonds except 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 Additional Bonds shall not be authorized unless the Consulting 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.

b. For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding all or any portion of the then outstanding Bonds and paying costs of issuing such Additional Bonds, including deposits, if any, 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 lesser of (1) the Adjusted Net Revenues of the System for the last preceding twelve-month operating year or (2) the average of the Adjusted Net Revenues for the last two (2) preceding twelve-month operating years 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 the fiscal years next following the annual principal and interest requirements of any bonds to be refunded from the proceeds of the Additional Bonds proposed to be issued. For purposes of this subparagraph (b), the City 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 from the date of delivery of the Additional Bonds. Determination by the City 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 City shall then be in default in making its required payments to the Operation and Maintenance Fund or the Redemption Fund.

Notwithstanding the foregoing, the City may issue bonds secured by Net Revenues of the System which shall be junior and subordinate to the Bonds.

Section 19. Appointment of Receiver and Statutory Rights. In the event of a default in the punctual payment of principal of and interest on the Bonds when due, any Court having jurisdiction in any proper action may appoint a receiver of the System in accordance with the provisions of Act 94. The Registered Owners of Bonds representing in the aggregate principal amount not less than twenty percent (20%) of all Outstanding Bonds, may protect and enforce the statutory lien and pledge of the funds and accounts and Net Revenues created by Act 94, and enforce and compel the performance of all duties of the officials of the City and the Council, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of Revenues, and the proper application of Revenues. In addition to the rights conferred to Registered Owners by the Ordinance, the Registered Owners shall have all the rights conferred by Act 94. The statutory lien upon the Net Revenues, however, shall not be construed to compel the sale of the System or any part thereof.

Section 20. Remedies Not Exclusive. No remedy by the terms of the Ordinance conferred upon or reserved to the Registered Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Ordinance or existing at law or in equity or by statute on or after the date of the Ordinance.

Section 21. Effect of Waiver and Other Circumstances. No delay or omission of any Registered Owner to exercise any right or power arising upon the happening of an event of default shall impair any right or power or shall be construed to be a waiver of any such event of default or be an acquiescence therein and every power and remedy given by this Ordinance to the Registered Owners may be exercised from time to time and as often as may be deemed expedient by the Registered Owners.

Section 22. Covenant Regarding Tax Exempt Status of the Series 2023B Bonds.

a. The City covenants to comply with all requirements of the Code necessary to assure that the interest on the Series 2023B Bonds, if any, will be and will remain excludable from gross income for federal income tax purposes (as opposed to alternative minimum or other indirect taxation). The City hereby covenants that the City will make no use of the proceeds of the Series 2023B Bonds, if any, which if such use had been reasonably expected on the date of issuance of the Series 2023B Bonds, would have caused the Series 2023B Bonds to be "arbitrage bonds", as defined in Section 148 of the Code. In addition, the City covenants to comply with all applicable provisions of the Code that must be satisfied subsequent to the issuance of the Series 2023B Bonds, if any, in order that the interest on the Series 2023B Bonds be excluded (or continue to be excluded) from gross income within the meaning of Section 103(a) of the Code.

b. The City hereby designates the Series 2023B Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265(b) (3) of the Code, it being reasonably anticipated that the aggregate amount of qualified tax exempt obligations which will be issued by the City and all subordinate entities to the City shall not exceed $10,000,000 during calendar year 2023.

c. The Series 2023B Bonds and the interest, if any, on the Series 2023B Bonds shall be exempt from taxation by the State of Michigan or by any taxing authority within the State of Michigan.

Section 23. Negotiated Sale of Series 2023B Bonds. The Mayor and the City Clerk/Treasurer are hereby authorized to sell the Series 2023B Bonds at a negotiated sale to the Authority, in accordance with the Purchase Contract, the Supplemental Agreement and applicable state law and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Series 2023B Bonds in accordance with the provisions of this Ordinance. The Series 2023B Bonds shall be sold at a negotiated sale instead of a competitive sale to take advantage of the terms and conditions of the CWSRF Loan Program, including the fixed rate of interest of 1.875% per annum for all maturities of the Series 2023B Bonds, which is below prevailing open market interest rates, and CWSRF Loan Program principal forgiveness, if any.

Section 24. Disclosure of Information. The City agrees to provide the Authority in a timely manner with all information and documents regarding the City and the Series 2023B Bonds, including an official statement that the Authority or its bond underwriters need to meet any

Securities and Exchange Commission regulation, any industry standard or other federal or state regulation which imposes a disclosure requirement or continuing disclosure requirement relating to any Authority bond issue which was used or is needed to provide monies to the fund used to purchase the Series 2023B Bonds or relating to any other Authority bond issue which was used by the Authority to purchase an obligation of the City. In furtherance of the above, the City also agrees that upon the request of the Authority it will promptly execute and deliver a continuing disclosure undertaking in form and substance determined by the Authority to be necessary or desirable to assist the Authority or its underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission. If required, such continuing disclosure undertaking shall be executed by the Mayor and the Clerk/Treasurer.

Section 25. Michigan Department of Treasury. The City, acting with the assistance of Bond Counsel for the Project, shall obtain approval from the Michigan Department of Treasury for the issuance of the Series 2023B Bonds either by filing a municipal finance qualifying statement or submitting a prior approval application in accordance with Act 34, and the Mayor and/or City Manager are hereby authorized and directed to file any required documents.

Section 26. Delivery of Series 2023B Bonds. The Series 2023B Bonds shall be executed in the manner provided by Section 5 in substantially the form approved with such necessary variations, omissions, corrections and insertions as the Mayor and City Clerk/Treasurer deem appropriate and are required for and on behalf of the City. Upon execution of the Series 2023B Bonds, the City Clerk/Treasurer is hereby authorized and directed to deliver or cause to be delivered the Series 2023B Bonds to the Bond Registrar for authentication and, in turn to the purchaser thereof, upon receipt of the purchase price therefor. The proceeds of the Series 2023B Bonds shall be deposited into the Construction Fund as provided in Section 15, above.

The Mayor and Clerk/Treasurer are authorized and directed to execute and deliver on behalf of the City such other certificates, affidavits, investment agreements or other documents or instruments as may be required by the purchaser of the Series 2023B Bonds or bond counsel or convenient to effectuate the execution and delivery of the Series 2023B Bonds.

The City shall furnish the Series 2023B Bonds ready for execution without expense to the purchaser. The City shall also furnish without expense to the purchaser at the time of delivery of the Series 2023B Bonds, the approving opinion of Mika Meyers PLC, Attorneys, Grand Rapids, Michigan, approving the legality of the Series 2023B Bonds. The Series 2023B Bonds will be delivered at the expense of the City in the manner and at the location as agreed upon with the purchaser thereof.

Section 27. Absence or Disability. In the absence or disability of the Mayor, the Mayor Pro-Tempore shall act hereunder in her stead. In the absence or disability of the Clerk/Treasurer, the Deputy Clerk/Treasurer (if any) shall act hereunder in her stead.

Section 28. Ordinance to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and the Registered Owners from time to time of the Bonds and the lien and pledge made in this Ordinance and the covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and

delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Ordinance.

Section 29. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provisions 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 a part of this Ordinance.

Section 30. Publication and Recordation. This Ordinance shall be published in full in the *Oceana's Herald-Journal*, 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 City and such recording authenticated by the signatures of the Mayor and the City Clerk/Treasurer.

Section 31. Effective Date. In accordance with Act 94, this Ordinance shall become effective immediately upon its adoption.

Passed and adopted by the City Council of the City of Hart, County of Oceana, Michigan, on July 25, 2023, and approved by me on July 25, 2023.

_____
Vicki Platt, Mayor
City of Hart

ATTEST:

_____
Karla Swihart, Clerk/Treasurer
City of Hart

EXHIBIT A

REGISTERED REGISTERED

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF OCEANA

CITY OF HART

SEWER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2023B

No. R-1

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: _____ Million _____ Hundred _____ Thousand _____ Hundred Dollars ($_____)

INTEREST RATE: _____ percent (_____%) per annum

DATE OF ORIGINAL ISSUE AND REGISTRATION: The date each installment portion of the Principal Amount was delivered to the Registered Owner in accordance with the Purchase Contract and Supplemental Agreement.

KNOW ALL MEN BY THESE PRESENTS, that the City of Hart, County of Oceana, State of Michigan (the "City" or "Issuer"), acknowledges itself indebted and for value received, hereby promises to pay the Principal Amount shown above to the Registered Owner specified above or its registered assigns shown as the owner of record of this bond on the books of the City Treasurer, Hart, Michigan, as bond registrar (the "Bond Registrar") on the applicable date of record, in installments in the amounts and on the dates as set forth in Schedule I, attached hereto and made a part hereof, with interest thereon from the Date of Original Issue and Registration specified above until paid at the Interest Rate per annum specified above, first payable April 1, 202__ and semi-annually thereafter and principal is payable on the first day of October commencing October 1, 202__ (as identified in the Purchase Contract) and annually thereafter. Payment of principal and interest shall be paid to the Registered Owner hereof by the Bond Registrar by first class mail. The date of record shall be each March 15 and September 15 with respect to the payments due on each April 1 and October 1, respectively. Principal and interest are payable in lawful money of the United States of America.

The City promises to pay to the Michigan Finance Authority (the "Authority") the principal amount of the Bond or so much 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

Environment, Great Lakes and Energy, less the principal amount of such Bond, if any, that is subject to principal forgiveness.

During the time funds are being drawn down by the City under this Bond, the Authority will periodically provide 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 City acknowledges that in the event the principal amount of the loan evidenced by the Bonds is reduced by the Authority in accordance with Schedule I attached hereto or the Supplemental Agreement, the Authority will prepare a revised Schedule I to this Bond that is calculated so that the principal payments are rounded to the nearest dollar and which revised Schedule I shall be effective upon receipt by the City.

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.

Bonds may be subject to redemption prior to maturity by the City 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 U.S. Bank Trust Company, National Association 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.

This bond is issued pursuant to Ordinance No. _____ (the "Ordinance"), 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 of the Public Acts of Michigan of 1933, as amended, for the purpose of paying a portion of the cost of improvements to the City of Hart Sanitary Sewer System (the "System").

The revenues of the System, including all appurtenances, additions, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System, exclusive of depreciation (the "Net Revenues"), are irrevocably pledged for the prompt payment of principal and interest on this Bond.

This bond is a self-liquidating bond and is not a general obligation of the City and does not constitute an indebtedness of the City within any constitutional, statutory or charter limitation, but is payable, both as to Principal Amount and interest, solely from the Net Revenues of the System. The principal of and interest on this bond are secured by a first priority statutory lien on the Net Revenues of the System on a parity basis with bonds of equal standing, and junior and subordinate to the payment of principal and interest on the City's outstanding Sewer System Revenue Bonds, Series 2022 and Sewer System Revenue Bonds, Series 2023A. The principal of and interest on this Bond shall be payable in lawful money of the United States.

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, when taken together with Net Revenues, to provide for payment of the principal of and interest on the bonds of this issue and any other indebtedness payable from the Net Revenues as and when the same shall become due and payable, and to maintain a bond reserve for the bonds of this series, 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. In addition, the City has covenanted in the Ordinance to operate the System so as to provide Net Revenues equal to at least 100% of debt service on all bonds and indebtedness payable from the Net Revenues of the System in each year.

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, the rights and limitations on the owners of the bonds and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance.

This Bond has been designated as a "qualified tax exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

This bond is transferable only upon the registration books of the City kept by the Bond Registrar by the registered owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the

Bond Registrar duly executed by the registered owner or its 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, 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 Certificate of Registration and Authentication on this bond has been executed by the Bond Registrar.

IN WITNESS WHEREOF, the City of Hart, County of Oceana, State of Michigan, by its City Council, has caused this bond to be executed by its Mayor and its City Clerk/Treasurer and its corporate seal to be affixed on this bond all as of the Date of Original Issue.

CITY OF HART

By_____
Vicki Platt, Mayor

[SEAL]

By_____
Karla Swihart, Clerk/Treasurer

CERTIFICATION OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Authorizing Ordinance and has been registered in the name of the payee designated on the face hereof in the Register maintained for the issuer thereof.

CITY OF HART CLERK/TREASURER
as Bond Registrar

Date of
Authentication:_____ By_____
Authorized Representative

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ _____, the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:_____

_____
Signature Guaranteed

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program

_____
NOTICE: The signature(s) to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program

The Bond Registrar will not affect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address:_____
_____
_____
_____
_____
(Include information for all joint owners if this Bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OF
OTHER IDENTIFYING NUMBER OF TRANSFEREE

_____
(Insert number for first-named transferee if held by joint account)

EGLE Project No.
EGLE Approved Amt: $_____

SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (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 Issuer 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 Issuer by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due
_____,	_____

Interest on the Bond shall accrue on principal disbursed by the Authority to the Issuer from the date principal is disbursed, until paid, at the rate of 1.875% per annum, payable _____, 20____, and semi-annually thereafter.

The Issuer agrees that it will deposit with U.S. Bank Trust Company, National Association, or at such other place as shall be designated in writing to the Issuer by the Authority (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 Issuer's deposit by 12:00 noon on the scheduled day, the Issuer 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.

CERTIFICATE OF CITY CLERK/TREASURER

I hereby certify that the foregoing is a true and complete copy of an Ordinance adopted by the City Council of the City of Hart, County of Oceana, State of Michigan, at a regular meeting held on July 25, 2023, and that public notice of said meeting was given pursuant to the Open Meetings Act, being Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by posting at least eighteen (18) hours prior to the time set for said meeting.

I further certify that said Ordinance has been recorded in the Ordinance Book of the City and such recording has been authenticated by the signatures of the Mayor and the City Clerk/Treasurer.

_____

Karla Swihart
City Clerk/Treasurer

CERTIFICATE OF PUBLICATION

I, Karla Swihart, City Clerk/Treasurer of the City of Hart, County of Oceana, State of Michigan, hereby certify that Ordinance No. 23-__ was published in *Oceana's Herald-Journal* on June __, 2023.

_____

Karla Swihart
City Clerk/Treasurer