



# Minutes

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**YPSILANTI COMMUNITY UTILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
Wednesday, January 27, 2021 – 3:00 p.m.  
Via Zoom**

**Members Present:** Michael Bodary, Keith P. Jason, Jon R. Ichesco, Larry J. Doe, and Gloria C. Peterson.

**Members Absent:** None.

1. **CALL TO ORDER:** Mr. Bodary called the meeting to order at 3:00 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Doe to receive and file the minutes of the December 16, 2020 meeting as presented. Support by Ichesco. In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**

**A. YCUA Resolution No. 21-1 Approving Refunding Contract and Authorizing Not-to-Exceed \$3.15 Million 2021 Refunding Bonds (Charter Township of Ypsilanti) – Tom Colis and Jeff Castro**

Motion by Jason to Approve YCUA Resolution No. 21-1 Approving Refunding Contract and Authorizing Not-to-Exceed \$3.15 Million 2021 Refunding Bonds (Charter Township of Ypsilanti). Support by Doe.

Mr. Castro advised the Board that \$3.15 million of the 2011 Refunding Bonds have five years left for re-payment at an interest rate of 4%. He indicated that this is an opportunity to re-finance those bonds at 1 – 1.25% for the remaining five years, which is a savings of about \$150,000 to \$160,000.

Mr. Colis advised the Board that the original bonds were issued in 2002 and were refunded in 2011 at a lower interest rate. He indicated that the idea is to do the same thing for the remaining maturity. He then outlined the process in detail with a closing at the end of March.

Mr. Doe inquired as to whether the \$150,000 to \$160,000 savings excludes costs. Mr. Colis responded that the savings are net of the costs of issuing the bonds.

In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None. (Motion carried.)

**B. Request to Approve - YCUA Resolution No. 21-2 Authorizing Issuance of Not-to-Exceed \$6 Million 2021 Wastewater System Bonds for Wastewater Treatment Plant Improvements Project 5678-01 (City of Ypsilanti and Charter Township of Ypsilanti) – Tom Colis and Jeff Castro**

Motion by Ichesco to YCUA Resolution No. 21-2 Authorizing Issuance of Not-to-Exceed \$6 Million 2021 Wastewater System Bonds for Wastewater Treatment Plant Improvements Project 5678-01 (City of Ypsilanti and Charter Township of Ypsilanti). Support by Doe.

Mr. Castro advised the Board that some changes were made to this bond issue and asked YCUA Engineer Scott Westover to elaborate.

Mr. Westover advised the Board that the \$6 million bond ceiling was set based on two construction contracts, one of which is the next item on the agenda and another that has been postponed due to significantly higher-than-anticipated bid results. He indicated that the postponed project involved the primary switchgear and will most likely be included in the SRF project plan for next year. Mr. Castro added that YCUA will leave the bond ceiling as it is and only issue the funds that are needed and that the Authority has EGLE's approval on the same.

Mr. Colis advised the Board that this contract was already approved by the City of Ypsilanti and Ypsilanti Township and that this resolution approves the actual issuance of the bonds. He indicated that this year's SRF interest rate is 1.875%, which is a great rate for a 20-year financing. Mr. Colis explained that the resolution will automatically reduce the not-to-exceed \$6 million based on EGLE's order of approval of the actual work that will proceed. He then outlined the process at length with a closing on March 26<sup>th</sup>.

Mr. Doe inquired as to the split between the township and the city. Mr. Colis responded that it is about 77% for the township and 23% for the city.

In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None. (Motion carried.)

**C. Request to Approve – YCUA Resolution No. 21-3 re: Tentative Award of Construction Contract for WWTP Aeration Blower Upgrades in the Amount of \$2,860,000 (SRF Project Account No. 5678-01) – Scott D. Westover**

Motion by Ichesco to approve YCUA Resolution No. 21-3 re: Tentative Award of Construction Contract for WWTP Aeration Blower Upgrades in the Amount of \$2,860,000 (SRF Project Account No. 5678-01). Support by Doe.

Mr. Westover advised the Board that this resolution is a standard requirement of the SRF program and that the Board has approved similar resolutions in the past. He indicated that the low bidder, Process Piping and Equipment, is a reputable firm that the Authority has worked with extensively and staff has no hesitation in recommending this award.

Mr. Bodary inquired as to whether this is in relation to the recent week-long shutdown of the odor control system. Mr. Westover responded that it is not and that the shutdown was the result of some routine maintenance at the headworks odor control.

In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None. (Motion carried.)

**D. Request to Approve - Award of Construction Contract re: WWTP West Tertiary Filters Pipe Replacement in the Amount of \$385,000 (O & M Expense Account No. 902-175) – Scott D. Westover**

Motion by Ichesco to approve Award of Construction Contract re: WWTP West Tertiary Filters Pipe Replacement in the Amount of \$385,000 (O & M Expense Account No. 902-175). Support by Peterson.

Mr. Westover advised the Board that five bids were received for this project with the low bid from J.F. Cavanaugh, who is currently completing the incinerator heat exchanger replacement project. He indicated that Cavanaugh has completed many projects for YCUA in the past and staff is extremely comfortable moving forward with them.

Mr. Ichesco inquired as to why there is such disparity between the high and low bids. Mr. Westover responded all of the bids came in lower than expected and he did double-check with Cavanaugh to make sure they didn't miss anything. He added that he is of the opinion that the numbers are very competitive.

In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None. (Motion carried.)

**E. Request to Approve - Award of Construction Contract re: Michigan Avenue Water Main at Paint Creek in the Amount of \$94,780 (O & M Expense Account No. 901-560) – Scott D. Westover**

Motion by Doe to approve Award of Construction Contract re: Michigan Avenue Water Main at Paint Creek in the Amount of \$94,780 (O & M Expense Account No. 901-560). Support by Ichesco.

Mr. Westover advised the Board that there was only one bid received on this project, which was a surprise. He indicated that Fer-Pal Construction USA is known as a leader in the area for trenchless, cured-in-place rehabilitation but there are other companies that do the work and he was initially contacted by at least a half-dozen of them.

Mr. Westover explained that the purchasing policy was followed nonetheless and Fer-Pal's bid seems fair and reasonable.

Mr. Doe inquired as to whether any of the other companies were contacted to determine why they didn't bid. Mr. Westover responded that he didn't have time to follow up with that question due to other pressing responsibilities but that he is of the opinion that the bid is less than the anticipated cost for this project.

In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None. (Motion carried.)

**F. Request to Approve - Authorization to Seek Bids re: 2021 Road Repairs Phase 1 (O & M Expense Account No. 902-161) – Scott D. Westover**

Motion by Doe to approve Authorization to Seek Bids re: 2021 Road Repairs Phase 1 (O & M Expense Account No. 902-161). Support by Ichesco.

Mr. Westover advised the Board that this work is completed twice per year and that this request involves 43 road excavations made between June 1 and November 30, 2020. He indicated that the cost estimate for the work is \$240,000. Mr. Westover explained that bid results are anticipated to come before the Board in March.

Mr. Bodary inquired as to who the winning bidder was last year. Mr. Westover responded that Midwest Pavement has done the last four or five projects.

Mr. Doe inquired to whether staff is making sure that good data is being provided to the contractor in order to avoid last year's increase in one of the cost overruns. Mr. Westover responded affirmatively and indicated

that he found an error in the spreadsheet used to determine quantities so that this will not occur moving forward.

In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None.  
(Motion carried.)

**G. Fund Balance Report – Dwayne Harrigan**

Informational only; no motion from the Board required.

**H. Financial Report – Authority Net Assets – Dwayne Harrigan**

Informational only; no motion from the Board required.

**I. Usage Report – Consumption Report – Jeff Castro**

Mr. Castro advised the Board that the year-to-date comparison shows that water sales are up just under 1% and sewer sales are down 7%. He indicated that the month-to-month comparison shows that water sales are down 7% compared to last year and sewer sales are down 12%. Mr. Castro explained that these reductions are due in large part to Eastern Michigan University being closed during the pandemic. Mr. Harrigan interjected that WTUA's sewer usage was also down significantly this month.

Mr. Bodary inquired as to whether there have been any notable changes in the Authority's customer base. Mr. Castro responded that there is some Service Center hydrant usage for construction water but that it is usually only during the spring and summer months, so it really doesn't amount to much.

Informational only; no motion from the Board required.

**J. Attorney's Report – Matthew T. Jane**

Mr. Jane advised the Board that he has been working with Sree Mullapudi to finalize the draft sewer use ordinance and that he is making progress on updating and revising the contract template documents for general projects with Scott Westover.

He indicated that, over the last several months, he has been investigating the 30-inch sewer force main break that occurred in May of 2019 along Martz Road across from the Next Generation Environmental property. Mr. Jane explained that the break resulted in discharge of untreated sewage and flooded the surrounding area. He pointed out that repair work consisted of dewatering the soil, installing a temporary line, excavating, and patching at a total cost of about \$500,000.

Mr. Jane also explained that Mr. Castro and Mr. Westover had asked him to look into whether there is potential claim for this amount understanding that there likely is not due to the discovery that the last time work occurred in the area was in December of 2001, after Next Generation had applied for a sewer connection and their contractor, Davenport Brothers, pulled a permit. He further advised that it appears that the damage to the pipe was caused at that time by the side or bottom of an excavator bucket.

Mr. Jane stated that he obtained pictures and conducted interviews of the contractors of the 2019 work and everyone seems to be in agreement that it more likely than not that the pipe was damaged as described.

He acknowledged that the problem is that 18 years passed from the time of the damage to when the break occurred and the normal statute of limitation on this type of claim is three years from the date of the alleged negligence. Mr. Jane confirmed that, to bring the claim timely, YCUA would have to prove that the contractor that struck the pipe with the excavator bucket knew that they had done so and covered it up with fraudulent intent to prevent discovery of the event, which is called Fraudulent Concealment Exception. He explained that this exception allows for two years from the date of discovery of loss to make a claim, which covers the Authority until May 2021. Mr. Jane pointed out, however, that none of the 2019 contractors is willing to assert that a backhoe operator would know that he struck the main and had intent to cover it up and there is no direct evidence of the damage, only circumstantial evidence that he outlined at length.

He also stated that he sent a demand letter to Davenport putting them on notice of the claim and asking for response, which they, in turn, sent to their insurance company, who responded as expected that it is too late to allow them to investigate the claim and that Davenport has no idea what is being talked about.

Mr. Jane advised that the letter was then forwarded to an attorney who responded that the claim would be barred by the statute of limitations. He indicated that he responded that YCUA could beat the statute due to the Fraudulent Concealment Exception and asked if they would be willing to participate in a meeting or pre-suit mediation to discuss the claim. Mr. Jane explained that they refused to do so and, if anything more were to occur, litigation would need to be initiated by the end of April.

He pointed out that, given the hurdles in attempting to prove fraud and intent to conceal, the potential for a motion to dismiss, and the costs involved, YCUA staff is in agreement with not pursuing litigation of this claim. Mr. Jane also explained that he is, at this time, requesting the

Board's input on this recommendation. The matter was then discussed in detail.

Informational only; no motion from the Board required.

**K. Human Resources Report – Debra Kinde**

Ms. Kinde advised the Board that, in December, 27 employees participated in one or more of the 13 trainings provided.

Informational only; no motion from the Board required.

**L. Director's Report - Jeff Castro**

Mr. Castro advised the Board that, as an addendum to the usage report, restaurants have been closed off and on since last March, which affects water and sewer usage. He indicated that it's difficult to track the exact effect that restaurants have had on consumption because their COVID restrictions were constantly changing. Mr. Castro explained that the hot summer made up for a lot of those losses.

Mr. Bodary interjected that the closing of public schools has also contributed to the drop in consumption.

Mr. Castro pointed out that YCUA is hoping to be in line for the COVID-19 vaccine and that Authority employees are considered to be at the lower end of phase 1B. He also explained that there is a shortage of vaccines but he hopes they will be available soon. Mr. Castro further advised that a survey was recently given to YCUA staff to determine who wants a vaccine when it becomes available and surprisingly, only about half responded that they wanted to participate. He stated that he hopes that more positive information about the vaccine in the near future will increase that number.

Informational only; no motion from the Board required.

4. **OLD BUSINESS:** Ms. Peterson inquired as to whether there have been two breaks on Grove Road in recent months. Mr. Westover responded that it was just over a year ago that the section of storm drain failed near Harris Road. Ms. Peterson indicated that she had a customer contact her about a second basement backup that they experienced recently. Mr. Castro responded that this was a private sewer lead backup that YCUA investigated and advised the homeowner that their service line was affected and that they needed to call a plumber.
5. **OTHER BUSINESS:** There was no Other Business for the month.
6. **STATEMENTS AND CHECKS:** Motion by Ichesco to pay the current month's bills in the amount of \$4,511,001.18. Support by Doe. In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None. (Motion carried.)

7. **PUBLIC COMMENTS:** There were no Public Comments for the month.
8. **ADJOURNMENT:** Motion by Doe to adjourn the meeting at 3:47 p.m. Support by Ichesco. In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None. (Motion carried.)



Respectfully submitted,

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JON R. ICESCO, Secretary - Treasurer



**YPSILANTI COMMUNITY UTILITIES AUTHORITY  
COUNTY OF WASHTENAW, MICHIGAN**

**RESOLUTION No. 21-1 APPROVING REFUNDING CONTRACT  
AND AUTHORIZING NOT TO EXCEED  
\$3,150,000  
2021 REFUNDING BONDS  
(CHARTER TOWNSHIP OF YPSILANTI)  
(LIMITED TAX GENERAL OBLIGATION)**

WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), and Act 233, Public Acts of Michigan, 1955, as amended (“Act 233”) permits the Ypsilanti Community Utilities Authority (the “Authority”) to refund all or part of the funded indebtedness of the Authority; and

WHEREAS, the Charter Township of Ypsilanti (the “Township”) and the Authority entered into a Refunding Contract, dated October 25, 2011 (the “2011 Refunding Contract”) to refund the outstanding 2002 Sanitary Sewer System No. 3 Bonds (Charter Township of Ypsilanti); and

WHEREAS, bonds of the Authority were issued pursuant to the 2011 Refunding Contract, denominated 2011 Refunding Bonds (Charter Township of Ypsilanti), dated as of December 14, 2011 (the “Prior Bonds”); and

WHEREAS, the Township and the Authority have determined that it is in the best interest of the Township and the Authority to refund all or part of the Prior Bonds maturing in the years 2022 through 2026; and

WHEREAS, pursuant to the authority of Act 34 and Act 233, the Authority and the Township have or will shortly execute a contract (the “Refunding Contract”) providing for the implementation of such refunding program and for other details in connection therewith, said Refunding Contract being attached hereto in full and made a part of this resolution pursuant to

law; and

WHEREAS, all things necessary for the authorization of such refunding bonds pursuant to the provisions of law have been done, and the Authority is now empowered and desires to authorize the issuance of such refunding bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE YPSILANTI COMMUNITY UTILITIES AUTHORITY AS FOLLOWS:

Section 1. For the purpose of raising all or a portion of the money to refund all or part of the Prior Bonds maturing in the years 2022 through 2026, and pursuant to the authority of Act 34 and Act 233, there shall be issued refunding bonds of the Authority (the “Refunding Bonds”) as hereinafter set forth. The Refunding Bonds shall be designated “2021 Refunding Bonds (Charter Township of Ypsilanti) (Limited Tax General Obligation)” and shall be in the aggregate principal amount of not to exceed Three Million One Hundred Fifty Thousand Dollars (\$3,150,000), as finally determined upon sale thereof, consisting of bonds registered as to principal and interest of the denomination of \$5,000 or integral multiples of \$5,000, be dated as of their date of delivery, or such other date as provided in the sale order approving the sale of the Refunding Bonds (the “Sale Order”), and shall be numbered as determined by the Transfer Agent (hereinafter defined). The Refunding Bonds shall bear interest, mature and be payable at the times, in the amounts and in the manner set forth in Sections 6 and 7 hereof. The Refunding Bonds shall not be subject to optional redemption prior to maturity. The Refunding Bonds may be issued as serial bonds or term bonds or both, and if term bonds are designated by the original purchaser of the bonds, then such bonds will be subject to mandatory redemption in accordance with the maturity schedule as provided in the form of notice of sale as set forth in Section 7 hereof.

Interest shall be paid by check or draft drawn on the Transfer Agent, mailed to the registered owner of the Refunding Bonds at the registered address, as shown on the registration books of the Authority maintained by the Transfer Agent. 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 or the first day of the month, if the payment date is the fifteenth day of the month. The date of determination of registered owner for purposes of payment for interest as provided in this paragraph may be changed by the Authority to conform to market practice in the future. The principal of the Refunding Bonds shall be payable at a bank or trust company as a registrar and transfer agent for the Refunding Bonds (the "Transfer Agent") to be selected by the Director, Chair, Secretary or Treasurer of the Authority (each, an "Authorized Officer"). The Authority may designate a new Transfer Agent by notice mailed to the registered owner of the Bonds at such time outstanding not less than sixty (60) days prior to an interest payment date.

The Refunding Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC"), and each Authorized Officer is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Refunding Bonds in book-entry-only form and to make such changes in the bond form within the parameters of this Resolution as may be required to accomplish the foregoing.

Unless waived by any registered owner of bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the Authority. 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 redemption date; the redemption price or premium; the place where bonds called for redemption are to be surrendered for payment; and that interest on 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 2. The Chair and Secretary of the Authority are hereby authorized and directed to execute said Refunding Bonds by means of their facsimile signatures when issued and sold for and on behalf of the Authority and to cause to be imprinted thereon a facsimile of the seal of the Authority. No bond of this series shall be valid until authenticated by an authorized signatory of the Transfer Agent. The bonds shall be delivered to the Transfer Agent for authentication and shall then be delivered to the purchaser upon payment of the purchase price for the Refunding Bonds. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

Section 3. The Refunding Bonds and the interest thereon shall be payable from the contractual payments of the Township received by the Authority, for the payment of which the Township has in the Refunding Contract pledged its limited tax full faith and credit pursuant to the provisions of Act 233. The Township has covenanted and agreed to levy taxes annually to the extent necessary to provide the funds to meet its contractual payments when due in anticipation of which the Refunding Bonds are issued, which taxes shall be subject to applicable constitutional, statutory and charter limits. All of such contractual payments are hereby pledged solely and only for the payment of principal of and interest on the Refunding Bonds.

Section 4. It shall be the duty of the Authority, after the adoption of this resolution

and the sale of the Refunding Bonds, to open a special depository account with a bank or trust company to be designated by the Authority to be designated DEBT RETIREMENT FUND - YPSILANTI COMMUNITY UTILITIES AUTHORITY 2021 REFUNDING BONDS (CHARTER TOWNSHIP OF YPSILANTI) (the “Debt Retirement Fund”), into which account the Authority shall deposit all contractual payments as received. The moneys from time to time on hand in the Debt Retirement Fund shall be used solely and only for the payment of the principal of and interest on the Refunding Bonds. The accrued interest received upon delivery of the Refunding Bonds shall also be deposited in the Debt Retirement Fund.

Section 5. The proceeds of the Refunding Bonds, along with certain cash to be made available pursuant to the Refunding Contract, if any, shall be used to pay the costs of issuance thereof and to secure payment of the Refunding Bonds as provided in this paragraph. Upon receipt of such proceeds the accrued interest, if any, shall be deposited in the Debt Retirement Fund. From the remaining proceeds of the Refunding Bonds there shall be set aside a sum sufficient to pay the costs of issuance of the Refunding Bonds in a fund designated BOND ISSUANCE FUND (the “Bond Issuance Fund”), which may be established by the Authority or by the Escrow Agent (hereinafter defined). Moneys in the Bond Issuance Fund shall be used solely to pay expenses of issuance of the Refunding Bonds. Any amounts remaining in the Bond Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Refunding Bonds.

The balance of the proceeds of the Refunding Bonds shall be deposited in an escrow fund (the “Escrow Fund”) consisting of cash and investments in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the

foregoing and used to pay principal and interest on the Refunding Bonds. The Authorized Officers are each hereby individually authorized and directed to (a) take all steps necessary to call the Refunding Bonds for redemption, including the preparation and mailing of a notice of redemption and (b) negotiate terms of an escrow agreement with a bank or trust company to be selected by an Authorized Officer to act as escrow agent and (c) execute the escrow agreement on behalf of the Authority. The amounts held in the Escrow Fund shall be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal of and interest on the Refunding Bonds when due at maturity or call for redemption as required by this Section. Following establishment of the Escrow Fund, any debt retirement funds held by the Authority for the Prior Bonds being refunded shall be transferred to the Debt Retirement Fund for the Refunding Bonds. The Authorized Officers are each authorized and directed to purchase or cause to be purchased, escrow securities, including United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Escrow Fund.

Section 6. The Refunding Bonds shall be substantially in the following form with such changes as shall be required to conform to the final terms of the Refunding Bonds established by the Sale Order:

NO. \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WASHTENAW

YPSILANTI COMMUNITY UTILITIES AUTHORITY

2021 REFUNDING BOND  
(CHARTER TOWNSHIP OF YPSILANTI)  
(LIMITED TAX GENERAL OBLIGATION)

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	May 1, _____	_____, 2021	

Registered Owner:

Principal Amount: \_\_\_\_\_ Dollars

The Ypsilanti Community Utilities Authority (the "Issuer"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America on the Date of Maturity specified above, 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 November 1, 2021 and semiannually thereafter. Principal of this bond is payable at the principal \_\_\_\_\_ trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the Registered Owner hereof not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the Registered Owner of record as of the fifteenth (15th) day of the month preceding the payment date as shown on the registration books of the Issuer maintained by the Transfer Agent, by check or draft mailed to the Registered Owner at the registered address.

The bonds of this issue are payable from the proceeds of contractual payments to be paid by the Charter Township of Ypsilanti, County of Washtenaw, Michigan, to the Issuer, pursuant to certain contracts between the Issuer and the Township, including a Refunding Contract. By the provisions of said contracts and pursuant to the authorization provided by law, the Township has pledged its limited tax full faith and credit for the payment of said contractual payments. The Issuer has irrevocably pledged to the payment of this issue of bonds the total contractual payments, which said total payments are established in the amount required to pay the principal of and interest on the bonds of this issue when due. The full faith and credit pledge of the Township is its limited tax general obligation, and the Township is required to pay its debt service commitment on the bonds as a first budget obligation from its general funds including the collection of any ad valorem taxes which it is authorized to levy subject to applicable constitutional, statutory and charter tax limitations.

This bond is one of a total authorized issue of bonds of even Date of Original Issue, aggregating the principal sum of \$ \_\_\_\_\_, issued pursuant to a resolution duly adopted by the Commission of the Issuer on January 27, 2021, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 233, Public Acts of Michigan, 1955, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, for the purpose of refunding part of a series of outstanding bonds of the Issuer. For a complete statement of the funds from which and the conditions under which this bond is payable, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above described resolution.

The bonds of this issue shall not be subject to redemption prior to maturity.

[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 shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.]

Any bond may be transferred by the person in whose name it is registered, in person or by his duly authorized attorney or legal representative, upon surrender of the bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond is surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond or bonds in like aggregate principal amount, interest rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent will not register the transfer of or exchange any bond selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.

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 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 Ypsilanti Community Utilities Authority, by its Commission, has caused this bond to be signed in its name by the facsimile signature of its Chair and to be countersigned by the facsimile signature of its Secretary and a facsimile of the corporate seal of said Issuer to be imprinted hereon, all as of the Date of Original Issue.



YPSILANTI COMMUNITY UTILITIES AUTHORITY

By:   
Its: MICHAEL BODARY, Chair

Countersigned:

  
Its: JON R. ICHESCO, Secretary - Treasurer



[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

Certificate of Authentication

This bond is one of the bonds described in the within-mentioned resolution.

\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_  
Transfer Agent

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

Section 7. The Director of the Authority is hereby authorized to fix a date of sale for the Refunding Bonds and to publish a notice of sale of the Refunding Bonds in The Bond Buyer, New York, New York, which notice of sale shall be in substantially the following form:

FORM OF  
OFFICIAL NOTICE OF SALE

§ \_\_\_\_\_\*  
YPSILANTI COMMUNITY UTILITIES AUTHORITY  
COUNTY OF WASHTENAW, STATE OF MICHIGAN  
2021 REFUNDING BONDS  
(CHARTER TOWNSHIP OF YPSILANTI)  
(LIMITED TAX GENERAL OBLIGATION)

*\*Subject to adjustment as set forth in this Notice of Sale*

Bids for the purchase of the above bonds will be received in the manner described in this Official Notice of Sale on \_\_\_\_\_, \_\_\_\_\_, 2021 until \_\_:00 p.m., prevailing Eastern Time, at which time and place said bids will be publicly opened and read.

ELECTRONIC BIDS: Bidders may submit bids for the purchase of the above bonds as follows:

Electronic bids may be submitted to the Municipal Advisory Council of Michigan at munibids@macmi.com; provided that electronic bids must arrive before the time of sale and the bidder bears all risks of transmission failure.

Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10010, (212) 849-5021. IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE SHALL CONTROL.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: The bonds will be registered bonds in the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of delivery, numbered in order of registration, and will bear interest from their date payable on November 1, 2021 and semiannually thereafter.

The bonds will mature on the 1st day of May in each of the years, as follows:

<u>Year</u>	<u>Amount*</u>
2022	\$515,000
2023	535,000
2024	550,000
2025	570,000
2026	585,000

\*ADJUSTMENT OF TOTAL PAR AMOUNT OF BONDS AND PRINCIPAL MATURITIES: The Authority reserves the right to adjust the aggregate principal amount of the bonds after receipt of the bids and prior to final award, if necessary, so that the purchase price of the bonds will provide an amount determined by the Authority to be sufficient to refund the prior bonds and to pay costs of issuance of the bonds. The adjustments, if necessary, will be in increments of \$5,000. The purchase price will be adjusted proportionately to the increase or decrease in issue size, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

\*ADJUSTMENT TO PURCHASE PRICE: Should any adjustment to the aggregate principal amount of the bonds be made by the Authority, the purchase price of the bonds will be adjusted by the Authority proportionally to the adjustment in principal amount of the bonds and in such manner as to maintain as comparable an underwriter spread as possible to that bid.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at rate or rates not exceeding four percent (4%) per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/100 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed two percent (2%) per annum. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR SHALL NOT BE LESS THAN THE INTEREST RATE BORNE BY BONDS MATURING IN THE PRECEDING YEAR. No proposal for the purchase of less than all of the bonds or at a price less than 99% or greater than 110% of their par value will be considered.

NO PRIOR OPTIONAL REDEMPTION OF BONDS: The bonds are not subject to optional redemption prior to maturity.

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities as term bonds and the consecutive maturities shall be aggregated in the term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on May 1 of the years and in the amounts set forth in the above maturity schedule at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made within 24 hours of the time bids are submitted.

BOOK-ENTRY ONLY: The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the

principal corporate trust office of \_\_\_\_\_, \_\_\_\_\_, Michigan, or such other transfer agent as the Authority may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check or draft mailed to the registered owner of record as shown on the registration books of the Authority as of the 15th day of the month preceding the interest payment date. The bonds will be transferred only upon the registration books of the Authority kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are being issued for the purpose of refunding all or a portion of certain outstanding bonds of the Authority. The bonds and the interest thereon shall be payable from the contractual payments of the Charter Township of Ypsilanti, County of Washtenaw, State of Michigan (the "Township") received by the Authority, for the payment of which the Township has in the Refunding Contract pledged its limited tax full faith and credit pursuant to the provisions of Act 233, Public Acts of Michigan, 1955, as amended. The Township has covenanted and agreed to levy taxes annually to the extent necessary to provide the funds to meet its contractual payments when due in anticipation of which the bonds are issued, which taxes shall be subject to applicable constitutional, statutory and charter limits. All of such contractual payments are hereby pledged solely and only for the payment of principal of and interest on the bonds.

AWARD OF BONDS-TRUE INTEREST COST: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on November 1, 2021 and semiannually thereafter) necessary to discount the debt service payments from their respective payment date to \_\_\_\_\_, 2021, in an amount equal to the price bid, excluding accrued interest, if any.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials. In submitting a bid for the bonds, the bidder agrees to the representation of the Authority by Miller, Canfield, Paddock and Stone, P.L.C., as bond counsel.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

QUALIFIED TAX-EXEMPT OBLIGATION. The Authority has designated this issue of

Bonds as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

ISSUE PRICE: The winning bidder shall assist the Authority in establishing the issue price of the bonds and shall execute and deliver to the Authority at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached either as [Appendix \_\_-1 or Appendix \_\_-2] of the preliminary official statement, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Authority and Bond Counsel.

The Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the bonds) will apply to the initial sale of the bonds (the "Competitive Sale Requirements") because:

- a. the Authority is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- b. all bidders shall have an equal opportunity to bid;
- c. the Authority anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- d. the Authority anticipates awarding the sale of the bonds to the bidder who submits a firm offer to purchase the bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the bonds, as specified in the bid.

In the event that all of the Competitive Sale Requirements are not satisfied, the Authority shall so advise the winning bidder. The Authority will not require bidders to comply with the "hold-the-offering price rule," and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity, though the winning bidder, in consultation with the Authority, may elect to apply the "hold-the-offering price rule" (as described below). Bids will not be subject to cancellation in the event the Competitive Sale Requirements are not satisfied. Unless a bidder intends to apply the "hold-the-offering price rule" (as described below), bidders should prepare their bids on the assumption that all of the maturities of the bonds will be subject to the 10% Test (as described below). The winning bidder must notify the Authority of its intention to apply either the "hold-the-price rule" or the 10% Test at or prior to the time the bonds are awarded.

If the winning bidder does not request that the "hold-the-offering price rule" apply to determine the issue price of the bonds, the following two paragraphs shall apply:

- a. The Authority shall treat the first price at which 10% of a maturity of the bonds (the

“10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the Authority if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the bonds; and

- b. Until the 10% Test has been satisfied as to each maturity of the bonds, the winning bidder agrees to promptly report to the Authority the prices at which the unsold bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the bonds of that maturity, provided that, the winning bidder’s reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Authority or bond counsel.

If the winning bidder does request that the “hold-the-offering price rule” apply to determine the issue price of the bonds, then following three paragraphs shall apply:

- a. The winning bidder, in consultation with the Authority, may determine to treat (i) pursuant to the 10% Test, the first price at which 10% of a maturity of the bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity (the “hold-the-offering price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Authority if any maturity of the bonds satisfies the 10% Test as of the date and time of the award of the bonds. The winning bidder shall promptly advise the Authority, at or before the time of award of the bonds, which maturities of the bonds shall be subject to the 10% Test or shall be subject to the hold-the-offering price rule or both.
- b. By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the bonds to the public on or before the date of the award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) if the hold-the-offering-price rule applies, agree, on behalf of the underwriters participating in the purchase of the bonds, that the underwriters will neither offer nor sell unsold bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:
  - i. the close of the fifth (5<sup>th</sup>) business day after the sale date; or
  - ii. the date on which the underwriters have sold at least 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public;

The winning bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>)

business day after the sale date.

- c. The Authority acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds.

By submitting a bid, each bidder confirms that:

- a. any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A)(i) to report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the bonds to the public (each such term being used as defined below), and (C)



to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

- b. any agreement among underwriters or selling group agreement relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (i) report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (ii) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.
- c. Sales of any bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

Further, for purposes of this Notice of Sale:

- a. “public” means any person other than an underwriter or a related party,
- b. “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the bonds to the public);
- c. a purchaser of any of the bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
- d. “sale date” means the date that the bonds are awarded by the Authority to the winning bidder.

DELIVERY OF BONDS: The Authority will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by Noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the Authority shall promptly return the good faith deposit. Payment for the bonds shall be made in immediately available funds.

CONTINUING DISCLOSURE: As described in greater detail in the Official Statement, the Authority will agree to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, (i) on or prior to the last day of the sixth month following the end of the fiscal year of the Authority, certain annual financial information and operating data or data of substantially the same nature, including audited financial statements for the preceding fiscal year, (or if audited financial statements are not available, unaudited financial statements) generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the Authority to provide the required annual financial information on or before the date specified in (i) above.

BOND INSURANCE AT PURCHASER'S OPTION: If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the bonds. Any increased costs of issuance of the bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the Authority has requested and received a rating on the bonds from a rating agency, the Authority will pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE COUNTY.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the Authority; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

OFFICIAL STATEMENT: The Authority will provide the winning bidder with a reasonable number of final Official Statements within 7 business days from the date of sale so as

to permit the underwriter to comply with the Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by PFM Financial Advisors LLC, Ann Arbor, Michigan, financial advisor to the Authority, upon request and agreement by the underwriter to pay the cost of additional copies. Requests for additional copies should be made to the financial advisor within 24 hours of the date of sale.

BIDDER CERTIFICATION: NOT “IRAN-LINKED BUSINESS” By submitting a bid, the bidder shall be deemed to have certified that it is not an “Iran-Linked Business” as defined in Act 517 Michigan Public Acts of 2012, being MCL 129.311 et. seq.

FINANCIAL ADVISOR: Further information relating to the bonds may be obtained from PFM Financial Advisors LLC, 555 Briarwood Circle, Suite 333, Ann Arbor, Michigan 48108. Telephone (734) 994-9700.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

Jeff Castro  
Director  
Ypsilanti Community Utilities Authority

Section 8. Nothing contained in this resolution or the Refunding Contract shall be construed to prevent the Authority from issuing additional bonds under the provisions of Act 233 for any of the purposes authorized by said Act, but any such bonds shall in no way have any lien on or be payable out of the contractual payments pledged to the payment of the Refunding Bonds.

Section 9. The provisions of this resolution, together with the Refunding Contract, shall constitute a contract between the Authority and the holder or holders of the Refunding Bonds from time to time, and after the issuance of such Refunding Bonds, no change, variation or alteration of the provisions of this resolution and the Refunding Contract may be made which would lessen the security for the Refunding Bonds. The provisions of this resolution and the Refunding Contract shall be enforceable by appropriate proceedings taken by such holder either at law or in equity.

Section 10. The Authority covenants and agrees with the successive holders of the Refunding Bonds that so long as any Refunding Bonds remain outstanding and unpaid as to either principal or interest:

(a) The Authority will punctually perform all of its obligations and duties under this resolution and the Refunding Contract, including all collection, segregation and application of the contractual payments in the manner required by the provisions of this resolution.

(b) The Authority will apply and use the proceeds of the sale of the Refunding Bonds for the purposes and in the manner required by the Refunding Contract and this resolution. The Authority will maintain and keep proper books of record and account relative to the application of such proceeds and the contractual payments received

pursuant to the Refunding Contract. Not later than four (4) months after the end of each year, the Authority shall cause to be prepared a statement, in reasonable detail, sworn to by its chief accounting officer, showing the application of the proceeds of the sale of the Refunding Bonds, the cash receipts from the contractual payments and the application thereof, and such other information as may be necessary to enable any taxpayer or any holder or owner of the Refunding Bonds, or anyone acting in their behalf, to be fully informed as to all matters pertaining to the application of funds therefor or for the payment of Refunding Bonds during such year. A certified copy of said statement shall be filed with the Secretary of the Authority and the Township Clerk and a copy shall also be sent to the manager of the syndicate purchasing the Refunding Bonds.

Section 11. Each Authorized Officer is hereby authorized to (a) determine if, and when, to refund the Prior Bonds, (b) pursuant to an order awarding the sale of the Refunding Bonds (the "Sale Order"), award the sale of the Bonds to the bidder whose bid produces the lowest true interest cost to the Authority, so long as the true interest cost does not exceed 2.5% and such bid results in net present value savings of at least 2% on the Prior Bonds being refunded; (c) approve the circulation of a preliminary and a final official statement describing the Refunding Bonds if recommended or required by the Authority's financial advisor, PFM Financial Advisors LLC; (d) apply for and purchase municipal bond insurance if recommended by PFM Financial Advisors LLC; (e) apply for and secure ratings for the Refunding Bonds and (f) take all other necessary actions required to effectuate the sale, issuance and delivery of the Refunding Bonds within the parameters authorized in this resolution.

Section 12. The Authority hereby covenants that it shall comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission regarding continuing disclosure.

Section 13. Each Authorized Officer is hereby authorized to execute the Sale Order approving the sale of the Refunding Bonds to the successful bidder within the parameters set forth in this resolution and to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34 including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the terms of the Refunding Bonds shall not exceed the parameters established in this resolution.

Section 14. The Authority shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Refunding Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Refunding Bond proceeds and moneys deemed to be Refunding Bond proceeds. The Authority hereby designates the Refunding Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions pursuant to the Code.

Section 15. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are repealed.


Section 16. The Refunding Contract is hereby approved and the Chair and Secretary are authorized to execute the same on behalf of the Authority.

Section 17. This resolution shall become effective immediately upon its passage.


Minutes of a Regular Meeting of the Commission of the Ypsilanti Community Utilities Authority held on the 27th day of January, 2021 at which the following Commissioners were present: Michael Bodary, Keith P. Jason, Jon R. Ichescos, Larry J. Doe, and Gloria C. Peterson and the following were absent: None.

The attached resolution was moved by Commissioner Jason and seconded by Commissioner Doe. The following Commissioners voted aye: Michael Bodary, Keith P. Jason, Jon R. Ichescos, Larry J. Doe, and Gloria C. Peterson and the following Commissioners voted nay: None.

RESOLUTION DECLARED ADOPTED

  
\_\_\_\_\_  
JON R. ICHESCO, Secretary - Treasurer

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Commission of the Ypsilanti Community Utilities Authority, at a regular meeting held on January 27, 2021, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

  
\_\_\_\_\_  
JON R. ICHESCO, Secretary - Treasurer

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**YCUA RESOLUTION No. 21-2**  
**AUTHORIZING THE ISSUANCE OF NOT TO EXCEED**  
**\$6,000,000 YPSILANTI COMMUNITY UTILITIES AUTHORITY**  
**WASTEWATER SYSTEM BONDS, SERIES 2021**  
**(CITY OF YPSILANTI AND CHARTER TOWNSHIP OF YPSILANTI)**

Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority conducted electronically on the 27th day of January, 2021, at 3:00 p.m., prevailing Eastern Time.

PRESENT: Commissioners: Michael Bodary, Keith P. Jason, Jon R. Ichesco,  
Larry J. Doe, and Gloria C. Peterson

ABSENT: Commissioners: None.

The following preamble and resolution were offered by Commissioner Ichesco and supported by Commissioner Doe:

WHEREAS, the Ypsilanti Community Utilities Authority (the “Authority”) has been incorporated under the provisions of Act 233, Public Acts of Michigan, 1955, as amended (the “Act”), by the Charter Township of Ypsilanti and the City of Ypsilanti (together, the “Local Units”) for the purposes set forth in the Act; and

WHEREAS, the Authority and the Local Units have entered into a SRF Contract dated as of November 18, 2020 (the “Contract”) for the purpose of acquiring and constructing certain improvements to the wastewater treatment plant, consisting of upgrades to the aeration blower system and replacement of the primary switchgear for the electrical supply to the plant, together with all necessary appurtenances and attachments thereto (the “Project”), to be acquired and constructed to serve the Local Units; and

WHEREAS, under the provisions of the Contract, the Local Units have obligated themselves to pay their respective shares of the cost of the Project to be financed by the issuance of bonds of the Authority by paying the installments plus interest thereon, as specified in Section 10 of the Contract, and the Local Units have further obligated themselves to levy taxes annually to the extent necessary for the purpose of meeting said installments plus interest thereon, subject, however, to applicable constitutional, statutory and charter tax rate limitations, all as provided in Section 11 of the Contract; and

WHEREAS, the use of the Project will be made available to the Local Units, and citizens thereof, in return for annual payments which will be applied to offset the payment obligations of the Authority; and

WHEREAS, the Authority now proposes to issue its bonds, as authorized by Section 9 of the Act, in anticipation of and secured solely by the contractual obligations of the Local Units to provide the necessary funds to pay the Local Units’ share of the cost of acquiring and constructing

the System (hereinafter defined), and all things necessary to the authorization and issuance of the Authority's bonds under the Act having been done and the Authority being now empowered to issue, and desirous of authorizing the issuance of, the bonds; and

WHEREAS, the Project qualifies for the State of Michigan State Revolving Fund ("SRF") financing program being administered by the Michigan Department of Environment, Great Lakes, and Energy ("EGLE") and the Michigan Finance Authority ("MFA"), whereby bonds of the Authority are sold to the MFA and bear interest at a fixed rate of one and seven-eighths percent (1.875%) per annum; and

WHEREAS, the plans for the Project are in process of preparation and are anticipated to be approved by EGLE; and

WHEREAS, in pursuance of the authority granted by Act 233, the Authority desires to issue and sell the necessary bonds to the MFA to pay the cost of the Project.

THEREFORE, BE IT RESOLVED BY THE BOARD OF THE AUTHORITY AS FOLLOWS:

Section 1. Definitions. Wherever used in this resolution or in the Bonds to be issued hereunder, except where otherwise indicated by the context:

- (a) "Authority" means the Ypsilanti Community Utilities Authority.
- (b) "Bonds" means the bonds of the Authority described herein and, specifically, in Section 5 hereof.
- (c) "Contract" means the SRF Contract dated as of November 18, 2020 between the Authority and the Local Units.
- (d) "Contractual Payments" means the debt service installment payments required to be made by the Local Units to the Authority pursuant to the provisions of Section 10 of the Contract and pledged to the payment of the principal of and interest on the Bonds authorized by the provisions of this resolution.
- (e) "Department of Treasury" means the Department of Treasury of the State of Michigan.
- (f) "Depository Bank" means the Michigan bank or trust company selected by the Board which is a member of the Federal Deposit Insurance Corporation.
- (g) "System" means the Ypsilanti Community Utilities Authority Wastewater System (City of Ypsilanti and Charter Township of Ypsilanti), consisting of the Project, including site acquisition and development therefor, as more particularly described in the Contract, together with all necessary appurtenances and rights in land thereto, being defrayed from the proceeds of the Bonds.

Section 2. Plans and Specifications; Necessity. The plans, specifications and cost estimates for the System as prepared by the Authority’s consulting engineers (the “Consulting Engineers”) are hereby accepted and approved, and it is hereby determined to be advisable and necessary for the public health of citizens of the Local Units to acquire, construct and complete the System as provided in said plans and specifications.

Section 3. Estimated Cost; Useful Life of Local Units’ Share of System. The total estimated cost of acquiring and constructing the System, including payment of incidental expenses as specified in Section 5 of this resolution, in the amount of not to exceed \$6,000,000 and the Local Units’ share thereof of not to exceed \$6,000,000, is hereby approved and confirmed. The estimated period of usefulness of the System is determined to be not less than thirty (30) years.

Section 4. Authorization of Bonds. For the purpose of defraying the Local Units’ share of the cost of the System, including payment of engineering, legal and financing expenses, and other expenses incident thereto and incident to the issuance of the Bonds, there shall be borrowed the sum of not to exceed \$6,000,000, and in evidence thereof Bonds of the Authority shall be issued in an equivalent aggregate principal amount.

Section 5. Details of Bonds. The Bonds shall be designated WASTEWATER SYSTEM BONDS, SERIES 2021 (CITY OF YPSILANTI AND CHARTER TOWNSHIP OF YPSILANTI), the principal of and interest thereon to be payable solely out of the Contractual Payments required to be paid by the Local Units pursuant to the Contract, shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, and payable on April 1 in the years and amounts as follows, subject to revision by any Authorized Officer (hereinafter defined) in the event that the principal amount of the Bonds issued is reduced:

2022	\$250,000
2023	255,000
2024	260,000
2025	265,000
2026	270,000
2027	275,000
2028	280,000
2029	285,000
2030	290,000
2031	295,000
2032	300,000
2033	305,000
2034	310,000
2035	320,000
2036	325,000
2037	330,000
2038	335,000
2039	345,000
2040	350,000

Final determination of the payment dates and amounts of principal installments of the Bonds shall be evidenced by execution of a Purchase Contract (the "Purchase Contract") between the Authority and the MFA providing for sale of the Bonds, and any of the Director, Chair, Secretary and Treasurer of the Authority (the "Authorized Officers") are authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above.

The Bonds or principal installments thereof will be subject to prepayment prior to maturity in the manner and at the times as provided in the form of Bonds contained in this Resolution or as may be approved by the MFA at the time of prepayment.

The Bonds shall bear interest at a rate of one and seven-eighths percent (1.875%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and the Authorized Officers shall deliver the Bonds in accordance with the delivery instructions of the MFA.

The Bonds principal amount is expected to be drawn down by the Authority periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the Authority.

The Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Bonds shall be payable as provided in the Bond form in this Resolution.

The Secretary of the Authority shall record on the registration books payment by the Authority of each installment of principal or interest or both when made and the canceled checks or other records evidencing such payments shall be returned to and retained by the Secretary.

Upon payment by the Authority of all outstanding principal of and interest on the Bonds, the MFA shall deliver the Bonds to the Authority for cancellation.

Section 6. Execution and Delivery of Bonds. The Bonds shall be signed with the manual or facsimile signature of the Chair of the Authority and countersigned by the manual or facsimile signature of the Secretary of the Authority. The Bonds shall have the corporate seal of the Authority impressed or imprinted thereon. The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, or such other bank as may be determined by the MFA, is hereby appointed to act as Transfer Agent for the Bonds.

Section 7. Source of Payment; Pledge; Remedies. The Bonds and the interest thereon shall be payable solely from the Contractual Payments received by the Authority, for the payment of which the Local Units have, in the Contract, pledged their respective limited tax full faith and credit pursuant to the provisions of the Act, in the amounts set forth in the Contract. The Local Units have covenanted and agreed to provide annually general or special funds in amounts sufficient to meet when due their respective Contractual Payments in anticipation of which the Bonds are issued, or, if necessary, to levy ad valorem taxes on all taxable property within their

respective boundaries for such purpose, subject to applicable constitutional, statutory and charter tax rate limitations. All of such Contractual Payments are hereby pledged solely and only for the payment of principal of and interest on the Bonds. The holder or holders of the Bonds, representing in the aggregate not less than twenty percent (20%) of the entire issue then outstanding, may, by suit, action or other proceedings, protect and enforce the aforesaid pledge and enforce and compel the performance of all duties of the officials of the Authority, including, but not limited to, compelling the Local Units, by proceedings in a court of competent jurisdiction or other appropriate forum, to make the Contractual Payments, appropriate general funds, and levy and collect appropriate taxes as herein authorized and as may be required under the Contract to be so appropriated, certified, levied and collected by the Local Units for the Contractual Payments.

If required by the MFA and approved by the Local Units, the Bonds may additionally be secured by a revenue sharing pledge of the Local Units.

Section 8. Custody of Funds. The Treasurer of the Authority shall be custodian of all funds of the Authority belonging to or associated with the System, and such funds shall be deposited in the Depository Bank.

Section 9. Establishment of the Debt Retirement Fund. The Authority shall, after the adoption of this resolution and the delivery of the Bonds herein authorized, open a special depository account with the Depository Bank to be designated DEBT RETIREMENT FUND - YPSILANTI COMMUNITY UTILITIES AUTHORITY WASTEWATER SYSTEM BONDS, SERIES 2021 (CITY OF YPSILANTI AND CHARTER TOWNSHIP OF YPSILANTI) (the "Debt Retirement Fund"), into which the Authority shall deposit the proceeds of the Bonds representing premium or accrued interest paid at the time of delivery of the Bonds, if any, and all Contractual Payments as received. The moneys from time to time on hand in the Debt Retirement Fund shall be used solely and only for the payment of the principal of and interest on the Bonds.

Section 10. Operation and Maintenance. The operation, maintenance and administration of the System, and the acquisition and construction thereof, shall be under the overall jurisdiction and control of the Authority.

Section 11. Bond Form. The Bonds shall be in substantially the following form, subject to such modifications which may be required by the Michigan Attorney General and the MFA and approved by bond counsel:

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF WASHTENAW

YPSILANTI COMMUNITY UTILITIES AUTHORITY  
WASTEWATER SYSTEM BOND, SERIES 2021  
(CITY OF YPSILANTI AND CHARTER TOWNSHIP OF YPSILANTI)

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: Six Million Dollars  
(\$6,000,000)

DATE OF ORIGINAL ISSUE: \_\_\_\_\_, 2021

The YPSILANTI COMMUNITY UTILITIES AUTHORITY, a public corporation of the State of Michigan (the “Issuer”), for value received, hereby promises to pay to the Michigan Finance Authority (the “Authority”), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes, and Energy, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the Issuer under this bond, the Authority will periodically provide to the Issuer 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 Issuer 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 Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth in Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than \$6,000,000 is disbursed to the Issuer or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of one and seven-eighths percent (1.875%) per annum. Interest is first payable on October 1, 2021, and semiannually thereafter and principal is payable on the first day of April, commencing April 1, 2022 (as set forth in the Purchase Contract) and annually thereafter.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the designated office of The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the Issuer by the Authority (the “Authority’s Depository”); (b) the Issuer

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 at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

#### Additional Interest

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 and one-half 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 Issuer'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 Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

This bond is the single, fully-registered, non-convertible bond in the principal sum of \$6,000,000, issued under and in pursuance of a resolution duly adopted by the Board of Commissioners of the Issuer under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 233, Public Acts of Michigan, 1955, as amended, for the purpose of paying the cost of constructing improvements to the System (as hereinafter defined).

This bond is payable solely from the proceeds of contractual payments to be paid by the City of Ypsilanti, Washtenaw County, Michigan and the Charter Township of Ypsilanti, Washtenaw County, Michigan (together, the "Local Units") to the Issuer pursuant to a certain SRF Contract dated as of November 18, 2020 (the "Contract"), between the Local Units and the Issuer, whereby the Issuer is to assist in the financing of the cost of acquiring and constructing wastewater system improvements and appurtenances and attachments thereto in the Local Units, said system being designated as Ypsilanti Community Utilities Authority Wastewater System (City of Ypsilanti and Charter Township of Ypsilanti) (the "System"). By the provisions of the Contract and pursuant to the authorization provided by law, the Local Units have each pledged their respective limited tax full faith and credit for the payment of their respective contractual payments, and the Local Units are obligated to pay such amounts from their general funds, including collections of ad valorem taxes on all taxable property within their boundaries, subject to applicable statutory, constitutional and charter tax rate limitations. The Issuer has irrevocably pledged to the payment of this bond the total contractual payments, which said total payments are established in the amount required to pay the principal of and interest on this bond when due.

Bonds may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

This bond is transferable only upon the registration books of the Issuer by the registered owner of record 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 Issuer 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 resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required to be done, exist and happen, precedent to and in the issuance of this bond, in order to make it a valid and binding obligation of said Issuer, have been done, exist and have happened in regular and due form and time as provided by law, and that the total indebtedness of said Local Units does not exceed any constitutional, charter or statutory limitation.

For a complete statement of the funds from which and the conditions under which this bond is payable and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Contract and the resolution of the Issuer authorizing the issuance of this bond.

IN WITNESS WHEREOF, YPSILANTI COMMUNITY UTILITIES AUTHORITY, by its Board of Commissioners, has caused this bond to be signed in the name of said Issuer by the manual or facsimile signature of its Chair and to be countersigned by the manual or facsimile signature of its Secretary and its corporate seal to be imprinted hereon, all as of the Date of Original Issue.

YPSILANTI COMMUNITY UTILITIES AUTHORITY



By: *Michael Bodary*  
MICHAEL BODARY, Chair

Countersigned:

By: *Jon R. Ichesco*  
JON R. ICHESCO, Secretary - Treasurer



SCHEDULE A

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.

<u>Due Date</u>	<u>Amount of Principal Installment Due</u>
April 1, 2022	\$250,000
April 1, 2023	255,000
April 1, 2024	260,000
April 1, 2025	265,000
April 1, 2026	270,000
April 1, 2027	275,000
April 1, 2028	280,000
April 1, 2029	285,000
April 1, 2030	290,000
April 1, 2031	295,000
April 1, 2032	300,000
April 1, 2033	305,000
April 1, 2034	310,000
April 1, 2035	320,000
April 1, 2036	325,000
April 1, 2037	330,000
April 1, 2038	335,000
April 1, 2039	345,000
April 1, 2040	350,000
April 1, 2041	355,000

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the Issuer from the date such portion is disbursed, until paid, at the rate of 1.875% per annum, payable October 1, 2021, and semi-annually hereafter.

The Issuer agrees that it will deposit with the Authority's Depository, or such other place as shall be designated in writing to the Issuer by the Authority, 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.

Section 12. Additional Bonds. Nothing contained in this resolution or the Contract shall be construed to prevent the Authority from issuing additional bonds under the provisions of the Act, but any such additional bonds shall in no way have any lien on or be payable out of the Contractual Payments pledged to the payment of the Bonds, except such additional bonds as may be necessary may be issued to complete the System pursuant to the authorization provided in Section 16 of the Contract.

Section 13. Construction Fund. The proceeds of sale of the Bonds, other than proceeds for premium or accrued interest described below, shall be deposited in a special depository account in the Depository Bank designated “YPSILANTI COMMUNITY UTILITIES AUTHORITY WASTEWATER SYSTEM BONDS, SERIES 2021 (CITY OF YPSILANTI AND CHARTER TOWNSHIP OF YPSILANTI) CONSTRUCTION FUND” (the “Construction Fund”). Proceeds of the Bonds representing premium or accrued interest paid at the time of delivery of the Bonds shall be deposited into the Debt Retirement Fund established under the provisions of Section 9 of this resolution. The moneys in the Construction Fund shall be used solely and only to pay costs of the improvements authorized in this resolution and any engineering, legal, bond insurance, financing or other expenses incidental thereto on authorization of the Authority, in accordance with the provisions of the Contract. Any unexpended balance remaining in the Construction Fund after completion of the System may be used for the improvement or enlargement of the System or for other projects of the Authority undertaken on behalf of the Local Units, if such use be approved by the Local Units. Any balance remaining after such use, if any, shall be paid into the Debt Retirement Fund, and the Local Units shall receive a credit for the amount of such balance against the Contractual Payment next due.

Section 14. Investment of Funds. Moneys in any funds and accounts of the Authority may be invested by the Authority in United States government obligations, the principal of and interest on which are guaranteed by the United States government, or in interest-bearing time deposits, as shall from time to time be determined by the Authority. In the event such investments are made, the securities representing the same shall be kept on deposit with the depository or depositories of the fund or funds from which such investments are made and such securities and the income therefrom shall become part of the Debt Retirement Fund, to the extent necessary to pay amounts owing on the Bonds.

Section 15. Resolution and Contract. The provisions of this resolution, together with the Contract, shall constitute a contract between the Authority and the holder or holders from time to time of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of the provisions of this resolution and the Contract may be made which would materially lessen the security for the Bonds.

Section 16. Covenants with Bondholders. The Authority covenants and agrees with the successive holders of the Bonds, so long as any of the Bonds remain outstanding and unpaid as to either principal or interest, as follows:

- (a) The Authority will punctually perform all of its obligations and duties under this resolution and the Contract, including the collection, segregation and application of the Contractual Payments in the manner required by the provisions of this resolution.

(b) The Authority will apply and use the proceeds of sale of the Bonds for the purposes and in the manner required by the Contract and this resolution.

(c) The Authority will maintain and keep proper books of record and account relative to the application of funds for the construction of the System and the Contractual Payments received pursuant to the Contract. Not later than three (3) months after the end of each year, the Authority shall cause to be prepared a statement in reasonable detail, sworn to by its chief accounting officer, showing the application of the proceeds of sale of the Bonds, the cash receipts from the Contractual Payments during such year and the application thereof, and such other information as may be necessary to enable any taxpayer or any holder or owner of the Bonds, or anyone acting in their behalf, to be fully informed as to all matters pertaining to the construction of the System and application of funds therefor or for the payment of the Bonds during such year. A certified copy of said statement shall be filed with the Clerk of the Local Unit and a copy shall also be sent to the manager or managers of the account purchasing the Bonds. The Authority shall also cause an annual audit of the books of record and account for the preceding operating year to be made by a recognized independent certified public accountant and shall mail such audit to the manager or managers of the account purchasing the Bonds and the Department of Treasury. The aforesaid audit may be submitted to said manager(s) in place of the aforesaid statement.

(d) The Authority shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the Bonds pursuant to §148(c) of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder, in such a manner as to cause the bonds to be “arbitrage bonds” within the meaning of §103(b)(2) and §148 and the applicable regulations thereunder.

Section 17. Negotiated Sale. The Board has considered the option of selling the Bonds through a competitive sale and a negotiated sale, and, pursuant to the requirements of Act 34, based on the advice of its Financial Advisor, has determined to proceed with the sale of the Bonds by means of a negotiated sale with the MFA because of the efficiency provided by a negotiated sale to the MFA through the SRF financing program in order to best achieve the most favorable terms and advantageous interest rates and obtain the lowest issuance costs and interest costs for the Authority and the Local Units.

Section 18. Purchase Contract. When prepared, the proposed forms of Purchase Contract between the Authority and the MFA and Supplemental Agreement among the Authority, the MFA and EGLE shall be authorized to be approved by any or all of the Authorized Officers, and they are each authorized and directed to execute such documents with such revisions permitted by law and not materially adverse to the Authority as may be necessary or advisable to accomplish the sale of the Bonds to the MFA as contemplated herein.

The Authorized Officers are hereby jointly or severally authorized to take any actions necessary to comply with requirements of the MFA and EGLE in connection with sale of the Bonds to the MFA. The Authorized Officers are hereby jointly or severally authorized to execute

and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or EGLE or as may be otherwise necessary or convenient to effect the approval, sale and delivery of the Bonds.

Section 19. Section Headings. Section headings are for convenience only and do not constitute a part of this resolution.

Section 20. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are repealed.

Section 21. Effective Date. This resolution shall become effective immediately upon its adoption.

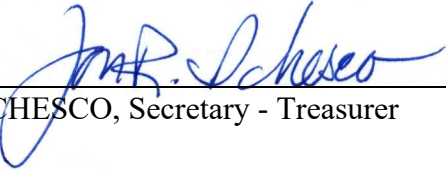
The foregoing resolution was offered by Commissioner Ichesco and supported by Commissioner Doe and adopted by the following roll call vote:

AYES:           Commissioners:     Michael Bodary, Keith P. Jason, Jon R. Ichesco,  
  Larry J. Doe, and Gloria C. Peterson

NAYS:           Commissioners:     None.

  
\_\_\_\_\_  
JON R. ICHESCO, Secretary - Treasurer

I, the undersigned, Secretary of the Ypsilanti Community Utilities Authority, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the Authority at a regular meeting held on January 27, 2021 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

  
\_\_\_\_\_  
JON R. ICHESCO, Secretary - Treasurer

**YCUA RESOLUTION No. 21-3  
A RESOLUTION TO TENTATIVELY AWARD  
A CONSTRUCTION CONTRACT  
FOR WASTEWATER SYSTEM IMPROVEMENTS**

**WHEREAS**, the Ypsilanti Community Utilities Authority wishes to construct improvements to its existing wastewater treatment and collection system; and

**WHEREAS**, the wastewater system improvements project formally adopted on June 27, 2018 will be funded through Michigan's SRF Program and

**WHEREAS**, the Ypsilanti Community Utilities Authority has sought and received construction bids for the proposed improvements and has received a low responsive bid in the amount of \$2,860,000 from Process Piping and Equipment, Inc.; and

**WHEREAS**, the project engineer, Tetra Tech, Inc. has recommended awarding the contract to the low bidder.

**NOW THEREFORE BE IT RESOLVED**, that the Ypsilanti Community Utilities Authority tentatively awards the contract for construction of the proposed wastewater system improvements project to Process Piping and Equipment, Inc., contingent upon successful financial arrangements with the SRF Program.

Yeas: Michael Bodary, Keith P. Jason, Jon R. Ichesco, Larry J. Doe, and Gloria C. Peterson

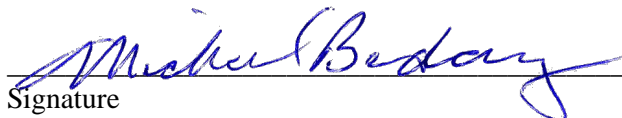
Nays: None.

Abstain: None.

Absent: None.

I certify that the above Resolution was adopted by the Ypsilanti Community Utilities Authority Board of Commissioners on January 27, 2021.

BY: Michael Bodary, Chairperson  
Name and Title

  
Signature

January 27, 2021

Date