

**CHARTER TOWNSHIP OF HAMPTON
REGULAR MEETING
May 10, 2021**

The regular meeting of the Charter Township of Hampton Board of Trustees was called to order at 7:00 p.m. in the Township Hall by the Supervisor.

The pledge of allegiance was given to the flag. The invocation was read and a moment of silence observed.

PRESENT: Wright, Kenniston, Benchley, Wisniewski, DeWyse, Samyn, & Close

ABSENT: None

ALSO PRESENT: Hewitt, Worden, Benchley, Johnson, Steven Frank & others

Motion by Kenniston, seconded by Wisniewski, the April 26, 2021 regular meeting minutes be approved as printed.

Motion carried.

COMMUNICATIONS:

Motion by DeWyse, supported by Wisniewski, to receive communication from Masud Labor Law Group.

Motion Carried

AUDITORS REPORT:

Motion by Kenniston, seconded by Benchley, the following warrants be approved for payment:

#48414 - #48454	General Fund	\$ 88,401.76
#1002	USDA Sewer Project	11,805.00
#4258- #4262	Sewer Fund	198,618.03
#1867-#1870	Water Fund	<u>2,693.80</u>
		\$301,518.59

AYES: Kenniston, Benchley, Wisniewski, Wright, DeWyse, Samyn, Close

NAYS: None

Motion carried.

OPEN TO THE PUBLIC:

None

UNFINISHED BUSINESS:

Motion by DeWyse, supported by Samyn, to receive the Department of Public Works request for summer hours.

Motion carried.

NEW BUSINESS:

Steven Frank, from Miller, Canfield, Paddock and Stone, P.L.C. gave the Board an overview of the refinancing of the Township's current two USDA loans.

Motion by Wisniewski, supported by Kenniston, to adopt the following Ordinance:

ORDINANCE NO. 69

AN ORDINANCE TO PROVIDE FOR THE REFUNDING OF THE OUTSTANDING SEWAGE DISPOSAL SYSTEM REVENUE BONDS OF THE CHARTER TOWNSHIP OF HAMPTON; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE REFUNDING BONDS TO PAY THE COST THEREOF; TO PRESCRIBE THE FORM OF THE REVENUE REFUNDING BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF

May 10, 2021
Regular Meeting
Page 2

PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON BONDS OF THE SYSTEM; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES OF THE SYSTEM; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; TO ESTABLISH SEPARATE CLASSIFICATIONS OF BONDS OF SENIOR AND SUBORDINATE STANDING WITH RESPECT TO THE NET REVENUES OF THE SYSTEM; TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM; AND TO REPEAL ORDINANCE NO. 61 OF THE CHARTER TOWNSHIP OF HAMPTON.

THE CHARTER TOWNSHIP OF HAMPTON ORDAINS:

Section 1. Definitions. In addition to the words and terms defined elsewhere in this Ordinance, the following words and terms as used in this Ordinance shall have the meanings assigned in this Section, unless the context clearly indicates another or different meaning or intent.

The words "acquire," "acquired" and "acquisition," as used in this Ordinance, shall include acquisition by purchase, construction or any other method.

"Act 94" shall mean Act 94, Public Acts of Michigan, 1933, as amended.

"Additional Senior Lien Bonds" shall mean additional Senior Lien Bonds issued pursuant to Section 15 of this Ordinance subsequent to the issuance of the Series 2021 Bonds.

"Authorized Officer" shall mean each of the Supervisor, Treasurer and Clerk of Issuer, acting individually.

"bondholder" or "holder" shall mean the person in whose name a Bond is registered on the registration books maintained by the Transfer Agent.

"Bonds" shall mean, collectively, the outstanding Senior Lien Bonds and the outstanding Junior Lien Bonds.

"Fiscal Year" shall mean the fiscal year of the Issuer and the operating year of the System, commencing January 1 and ending December 31, as such year may be changed from time to time.

"Issuer" shall mean the Charter Township of Hampton, County of Bay, State of Michigan.

"Junior Lien Bond and Interest Redemption Account" shall have the meaning set forth in Section 12(c) of this Ordinance.

"Junior Lien Bond Reserve Account" shall have the meaning set forth in Section 12(c) of this Ordinance.

"Junior Lien Bonds" shall mean any bonds or series of bonds that are payable from Net Revenues deposited in the Junior Lien Bond and Interest Redemption Account, after satisfaction of any requirements for funding the Senior Lien Bond and Interest Redemption Account, and which are secured by a statutory second lien on the Net Revenues established by this Ordinance and which are junior and subordinate in all respects to the statutory first lien on Net Revenues securing the Senior Lien Bonds.

"Ordinance" shall mean this Ordinance and any ordinance or resolution of the Issuer amendatory or supplemental to this Ordinance.

"Prior Ordinance" shall mean Ordinance No. 61 of the Issuer, adopted on March 16, 2010, authorizing issuance of the Series 2010A Bond and the Series 2010B Bond.

"Refunded Bonds" shall mean, collectively, the outstanding principal amount of the Series 2010A Bond and the outstanding principal amount of the Series 2010B Bond.

"Revenues" and "Net Revenues" shall mean the revenues and net revenues of the Issuer derived from the operation of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues," the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.

"Sale Order" shall mean an order of an Authorized Officer awarding the sale of the Series 2021 Bonds and approving the final terms of the Series 2021 Bonds within the parameters established by this Ordinance.

"Senior Lien Bond and Interest Redemption Account" shall mean the Sewage Disposal System Senior Lien Bond and Interest Redemption Account established in accordance with Section 12(b) of this Ordinance.

"Senior Lien Bond Reserve Account" shall mean the subaccount in the Senior Lien Bond and Interest Redemption Account established in accordance with Section 12(b) of this Ordinance.

"Senior Lien Bond Reserve Amount" shall mean, with respect to Senior Lien Bonds secured by the Senior Lien Bond Reserve Account as provided in Section 12(b) of this Ordinance, an amount equal to the least of: (1) the maximum annual debt service requirements during any Fiscal Year on all Senior Lien Bonds secured by the Senior Lien Bond Reserve Account then outstanding; (2) 125% of the average annual debt service requirements during any Fiscal Year on all Senior Lien Bonds secured by the Senior Lien Bond Reserve Account then outstanding; and (3) 10% of the initial principal amount of all Senior Lien Bonds secured by the Senior Lien Bond Reserve Account then outstanding, less original issue discount, if any.

"Senior Lien Bonds" shall mean the Series 2021 Bonds any Additional Senior Lien Bonds issued in accordance with Section 15 of this Ordinance and payable from the Net Revenues deposited in the Senior Lien Bond and Interest Redemption Account, which are secured by a statutory first lien on the Net Revenues established by this Ordinance and which are superior and senior in all respects to the statutory second lien on Net Revenues established by this Ordinance securing any Junior Lien Bonds.

"Series 2010A Bond" shall mean the Issuer's Sewage Disposal System Revenue Bond, Series 2010A (Limited Tax General Obligation), dated April 6, 2010.

"Series 2010B Bond" shall mean the Issuer's Sewage Disposal System Revenue Bond, Series 2010B (Limited Tax General Obligation), dated April 6, 2010.

"Series 2021 Bonds" shall mean the Issuer's Sewage Disposal System Revenue Refunding Bonds (Limited Tax General Obligation), Series 2021, authorized to be issued pursuant to this Ordinance.

"Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal of and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, 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 and the principal and redemption premium, if any, on 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 are to be called for redemption prior to maturity, irrevocable instructions to call such Bonds for redemption shall be given to the Transfer Agent.

"System" shall mean the Issuer's sewage disposal system, including such facilities thereof as are now existing, and all enlargements, extensions, repairs and improvements thereto hereafter made.

"Transfer Agent" shall mean the person or entity appointed from time to time by the Issuer to act as paying agent, registrar and transfer agent for a series of Bonds.

Section 2. Establishment of System; Necessity; Public Purpose; Estimated Cost. The Issuer hereby reconfirms the establishment of the System as a "public improvement" under and as defined in Act 94. It is hereby determined and declared to be a necessary public purpose of the Issuer to refund the Refunded Bonds. The estimated cost of refunding the Refunded Bonds, including the incidental costs set forth in Section 3 of this Ordinance, in the amount of not to exceed Ten Million Two Hundred Fifty Thousand Dollars (\$10,250,000), is hereby approved and confirmed.

Section 3. Series 2021 Bonds Authorized. To pay all or part of the cost of refunding the Refunded Bonds, including payment of all legal, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2021 Bonds, and the payment of the premium for any bond insurance policy insuring the Series 2021 Bonds, if an Authorized Officer determines such insurance to be appropriate, as hereinafter provided, the Issuer shall borrow the principal sum of not to exceed TEN MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$10,250,000) and issue the Series 2021 Bonds therefor pursuant to the provisions of Act 94. The remaining costs of refunding the Refunded Bonds, if any, shall be defrayed from System funds on hand and legally available for such use, including, if determined to be appropriate by an Authorized Officer, moneys in the bond and interest redemption account and/or the repair, replacement and improvement account established pursuant to the Prior Ordinance.

Section 4. Issuance of Series 2021 Bonds; Series 2021 Bonds Details. Bonds of the Issuer, to be designated "SEWAGE DISPOSAL SYSTEM REVENUE REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION), SERIES 2021" (the "Series 2021 Bonds"), are authorized to be issued in the aggregate principal amount of not to exceed TEN MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$10,250,000), or such lesser amount as shall be finally determined by an Authorized Officer in the Sale Order, for the purpose of paying all or part of the cost of refunding the Refunded Bonds and the incidental costs set forth in Section 3 of this Ordinance. The Series 2021A Bonds shall be Senior Lien Bonds, payable out of the Net Revenues, as set forth more fully in Section 7 hereof.

The Series 2021 Bonds shall consist of fully-registered bonds of the denomination of \$5,000 each, or integral multiples of \$5,000 not exceeding for each maturity the aggregate principal amount of that maturity, shall be dated as of a date determined by an Authorized Officer in the Sale Order, and shall be numbered in order of registration. The Series 2021 Bonds may be issued as serial bonds or term bonds, or both, and shall mature or be subject to mandatory redemption annually on March 1 of the years and in the principal amounts as determined by an Authorized Officer in the Sale Order; *provided, however*, that the final maturity date of the Series 2021 Bonds shall be not later than March 1, 2050.

The Series 2021 Bonds shall bear interest at the rate or rates to be determined at the time of sale thereof, but in any event not exceeding six percent (6%) per annum, payable semi-annually on March 1 and September 1 of each year, commencing on the date determined by an Authorized Officer in the Sale Order, by check or draft mailed by the Transfer Agent to the person or entity who or which is, as of the 15th day of the month preceding each interest payment date, the registered owner at the registered address as shown on the registration books of the Issuer maintained by the Transfer Agent. The date of

determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. The principal of the Series 2021 Bonds shall be payable at the designated office of the Transfer Agent.

The Series 2021 Bonds shall initially be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC"). Each Authorized Officer is individually authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the issuance of the Series 2021 Bonds in book-entry-only form through the securities depository system of DTC, including a Letter of Representations. So long as the Series 2021 Bonds are in book-entry-only form and registered in the name of a nominee of DTC, the Issuer and the Transfer Agent shall comply with DTC's Operational Arrangements, which shall govern registration, notices and payment, among other things, and which provisions are incorporated herein with the same effect as if fully set forth herein. In the event that the Issuer determines that the continuation of the system of book-entry-only transfer through DTC (or successor securities depository) is not in the best interest of the DTC participants, beneficial owners of the Series 2021 Bonds, or the Issuer, the Issuer will notify the Transfer Agent, whereupon the Transfer Agent will notify DTC of the availability through DTC of bond certificates. In such event, the Issuer shall issue and the Transfer Agent shall transfer and exchange bonds as requested by DTC of like principal amount and maturity, in authorized denominations, to the identifiable beneficial owners in replacement of the beneficial interest of such beneficial owners in the Series 2021 Bonds.

The Series 2021 Bonds shall be subject to redemption prior to maturity at the option of the Issuer at the times and prices and in the manner as determined by an Authorized Officer in the Sale Order and as permitted by law.

Unless waived by any registered owner of Series 2021 Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the Issuer. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Series 2021 Bonds called for redemption are to be surrendered for payment; and that interest on the Series 2021 Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date. In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

Section 5. Execution and Delivery of the Series 2021 Bonds. The Series 2021 Bonds shall be executed in the name of the Issuer with the manual or facsimile signatures of the Supervisor and the Clerk of the Issuer and shall have the seal of the Issuer or a facsimile thereof impressed or printed thereon. No Series 2021 Bond shall be valid until authenticated by an authorized representative of the Transfer Agent. The Series 2021 Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser thereof in accordance with instructions from an Authorized Officer of the Issuer upon payment to the Issuer of the purchase price for the Series 2021 Bonds. Executed blank bonds for registration and issuance to transferees shall, from time to time as necessary, be delivered to the Transfer Agent for safekeeping.

Section 6. Transfer Agent; Registration and Transfer. An Authorized Officer shall appoint a bank or trust company qualified under Michigan law to act as Transfer Agent with respect to the Series 2021 Bonds. The Issuer reserves the right to replace the Transfer Agent at any time provided written notice of such replacement is given to the registered owners of record of the Series 2021 Bonds not less than sixty (60) days prior to any interest payment date.

Any Series 2021 Bond may be transferred upon the books required to be kept pursuant to this Section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Series 2021 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Series 2021 Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the Transfer Agent shall authenticate and deliver a new Series 2021 Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required (i) to issue, register the transfer of or exchange any Series 2021 Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Series 2021 Bonds selected for redemption and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Series 2021 Bond so selected for redemption in whole or in part, except the unredeemed portion of Series 2021 Bonds being redeemed in part. Unless waived by the Transfer Agent, the Issuer shall give the Transfer Agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Series 2021 Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Transfer Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Series 2021 Bonds as hereinbefore provided.

If any Series 2021 Bond shall become mutilated, the Issuer, at the expense of the holder of the Series 2021 Bond, shall execute, and the Transfer Agent shall authenticate and deliver, a new Series 2021 Bond of like tenor in exchange and substitution for the mutilated Series 2021 Bond, upon surrender to the Transfer Agent of the mutilated Series 2021 Bond. If any Series 2021 Bond shall be lost, destroyed or stolen, evidence of the ownership of the Series 2021 Bond and of the loss, destruction or theft may be submitted to the Transfer Agent and, if this evidence is satisfactory to the Issuer and the Transfer Agent and indemnity satisfactory to the Issuer and the Transfer Agent shall be given, and if all requirements of any applicable law, including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), have been met, the Issuer, at the expense of the registered owner, shall execute, and the Transfer Agent shall thereupon authenticate and deliver, a new Series 2021 Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Series 2021 Bond so lost, destroyed or stolen. If any such Series 2021 Bond shall have matured or shall be about to mature, instead of issuing a substitute Series 2021 Bond, the Transfer Agent may pay the same without surrender thereof.

Section 7. Payment of Senior Lien Bonds and Junior Lien Bonds; Security; Priority of Lien; Additional Security for Series 2021 Bonds.

(a) The Series 2021 Bonds, and any Additional Senior Lien Bonds hereafter issued, and the interest thereon, shall be payable from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues, which shall be a first lien, to continue until payment in full of the principal of and interest on all Senior Lien 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 all Senior Lien Bonds 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, due and payable in connection with such redemption. Upon deposit of cash or Sufficient Government Obligations for payment in full of all principal and interest on all Senior Lien Bonds outstanding, as provided in the preceding sentence, the statutory lien shall be terminated with respect to the Senior Lien Bonds, the holders of the Senior Lien Bonds shall have no further rights under this

Ordinance except for payment from the deposited funds, and the Senior Lien Bonds shall no longer be considered to be outstanding under this Ordinance.

In the event that sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all principal and interest on any particular series of Senior Lien Bonds 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, due and payable in connection with such redemption, the statutory lien shall be terminated with respect to such series of the Senior Lien Bonds, the holders of such series of Senior Lien Bonds shall have no further rights under this Ordinance except for payment from the deposited funds, and such series of Senior Lien Bonds shall no longer be considered to be outstanding under this Ordinance.

(b) Any Junior Lien Bonds hereafter issued, and the interest thereon, shall be payable from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues, which shall be a second lien, subject only to the statutory first lien created by this Ordinance to secure all Senior Lien Bonds, to continue until payment in full of the principal of and interest on all Junior Lien Bonds payable from the Net Revenues. The statutory second lien on the Net Revenues created pursuant to this Section 7(b) with respect to the Junior Lien Bonds shall at all times be and remain junior and subordinate to the statutory first lien created by this Ordinance to secure the Series 2021 Bonds and any Additional Senior Lien Bonds hereafter issued.

(c) As additional security for the payment of the principal of and interest on the Series 2021 Bonds authorized to be issued pursuant to this Ordinance, the Issuer, pursuant to the provisions of Section 7(3) and Section 20(1) of Act 94, hereby pledges its limited tax full faith and credit for the payment of the principal of and interest on the Series 2021 Bonds. If the Net Revenues of the System are at any time insufficient to pay the principal of and interest on the Series 2021 Bonds as the same become due, then Issuer shall pay the amount of the insufficiency from its general funds as a first budget obligation, or, if necessary, levy ad valorem taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations. If the Issuer shall be required to pay principal of or interest on the Series 2021 Bonds from its general funds, it shall be reimbursed for any such payment from the Net Revenues of the System subsequently received that are not otherwise required to satisfy the current requirements of the Operation and Maintenance Account, the Senior Lien Bond and Interest Redemption Account (including the Senior Lien Bond Reserve Account), the Junior Lien Bond and Interest Redemption Account (including the Junior Lien Bond Reserve Account) or the RRI Account established pursuant to Section 12 of this Ordinance.

(d) The Series 2021 Bonds shall not be additionally secured by the Senior Lien Bond Reserve Account established by Section 12(b) of this Ordinance, and no holder of the Series 2021 Bonds shall have any claim on any amounts at any time on deposit in the Senior Lien Bond Reserve Account.

Section 8. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on any Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf

of the Issuer, under the direction of said court, and by and with the approval of the court, to perform the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the security therefor.

Section 9. Series 2021 Bond Form. The Series 2021 Bonds shall be in substantially the following form, with such changes or completions as are determined by an Authorized Officer to be necessary or appropriate to give effect to the intent of this Ordinance:

R-___

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF BAY

CHARTER TOWNSHIP OF HAMPTON

SEWAGE DISPOSAL SYSTEM REVENUE REFUNDING BOND

(LIMITED TAX GENERAL OBLIGATION), SERIES 2021

Interest Rate

Maturity Date

Date of Original Issue

CUSIP

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

The Charter Township of Hampton, County of Bay, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received hereby promises to pay, out of the hereinafter described Net Revenues of the Issuer's System (hereinafter defined), the Principal Amount specified above, in lawful money of the United States of America, to the Registered Owner specified above, or registered assigns, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360 day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on _____, 202_, and semiannually thereafter. Principal of this bond is payable at the designated corporate trust office of _____, _____, Michigan or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding the interest payment date, the registered owner of record, at the registered address as shown on the registration books of the Issuer kept by the Transfer Agent. For prompt payment of principal of and interest on this bond, the Issuer has irrevocably pledged the revenues of the Issuer's sewage disposal system, including all appurtenances, additions, extensions and improvements thereto (the "System"), after provision has been

made for reasonable and necessary expenses of operation, maintenance and administration thereof (the "Net Revenues"), and a statutory first lien thereon is hereby recognized and created.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$_____, issued pursuant to Ordinance No. ____ of the Issuer adopted on May 10, 2021 (the "Ordinance"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), for the purpose of refunding the Issuer's outstanding Sewage Disposal System Revenue Bond, Series 2010A (Limited Tax General Obligation) and Sewage Disposal System Revenue Bond, Series 2010B (Limited Tax General Obligation), each dated April 6, 2010.

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 as to the Net Revenues may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance.

The Issuer has reserved the right to issue additional bonds of equal standing with the bonds of this issue on conditions stated in the Ordinance.

Bonds of this issue maturing in the years 20__ to 20__, inclusive, are not subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of \$5,000 maturing in the year 20__ and thereafter are subject to redemption prior to maturity at the option of the Issuer, in such order as the Issuer shall determine and within any maturity by lot, on any date on or after _____, 20__, at par plus accrued interest to the date fixed for redemption.

[Insert term bond provisions, if applicable]

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption of any bond or portion thereof shall be given by the Transfer Agent at least thirty (30) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Transfer Agent. Bonds shall be called for redemption in multiples of \$5,000 and any bond of a denomination of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000 and such bond may be redeemed in part. Notice of redemption for a bond redeemed in part shall state that upon surrender of the bond to be redeemed a new bond or bonds in aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof. No further interest on a bond or portion thereof called for redemption shall accrue after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bond or portion thereof.

This bond is a self-liquidating bond, payable, both as to principal and interest, from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned. As additional security for the payment of the principal of and interest on this bond and the series of bonds of which this is one, the Issuer, pursuant to the provisions of Act 94 and the Ordinance, has pledged its full faith and credit for the prompt payment of the principal of and interest hereon. Pursuant to such pledge, if the Net Revenues of the System are at any time insufficient to pay the principal of and interest on this bond when due, then the Issuer shall pay the amount of the insufficiency from its general funds as a first budget obligation, or, if necessary, levy ad valorem taxes

on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

The Issuer 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 to provide for payment of the interest on and the principal of the bonds of this issue and any Additional Senior Lien Bonds hereafter issued, as and when the same shall become due and payable, and to create and maintain a Senior Lien Bond and Interest Redemption Account therefor, to provide for payment of the interest on and the principal of any Junior Lien Bonds hereafter issued, as and when the same shall become due and payable, and to create a Junior Lien Bond and Interest Redemption Account therefor, 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.

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the Transfer Agent by the registered owner hereof in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's 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 to be done 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 Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the Charter Township of Hampton, County of Bay, State of Michigan, by its Township Board, has caused this bond to be executed with the facsimile signatures of its Supervisor and Township Clerk and a facsimile of its corporate seal to be printed on this bond, all as of the Date of Original Issue.

CHARTER TOWNSHIP OF HAMPTON
COUNTY OF BAY
STATE OF MICHIGAN

By _____ [facsimile]

Its: Supervisor

(Seal)

Countersigned:

By _____ [facsimile]

Its: Township Clerk

May 10, 2021

Regular Meeting
Page 11

Section 10. No Free Service or Use. No free service or use of the System, or service or use of the System at less than the reasonable cost and value thereof, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 11. Fixing and Revising Rates; Rate Covenant. The rates presently in effect in the Issuer 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, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. In addition, it is covenanted and agreed that the rates shall be set from time to time so that there shall be produced in each Fiscal Year, Net Revenues in an amount not less than (i) 100% of the principal of and interest on all outstanding Senior Lien Bonds coming due in such Fiscal Year, plus (ii) 100% of the principal of and interest on all outstanding Junior Lien Bonds coming due in such Fiscal Year. The rates shall be reviewed not less than once a year and shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 12. Funds and Accounts; Flow of Funds. The Township Treasurer is hereby directed to create and maintain the following funds and accounts into which the Revenues from the System shall be deposited in the manner and at the times provided in this Ordinance, which accounts shall be established and maintained, except as otherwise provided, so long as any Bonds remain outstanding. Commencing on the date of delivery of the Series 2021 Bonds, all funds belonging to the System shall be transferred as herein indicated and all Revenues of the System shall be set aside into a separate account to be designated the SEWAGE DISPOSAL SYSTEM RECEIVING ACCOUNT (the "Receiving Account"), and moneys so deposited therein shall be transferred, expended and used only in the manner and order as follows:

(a) Operation and Maintenance Account. There is hereby established and there shall be maintained a separate account to be designated the OPERATION AND MAINTENANCE ACCOUNT (the "Operation and Maintenance Account"). Revenues shall be transferred on the first day of each quarter of the Fiscal Year from the Receiving Account to the Operation and Maintenance Account to pay the reasonable and necessary current expenses of administration and operating and maintaining the System for the ensuing quarter.

(b) Senior Lien Bond and Interest Redemption Account. There is hereby established and there shall be maintained a separate deposit account to be designated as the SEWAGE DISPOSAL SYSTEM SENIOR LIEN BOND AND INTEREST REDEMPTION ACCOUNT (the "Senior Lien Bond and Interest Redemption Account"), the moneys on deposit therein from time to time used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Senior Lien Bonds.

Out of the Revenues remaining in the Receiving Account, after provision for the Operation and Maintenance Account, there shall be set aside on the first day of each quarter of the Fiscal Year, in the Senior Lien Bond and Redemption Account, a sum proportionately sufficient to provide for the payment of the principal of and interest due on the Senior Lien Bonds on the next succeeding principal and interest payment date, less any amounts in the Senior Lien Bond and Interest Redemption Account representing investment income on amounts on deposit in the Senior Lien Bond and Interest Redemption Account. The amount to be set aside each quarter for interest, after taking into account moneys in the Senior Lien Bond and Interest Redemption Account as provided above, shall be one-half (1/2) of the total amount of

interest on the Senior Lien Bonds next coming due, or such greater or lesser amount in approximately equal quarterly installments necessary to accumulate the amount of interest next coming due by the

May 10, 2021
Regular Meeting
Page 12

date such interest is to be paid. The amount set aside each quarter for principal shall be one-quarter ($\frac{1}{4}$) of the principal of the Senior Lien Bonds next coming due, or such greater or lesser amount in approximately equal quarterly installments necessary to accumulate the principal amount next coming due by the date such principal is to be paid. If there is any deficiency in the amounts previously set aside, that deficiency shall be added to the next succeeding quarterly requirements. The amount to be set aside in the Senior Lien Bond and Interest Redemption Account for the payment of principal and interest on any date shall not exceed the amount which, when added to the money on deposit in the Senior Lien Bond and Interest Redemption Account, including investment income thereon, is necessary to pay principal and interest due on the Senior Lien Bonds on the next succeeding principal payment date.

There is established a subaccount in the Senior Lien Bond and Interest Redemption Account to be designated the SENIOR LIEN BOND RESERVE ACCOUNT (the "Senior Lien Bond Reserve Account"). The Issuer, in the ordinance authorizing the issuance of a series of Senior Lien Bonds, may provide that such series of Senior Lien Bonds shall be additionally secured by the Senior Lien Bond Reserve Account. If any series of Senior Lien Bonds is to be secured by the Senior Lien Bond Reserve Account, there shall be deposited to the Senior Lien Bond Reserve Account on the date of delivery of such Senior Lien Bonds, from the proceeds of such Senior Lien Bonds or from System funds or other Issuer funds on hand and legally available for such use, the lesser of: (i) the amount which, when added to the amount on deposit therein on the date of delivery of such Senior Lien Bonds, if any, will equal the Senior Lien Bond Reserve Amount for all Senior Lien Bonds secured by the Senior Lien Bond Reserve Account as provided in this Section 12(b) (including the Senior Lien Bonds to be delivered on such date) or (ii) the maximum amount permitted by the Internal Revenue Code of 1986, as amended.

Except as otherwise provided in this section, the moneys credited to the Senior Lien Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums (if any) and interest on the Senior Lien Bonds entitled to the benefits and security of the Senior Lien Bond Reserve Account (as hereinbefore provided) as to which there would otherwise be a default. If at any time it shall be necessary to use moneys credited to the Senior Lien Bond Reserve Account for such payment, then the moneys so used shall be replaced from the Net Revenues first received thereafter which are not required by this Ordinance to be deposited to the Operation and Maintenance Account or to the Senior Lien Bond and Interest Redemption Account for current principal and interest requirements on all Senior Lien Bonds then outstanding until the amount on deposit equals the Senior Lien Bond Reserve Amount. In no event shall moneys in the Senior Lien Bond Reserve Account be used for the payment of the principal of, redemption premiums (if any) or interest on any Senior Lien Bonds not specifically entitled to the benefits and security of the Senior Lien Bond Reserve Account pursuant to the ordinance authorizing such Senior Lien Bonds, and no holder of any such Senior Lien Bonds shall have any claim on amounts on deposit in the Senior Lien Bond Reserve Account.

Following the annual valuation of the Senior Lien Bond Reserve Account as provided in Section 13 hereof, if the amount then on deposit in the Senior Lien Bond Reserve Account exceeds the Senior Lien Bond Reserve Amount, the amount of such excess shall be deposited in or credited to the Senior Lien Bond and Interest Redemption Account.

No further payments need be made into the Senior Lien Bond and Interest Redemption Account after enough of the Senior Lien Bonds have been retired so that the amount then held in the Senior Lien Bond and Interest Redemption Account (including the Senior Lien Bond Reserve Account), is equal to the

entire amount of principal and interest which will be payable at the time of maturity of all of the Senior Lien Bonds then remaining outstanding.

May 10, 2021
Regular Meeting
Page 13

(c) Sewage Disposal System Junior Lien Bond and Interest Redemption Account. If the Issuer shall ever issue any Junior Lien Bonds, there shall be established and maintained a separate deposit account to be designated the SEWAGE DISPOSAL SYSTEM JUNIOR LIEN BOND AND INTEREST REDEMPTION ACCOUNT (the “Junior Lien Bond and Interest Redemption Account”) for the purpose of paying the principal, redemption premiums (if any) and interest on the Junior Lien Bonds as they come due. Revenues remaining in the Receiving Account, after provision has been made for the requirements of the Operation and Maintenance Account and of the Senior Lien Bond and Interest Redemption Account (including the Senior Lien Bond Reserve Account), shall be set aside in the Junior Lien Bond and Interest Redemption Account in accordance with the ordinance authorizing the issuance of the Junior Lien Bonds. Additionally, a subaccount may also be established within the Junior Lien Bond and Interest Redemption Account, to be designated the JUNIOR LIEN BOND RESERVE ACCOUNT (the “Junior Lien Bond Reserve Account”), as a bond reserve account to be funded on a junior lien basis in accordance with the ordinance authorizing the issuance of any Junior Lien Bonds. The detail of the establishment and maintenance of the Junior Lien Bond and Interest Redemption Account (including the Junior Lien Bond Reserve Account) shall be provided in the ordinance authorizing the issuance of such Junior Lien Bonds.

No further payments need be made into the Junior Lien Bond and Interest Redemption Account after enough of the Junior Lien Bonds have been retired so that the amount then held in the Junior Lien Bond and Interest Redemption Account (including the Junior Lien Bond Reserve Account), is equal to the entire amount of principal and interest which will be payable at the time of maturity of all of the Junior Lien Bonds then remaining outstanding.

(d) Repair, Replacement and Improvement Account. There is hereby established and there shall be maintained a separate account designated REPAIR, REPLACEMENT AND IMPROVEMENT ACCOUNT (the “RRI Account”). If required by the terms of any ordinance authorizing the issuance of any series of Additional Senior Lien Bonds or any series of Junior Lien Bonds, there shall be transferred each quarter of the Fiscal Year from the Receiving Account and deposited into the RRI Account, after provision has been made for the requirements of the Operation and Maintenance Account, the Senior Lien Bond and Interest Redemption Account (including the Senior Lien Bond Reserve Account) and the Junior Lien Bond and Interest Redemption Account (including the Junior Lien Bond Reserve Account), as hereinbefore provided, such sum or sums as are required to be deposited in the RRI Account pursuant to such ordinance or ordinances. In addition to the foregoing, the Issuer may, at its option, after provision has been made for the requirements of the Operation and Maintenance Account, the Senior Lien Bond and Interest Redemption Account (including the Senior Lien Bond Reserve Account) and the Junior Lien Bond and Interest Redemption Account (including the Junior Lien Bond Reserve Account), deposit in the RRI Account from Revenues of the System such additional amounts, if any, as the Issuer deems advisable. Moneys in the RRI Account shall be used and disbursed only for the purpose of paying the cost of (i) repairing any damage to and emergency maintenance of the System, (ii) repairing or replacing obsolete, deteriorating, deteriorated or worn out portions of the System, (iii) acquiring and constructing extensions and improvements to the System and (iv) when necessary, for the purpose of making the transfers required by Section 12(f) of this Ordinance. Moneys in the RRI Account may be invested in accordance with Section 13 of this Ordinance.

On the date of issuance of the Series 2021 Bonds, any moneys on deposit in the repair, replacement and improvement account established pursuant to the Prior Ordinance that are not used to pay costs of refunding the Refunded Bonds, as provided in Section 14 of this Ordinance, may be transferred to and deposited in the RRI Account or, in the alternative, may be transferred to and deposited in the Receiving Account, as determined by an Authorized Officer.

May 10, 2021
Regular Meeting
Page 14

(e) General Obligation Debt Account. After provision has been made for the requirements of the Operation and Maintenance Account, the Senior Lien Bond and Interest Redemption Account (including the Senior Lien Bond Reserve Account), the Junior Lien Bond and Interest Redemption Account (including the Junior Lien Bond Reserve Account) and the RRI Account (if any), Revenues may be transferred to a General Obligation Account established by the Issuer (the "G.O. Account") and utilized by the Issuer to pay debt service on presently existing or future general obligation bond issues or contractual obligations of the Issuer issued or incurred for System purposes.

(f) Reverse Flow of Funds; Surplus Money. In the event the moneys in the Receiving Account are insufficient to provide for the current requirements of the Operation and Maintenance Account, the Senior Lien Bond and Interest Redemption Account (including the Senior Lien Bond Reserve Account), the Junior Lien Bond and Interest Redemption Account (including the Junior Lien Bond Reserve Account) or the RRI Account, any moneys and/or securities in the funds of the System described by this Ordinance shall be transferred, first, to the Operation and Maintenance Account, second, to the Senior Lien Bond and Interest Redemption Account, third, to the Junior Lien Bond and Interest Redemption Account, and fourth, to the RRI Account.

All moneys remaining in the Receiving Account at the end of any Fiscal Year after satisfying the above requirements for the deposit of moneys into the Operation and Maintenance Account, the Senior Lien Bond and Interest Redemption Account (including the Senior Lien Bond Reserve Account), the Junior Lien Bond and Interest Redemption Account (including the Junior Lien Bond Reserve Account) and the RRI Account may be transferred to the Senior Lien Bond and Interest Redemption Account or the Junior Lien Bond and Interest Redemption Account and used to call Senior Lien Bonds or Junior Lien Bonds, respectively, for redemption, or at the option of the Issuer, transferred to the RRI Account or the G.O. Account and used for the purpose for which such accounts were established; provided, however, that if there should be a deficit in the Operation and Maintenance Account, the Senior Lien Bond and Interest Redemption Account (including the Senior Lien Bond Reserve Account), the Junior Lien Bond and Interest Redemption Account (including the Junior Lien Bond Reserve Account) or the RRI Account, on account of defaults in setting aside therein the amounts hereinbefore required, then transfers shall be made from such moneys remaining in the Receiving Account to such accounts in the priority and order named in this Section, to the extent of such deficits.

Section 13. Investments. Monies in the funds and accounts established in this Ordinance may be invested by the Issuer in the obligations and instruments permitted for investment by Section 24 of Act 94, as the same may be amended from time to time. Interest income earned or profits realized on investment of funds in the Receiving Account, the Operation and Maintenance Account and the RRI Account shall be deposited in or credited to the Receiving Account at the end of each Fiscal Year. Interest income earned or profits realized on the Senior Lien Bond and Interest Redemption Account (excluding the Senior Lien Bond Reserve Account) and the Junior Lien Bond and Interest Redemption Account (excluding the Junior Lien Bond Reserve Account) shall be credited to and retained in the Senior Lien Bond and Interest Redemption Account and the Junior Lien Bond and Interest Redemption Account, respectively, except as otherwise provided by Section 12 of this Ordinance.

Investments credited to the Senior Lien Bond Reserve Account shall be valued at least annually on each October 1 (or such other date as the Issuer may determine) at the current market value. If, as of any valuation date, the amount then on deposit in the Senior Lien Bond Reserve Account exceeds the Senior

Lien Bond Reserve Amount, the amount of such excess shall be deposited in or credited to the Senior Lien Bond and Interest Redemption Account, except as otherwise provided by Section 12 of this Ordinance. If, as of any valuation date, the amount on deposit in the Senior Lien Bond Reserve Account is less than the Senior Lien Bond Reserve Amount as a result of a decline in the value of investments in the Senior Lien Bond Reserve Account, there shall be credited to the Senior Lien Bond Reserve Account, beginning on the first day of the next succeeding Fiscal Year quarter, and on the first day of the Fiscal

May 10, 2021

Regular Meeting

Page 15

Year quarter thereafter, after providing for the current requirements of the Operation and Maintenance Account and the Senior Lien Bond and Interest Redemption Account, an amount not less than one-half (1/2) of the amount necessary to restore the amount on deposit in the Senior Lien Bond Reserve Account to 100% of the Senior Lien Bond Reserve Amount.

Section 14. Application of Proceeds of Series 2021 Bonds. The proceeds of the Series 2021 Bonds shall be used to secure payment of the Refunded Bonds and to pay the costs of issuance of the Series 2021 Bonds as provided in this Section. From the net proceeds of the sale of the Series 2021 Bonds, there shall first be set aside a sum sufficient to pay the costs of issuance of the Series 2021 Bonds. Such funds shall be deposited in an account established by the Issuer and shall be used solely to pay the costs of issuance of the Series 2021 Bonds, and if any such funds shall not be required for such purpose, the surplus shall be transferred to the Senior Lien Bond and Interest Redemption Account or used for any other purpose permitted by applicable law.

The balance of the proceeds of the Series 2021 Bonds, together with any moneys on hand in the bond and interest redemption account and the repair, replacement and improvement account established pursuant to the Prior Ordinance and available for such purpose, if any, as determined by an Authorized Officer, shall be transferred to the United States of America, as holder of the Refunded Bonds, and used to pay the principal of and accrued interest on the Refunded Bonds to the date of redemption of the Refunded Bonds.

Section 15. Additional Senior Lien Bonds; Issuance of Junior Lien Bonds. The right is reserved, in accordance with the provisions of Act 94, to issue Additional Senior Lien Bonds payable from the Net Revenues of the System, which shall be of equal standing and priority of lien as to the Net Revenues of the System with the Series 2021 Bonds and any Additional Senior Lien Bonds then outstanding, but only for one or more of the following purposes and on the following conditions:

(a) For the acquisition and construction of any repairs, replacements, extensions, enlargements or improvements to the System and/or for the purpose of refunding all or part of any Senior Lien Bonds or Junior Lien Bonds then outstanding and paying costs of issuing such Additional Senior Lien Bonds, including deposits, if any, that may be required to be made to the Senior Lien Bond Reserve Account. Additional Senior Lien Bonds for such purposes shall not be issued pursuant to this paragraph (a) unless the actual Net Revenues or the Augmented Net Revenues (as hereinafter defined) of the System for the then last preceding Fiscal Year shall be equal to at least (i) one hundred percent (100%) of the average annual debt service requirements on all Senior Lien Bonds then outstanding and on the Additional Senior Lien Bonds then being issued, plus (ii) one hundred percent (100%) of the average annual debt service requirements on all Junior Lien Bonds then outstanding. If the Additional Senior Lien Bonds are to be issued in whole or in part for refunding outstanding Senior Lien Bonds or Junior Lien Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each Fiscal Year the annual principal and interest requirements of any Senior Lien Bonds or Junior Lien Bonds to be refunded from the proceeds of the Additional Senior Lien Bonds. For purposes of this paragraph (a), the Issuer may elect to use as the last preceding Fiscal Year any Fiscal Year ending not more than eighteen (18) months prior to the date of delivery of the Additional Senior Lien Bonds for which an audit has been completed; or

(b) For refunding all or part of any outstanding Senior Lien Bonds and paying costs of issuing such Additional Senior Lien Bonds, including deposits, if any, that may be required to be made to the Senior Lien Bond Reserve Account. No Additional Senior Lien Bonds shall be issued pursuant to this paragraph (b) unless the maximum amount of principal and interest maturing in any Fiscal Year on all

May 10, 2021
Regular Meeting
Page 16

Senior Lien Bonds then outstanding after giving effect to the refunding, and on the Additional Senior Lien Bonds then being issued, shall be not greater than the maximum amount of principal and interest maturing in any Fiscal Year prior to giving effect to the refunding.

For purposes of this Section 15, the term "Augmented Net Revenues" shall mean the Net Revenues of the System for a Fiscal Year, adjusted to reflect the effect of any rate increase placed in effect during that Fiscal Year (but not in effect for the whole Fiscal Year), placed in effect subsequent to such Fiscal Year, or scheduled, at the time the Additional Senior Lien Bonds are issued, to be placed in effect before principal of and interest on the Additional Senior Lien Bonds become payable from Net Revenues of the System, and augmented by any increase in Revenues or decrease in expenses estimated to accrue from any improvements to be acquired and constructed with the proceeds of the Additional Senior Lien Bonds. Augmented Net Revenues shall be established by a certificate of an independent consultant filed with the Clerk of the Issuer.

Determination by the Issuer as to the existence of conditions permitting the issuance of Additional Senior Lien Bonds shall be conclusive.

The Issuer reserves the right to issue, without limit, Junior Lien Bonds, which shall be junior and subordinate in all respects to the statutory first lien on the Net Revenues securing the Series 2021 Bonds any Additional Senior Lien Bonds then outstanding.

Section 16. Management; Fiscal Year. The operation, repair and management of the System shall continue to be under the supervision and control of the Issuer. The Issuer may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The Issuer may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The System shall be operated on the basis of an operating year which shall coincide with the Issuer's Fiscal Year.

Section 17. Additional Covenants. The Issuer covenants and agrees that so long as any Bonds remain outstanding under this Ordinance or any ordinance supplemental or amendatory hereto:

(a) It will maintain the System in good repair and working order 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) It will maintain and keep proper books of record and account of the System in accordance with Act 2, Public Acts of Michigan, 1968, as amended, and will cause an annual audit of the books of record and account of the System for the preceding operating year each year by an independent certified public accountant. The audit shall be completed and so made available in accordance with Act 2, Public Acts of Michigan 1968, as amended.

(c) It will maintain and carry insurance on all physical properties of the System 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 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.

(d) It will not sell or dispose of the System, or any substantial part thereof, until all of the Bonds have been paid in full, both as to principal and interest, or provision for such payment shall be made as herein provided.

(e) It 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.

May 10, 2021
Regular Meeting
Page 17

(f) It will not grant any franchise or other rights to any person, firm or corporation to operate a system that will compete with the System and the Issuer will not operate a system that will compete with the System.

Section 18. Amendments to this Ordinance.

(a) The Issuer, from time to time and at any time, subject to the conditions and restrictions contained in this Ordinance, may adopt one or more supplemental or amendatory ordinances to this Ordinance, which thereafter shall form a part hereof, for any one or more or all of the following purposes:

(i) to issue Additional Senior Lien Bonds or Junior Lien Bonds;

(ii) to add to the covenants and agreements of the Issuer contained in this Ordinance other covenants and agreements thereafter to be observed, or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Issuer;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions of this Ordinance, or in regard to matters or questions arising under this Ordinance, as the Issuer may deem necessary or advisable and not inconsistent with this Ordinance;

(iv) to modify, amend or supplement this Ordinance in a manner so as to maintain the exclusion of interest from gross income for federal income tax purposes on any series of tax-exempt Bonds issued under this Ordinance or any ordinance amendatory or supplemental hereto; and

(v) to make any other changes or modifications to the provisions hereof as may be deemed necessary by the Issuer, but only if such changes or modifications, in the written opinion of nationally recognized bond counsel filed with the Issuer, are not to the material prejudice of the holders of any Bonds at the time outstanding.

Any amendment or supplemental ordinance authorized by the provisions of this Section 18(a) may be adopted by the Issuer without the consent of or notice to the holders of any of the Bonds at the time outstanding, notwithstanding any of the provisions of Section 18(b) below.

(b) With the consent of the holders of not less than 51% in principal amount of the Bonds then outstanding, the Issuer may from time to time and at any time, adopt an ordinance or ordinances supplemental or amendatory hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; *provided, however*, that no such modification or amendment shall (i) extend the maturity date of any Bond or reduce the principal amount thereof, change the mandatory redemption requirements for any Bonds, reduce the rate of interest thereon or extend the time for payment of interest, or reduce or extend the time for payment of any premium payable on the redemption thereof, without the consent of the holder of each Bond so affected, or (ii) deprive the holders of the Bonds (except as aforesaid) of the right to payment of the Bonds from the Net Revenues or deprive the holders of the Bonds of the statutory lien on the Net Revenues created by this Ordinance (except as expressly provided in this Ordinance), without the consent of the holders of all Bonds then outstanding, or (iii) reduce the aforesaid percentage of holders of the Bonds required to approve any such supplemental ordinance.

It shall not be necessary for the consent of the holders of the Bonds under this Section 18(b) to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the adoption by the Issuer of any supplemental ordinance pursuant to the provisions of this Section 18(b), the Issuer shall cause the Transfer Agent to mail a notice by registered or certified mail to the holders of all outstanding Bonds at their addresses shown on the bond register or at such other address as is furnished in writing by a bondholder to the Transfer Agent setting forth in general terms the substance of such supplemental ordinance.

Section 19. Negotiated Sale of Series 2021 Bonds. The Issuer has considered the option of selling the Series 2021 Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements

May 10, 2021
Regular Meeting
Page 18

of Act 94, and based on the recommendation of the Issuer's municipal advisor for the Series 2021 Bonds, determines that a negotiated sale of the Series 2021 Bonds is in the best interests of the Issuer and will provide the Issuer with greater flexibility in structuring the terms of the Series 2021 Bonds and in accessing the municipal bond market at the time that is expected to achieve the most advantageous interest rates for the Issuer.

Section 20. Sale and Award of Series 2021 Bonds. Oppenheimer & Co. Inc. is hereby appointed as senior managing underwriter for the Series 2021 Bonds (the "Underwriter"). Each Authorized Officer is individually authorized to negotiate the sale of the Series 2021 Bonds to the Underwriter, award the sale of the Series 2021 Bonds to the Underwriter pursuant to a bond purchase agreement, execute and deliver the bond purchase agreement with the Underwriter for and on behalf of the Issuer, execute the Sale Order specifying the final terms of the Series 2021 Bonds and making such other determinations as provided for in this Ordinance, without further approval of this Township Board, subject to the following terms:

(a) The final terms of the Series 2021 Bonds shall be within the parameters established by this Ordinance;

(b) The aggregate purchase price of the Series 2021 Bonds shall be not less than 99% of the principal amount thereof;

(c) The underwriter's discount shall not exceed one percent (1.00%) of the principal amount of the Series 2021 Bonds; and

(d) The net present value savings to be realized upon the refunding of the Refunded Bonds shall not be less than three percent (3.00%) of the principal amount of the Refunded Bonds.

Section 21. Adjustment of Series 2021 Bond Terms. Each Authorized Officer is hereby individually authorized to adjust the final terms of the Series 2021 Bonds as set forth herein to the extent necessary or convenient to complete the sale of the Series 2021 Bonds as provided in this Ordinance, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations pursuant to Sections 7a(1)(c) of Act 94, including, but not limited to, determinations regarding maturities, principal amounts, denominations, date of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters necessary to effectuate the sale and delivery of the Series 2021 Bonds authorized herein, within the parameters established by this Ordinance.

Section 22. Official Statement; Bond Insurance; Ratings. Each Authorized Officer is individually authorized and directed to: (a) cause the preparation and circulation of a Preliminary Official Statement with respect to the Series 2021 Bonds and to deem the Preliminary Official Statement "final" for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission, and to approve circulation

of a final Official Statement with respect to the Series 2021 Bonds; (b) apply for and obtain ratings on the Series 2021 Bonds; and (c) solicit bids for and approve the purchase of a municipal bond insurance policy for the Series 2021 Bonds, if deemed economically advantageous to the Issuer based on the advice of the Issuer's municipal advisor, and execute and deliver an insurance commitment or other documents or instruments required in connection with such insurance.

Section 23. Continuing Disclosure. In order to enable the Underwriter to comply with the requirements of Rule 15c2-12 of the U.S. Securities and Exchange Commission, each Authorized Officer

May 10, 2021
Regular Meeting
Page 19

is individually authorized to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Series 2021 Bonds in such form as an Authorized Officer shall approve in consultation with bond counsel to the Issuer.

Section 24. Authorization of Other Actions. Each Authorized Officer is hereby individually authorized to complete, execute and file any and all applications or requests for waivers with the Michigan Department of Treasury necessary to effectuate the sale and delivery of the Series 2021 Bonds as contemplated by this Ordinance, including, if necessary, an Application for State Treasurer's Approval to Issue Long-Term Securities, in such form as shall be approved by any of such officers. The Township Treasurer is further authorized to pay any necessary fees in connection with any such applications or waivers. Each Authorized Officer is individually authorized and directed to execute all other agreements, documents and certificates, and to take all other actions necessary or advisable, to complete the issuance, sale and delivery of the Series 2021 Bonds as contemplated herein.

Section 25. Tax Covenant. The Issuer hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest on the Series 2021 Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2021 Bond proceeds and moneys deemed to be Series 2021 Bond proceeds.

Section 26. Bond Counsel. The appointment of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. to serve as bond counsel to the Issuer in connection with the issuance of the Series 2021 Bonds is hereby approved and confirmed.

Section 27. Municipal Advisor. The appointment of Baker Tilly Municipal Advisors LLC as registered municipal advisor to the Issuer in connection with the issuance of the Series 2021 Bonds is hereby approved and confirmed.

Section 28. Repeal of Prior Ordinance. Immediately upon repayment or redemption in full of the Refunded Bonds, the Prior Ordinance is repealed in its entirety and shall be of no further force or effect.

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

Section 30. Publication and Recordation. The Township Clerk shall cause this Ordinance to be published once in full in a newspaper of general circulation in the Issuer qualified under State law to publish legal notices promptly after its adoption, and shall be recorded in the Ordinance Book of the Issuer and such recording authenticated by the signatures of the Supervisor and Township Clerk.

Section 31. Effective Date. Pursuant to the provisions of Section 6 of Act 94, this Ordinance shall be approved on the date of first reading and accordingly this Ordinance shall immediately be effective upon its adoption.

AYES: Wisniewski, Kenniston, Benchley, Wright, DeWyse, Samyn, Close

NAYS: None

Motion carried.

May 10, 2021
Regular Meeting
Page 20

Motion by Wisniewski, seconded by Samyn, to approve the following budget adjustments:

GENERAL FUND (101):

Board Dept 101

101-101-900-000 Printing & Publishing + 5,000

Supervisor Dept 171

101-171-716-000 Hospitalization + 3,325

101-171-717-000 Life Insurance + 50

Planner Dept 211

101-211-803-006 Fees-Planner + 20,000

Clerk Dept 215

101-215-716-000 Hospitalization + 3,200

Police Dept 301

101-301-970-000 Capital + 30,000

May 10, 2021
Regular Meeting
Page 25

DPW Dept 441

101-441-702-000 Salaries + 21,100

101-441-715-000 FICA + 2,000

101-441-716-000 Hospitalization + 9,000

101-441-717-000 Life Insurance + 250

101-441-718-000 Retirement + 2,825

101-441-720-000 Sick & Accident Insurance + 750

Landfill Dept 426

101-526-803-000 Contracted Services -122,500

GARBAGE/RUBBISH FUND (226):

Refuse Collection/Disposal 528

226-000-001-000 Start Up Funds From Gen Fund + 25,000

226-528-931-001 Contracted Contracts (Expense) +512,000

226-000-626-006 Revenue +515,000

SEWER FUND (590):

Sewer Dept 536

590-536-716-000 Hospitalization + 8,000

590-536-717-000 Life Insurance + 350

590-536-718-000	Retirement	+ 2,200
590-536-720-000	Sick & Accident Insurance	+ 400
590-536-930-003	Computer Support	+ 1,000
590-536-740-001	Chemicals	- 11,950

**May 10, 2021
Regular Meeting
Page 21**

AYES: Wisniewski, Samyn, Kenniston, Wright, Benchley, DeWyse, Close
NAYS: None
Motion carried.

Motion by Wright, supported by Benchley, to approve the carryover of 48 hours of vacation for Joseph Schafer until August 1, 2021.

AYES: Wright, Benchley, Wisniewski, Samyn, Kenniston, DeWyse, Close
NAYS: None
Motion carried.

Motion by Kenniston, supported by Wisniewski, to approve Super Construction to replace five lead services at a cost not to exceed \$32,200.

AYES: Kenniston, Wisniewski, Wright, Benchley, DeWyse, Samyn, Close
NAYS: None
Motion carried.

ATTORNEY REPORT:
Hewitt had no report.

ENGINEER REPORT:
Bartow was not present.

**May 10, 2021
Regular Meeting
Page 26**

STANDING COMMITTEE REPORTS
None.

OFFICER/TRUSTEE REPORTS

- **Clerk DeWyse-Auditor's** Exit meeting will be tomorrow and the auditors will do the audit presentation to the Board on May 24, 2021.
- **Treasurer Samyn:** Had no report.
- **Trustees:** Had no report.
- **Supervisor Close:** Pyramid Paving completed paving Finn Road Park Campground and did a great job. The dumpster needs to be moved and emptied. New Hope Bay has opened a Montessori school in the old driving range building. Blood drives are held here at the Township Hall and we need to get the word out for people to come donate.

- **Public Safety Chief Benchley:** The charger was sold for \$4,400 and the old fire engine was sold for \$5,800. The old rescue truck currently is listed on Municibid. The new patrol car is MFR certified and can be used as a first responder vehicle. They will have de-escalation training this month. Jason Ruth completed 21st Century Policing.

May 10, 2021
Regular Meeting
Page 22

- **Department of Public Works Superintendent Worden:** Completed a 1-1/2 inch water tap on Callahan Road. They cleaned up the ball fields on Ridge and Pondside Parks. Storm pump on Nolet Road had a piece of wood stuck in it. They cut approximately 40-50 acres of grass weekly. Did some tree trimming on Nebobish and Powell for clear vision of traffic. Digging ditches. Putting stone along the pavement out at Finn Road Park to eliminate the drop off. Had to pull the pump out on Hampton Road by the Medical Care Facility on Saturday, it was full of rags. Chipped brush in 3 days and had 6-1/2 loads. Had porta johns installed at Ridge and Pondside Parks due to the closure of the bathrooms.
- **County Commissioner Johnson:** Ways and Means Committee will decide how to spend the money the County received from the marijuana licensing. Waiting on clarification on what they can spend their American Rescue Plan funds. The Bay County Health Department has reduced the quarantine period to 10 days and they have on-going clinics for Covid-19 vaccinations.

OPEN TO THE PUBLIC:

Keith Bobick, 1187 Ledyard, discussed his neighbor opening a business. He is the new EGLE Brownfield Representative for the area.

Motion by Wisniewski, supported by Wright, to adjourn at 7:30 p.m. Motion carried.

Respectfully submitted:

Approved by

Frances DeWyse, Clerk

Terri Close, Supervisor