

Village of Roscommon

Council Rules and Procedures

A. REGULAR AND SPECIAL MEETINGS

All meetings of the village council will be held in compliance with state statutes, including the Open Meetings Act, 1976 PA 267 as amended, General Law Village Act, 1895 PA 3 as amended and with these rules.

1. Regular Meetings

Regular meetings of the Village Council will be held on the second Monday of each month beginning at 7:00 p.m. at the Village Hall unless otherwise rescheduled by resolution of the council. Council meetings shall conclude no later than 10:00 p.m., subject to extension by the council.

2. Special Meetings

A special meeting shall be called by the Clerk upon the written request of the Village President or any three members of the council on at least 24 hours' notice by the Clerk to each member of the council by phone or electronic mail. Special meeting notices shall state the purpose of the meeting. No official action shall be transacted at any special meeting of the council unless the item has been stated in the notice of such meeting.

2.5 Virtual (Electronic) Meetings

At the November 9, 2020 Regular Council Meeting, a Resolution was passed to allow Virtual Meeting at all Village of Roscommon Public Meetings. This Resolution follows all of the Open Meetings Act procedures. The Virtual meeting must follow all Regular Meeting criteria and all voting must be done by a Roll Call Vote.

3. Minutes of Regular and Special Meetings

The Clerk shall attend the council meetings and record all the proceedings and resolutions of the council in accordance with Section 64.5 of the General Law Village Act of 1895 as amended and the Open Meetings Act. In the absence of the Clerk, the council may appoint one of its own members or another person to temporarily perform the Clerk's duties.

Within 15 days of a council meeting a synopsis showing the substance of each separate decision of the council or the entirety of the council proceedings shall be prepared by the Clerk and shall indicate the vote of the council members.

A copy of the minutes of each regular or special council meeting shall be available for public inspection at the village offices during regular business hours.

4. Study Sessions

Upon the call of the Village President or the council and with appropriate notice to the council members and to the public, the council may convene a work session devoted exclusively to the exchange of information relating to municipal affairs. No votes shall be taken on any matters under discussion nor shall any council member enter into a formal commitment with another member regarding a vote to be taken subsequently.

B. CONDUCT OF MEETINGS

1. Meetings to be Public

All regular and special meetings of the Village Council shall be open to the public, and citizens shall have a reasonable opportunity to be heard in accordance with such rules and regulations as the council may determine, except that the meetings may be closed to the public and the media in accordance with the Open Meetings Act.

All official meetings of the council and its committees shall be open to the media, freely subject to recording by radio, television and photographic services at any time provided that such arrangements do not interfere with the orderly conduct of the meetings.

2. Agenda Preparation

An agenda for each regular council meeting shall be prepared by the Village Manager with the following order of business:

- a. Call to order and roll call of Council, Pledge of Allegiance to the Flag of the United States of America, Invocation
- b. Public hearings (as appropriate)
- c. Approval of consent agenda
- d. Approval of regular agenda
- e. Brief public comment on agenda items
- f. Report from village manager (incl. DPW and other staff reports)
- g. Unfinished business
- h. New business

- i. Public acknowledgement
- j. Council Comments
- k. Agenda items for next meeting 1, Adjournment

Any council member may submit items to add to the regular agenda before it is approved except for section D, item 6. Items must be submitted to the Manager no later than noon on the Thursday prior to the meeting.

Council Members may submit items to the Village President to be added to the regular agenda. The Village President will communicate with the Village Manager and the other Council Members, except for Section D, Item 6 before deciding to place the item on the agenda. Items must be submitted to the Manager no later than noon on the Wednesday prior to the meeting. All documents must be prepared in an appropriate manner.

3. Consent Agenda

The Village may use a consent agenda to allow the council to act on numerous administrative or non-controversial items at one time. Included on this agenda can be noncontroversial matters such as approval of minutes, payment of bills, approval of recognition resolutions, liquor control reports, financial statements, law enforcement reports, minutes of last meeting, etc. Upon request by any member of the council, an item may be removed from the consent agenda and placed on the regular agenda for discussion.

4. Quorum

A majority of the entire elected or appointed and sworn members of the council, whether physically present or virtually present, shall constitute a quorum for the transaction of business at all council meetings. In the absence of a quorum, a lesser number may adjourn any meeting to a later time or date with appropriate public notice.

5. Attendance at Council Meetings

Election to the Village Council is a privilege freely sought by the nominee. It carries with it the responsibility to participate in council activities and represent the residents of the Village. Attendance at council meetings is critical to fulfilling this responsibility. The Village Council is empowered by Section 65.5 of the General Law Village Act as amended to adjourn a meeting if a quorum is not present and compel attendance in a manner prescribed by its ordinance.

The council may excuse absences for cause. If a council member has more than three unexcused successive absences for regular or special council meetings, the council may enact a resolution of reprimand. In the event that the member's absences continue for more

than three additional successive regular or special meetings of the council, the council may enact a resolution of censure or request the council member's resignation or both.

6. Presiding Officer

The Village President is the presiding officer and shall be responsible for enforcing these rules of procedure and for enforcing orderly conduct at meetings. The Village Council shall appoint one of its members President Pro Tem, who shall preside in the absence of the President. In the absence of both the President and the President Pro Tem, the member present who has the longest consecutive service on the council shall preside.

7. Disorderly Conduct

The President may call to order any person who is being disorderly by speaking out of order or otherwise disrupting the proceedings, failing to be germane, speaking longer than the allotted time or speaking vulgarities. Such person shall be seated until the chair determines whether the person is in order.

If the person so engaged in presentation is called out of order, he or she shall not be permitted to continue to speak at the same meeting except by special leave of the council. If the person shall continue to be disorderly and disrupt the meeting, the chair may order the person removed from the meeting. No person shall be removed from a public meeting except for an actual breach of the peace committed at the meeting.

C. CLOSED MEETINGS

1. Purpose

Closed meetings may be held only for the reasons authorized in the Open Meetings Act, which are the following:

- a. To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent when the named person requests a closed meeting.
- b. For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement when either negotiating party requests a closed hearing.
- c. To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.
- d. To consult with the village attorney or another attorney regarding trial or settlement strategy in connection with specific pending litigation, but only when an open meeting would have a detrimental financial effect on the litigating or settlement position of the council.

- e. To review the specific contents of an application for employment or appointment to a public office when a candidate requests that the application remain confidential. However, all interviews by a public body for employment or appointment to a public office shall be held in an open meeting.
- f. To consider material exempt from discussion or disclosure by state or federal statute.

2. Calling Closed Meetings

At a regular or special meeting, the council members, elected or appointed and serving, by a majority roll call vote may call a closed session. The roll call vote and purpose(s) for calling the closed meeting shall be entered into the minutes of the public part of the meeting at which the vote is taken.

3. Minutes of Closed Meetings

The Clerk or the designated secretary of the council shall take a separate set of minutes at the closed session. These minutes will be retained by the Clerk, shall not be available to the public, and shall only be disclosed if required by a civil action, as authorized by the Michigan Open Meetings Act. These minutes may be destroyed one year and one day after approval of the minutes of the regular meeting at which the closed session was approved.

D. DISCUSSION AND VOTING

1. Rules of Procedure

Any member of the Council may bring an item to the floor for discussion. It shall be the responsibility of the chair to moderate the discussion.

2. Conduct of Discussion

During the council discussion and debate, no member shall speak until recognized for that purpose by the chair. After such recognition, the member shall confine discussion to the question at hand and to its merits and shall not be interrupted except by a point of order or privilege raised by another member. Speakers should address their remarks to the chair, maintain a courteous tone and avoid interjecting a personal note into debate.

No member shall speak more than once on the same question unless every member desiring to speak to that question shall have had the opportunity to do so.

A motion may be made by any member of the Council. Once a motion is made, the chair will ask if there is a second for the motion on the floor. Upon hearing a second for a motion

by a member other than the maker of the motion, the chair may entertain further discussion leading to a vote on the issue, If there is no second for a motion, the chair may reopen the issue for discussion, or set the issue aside.

3. Ordinances and Resolutions

No ordinance, except an appropriation ordinance, an ordinance adopting or embodying an administrative or governmental code or an ordinance adopting a code of ordinances, shall relate to more than one subject, and that subject shall be clearly stated in its title.

A vote on all ordinances and resolutions shall be taken by a roll call vote and entered in the minutes.

4. Roll Call

In all roll call votes, the names of the members of the council shall be called in rotating order.

5. Duty to Vote

Election to a deliberative body carries with it the obligation to vote. Council members present at a council meeting shall vote on every matter before the body, unless otherwise excused or prohibited from voting by law.

Conflict of interest, as defined by law, shall be the sole reason for a member to abstain from voting. The opinion of the village attorney shall be binding on the council with respect to the existence of a conflict of interest. A vote may be tabled, if necessary, to obtain the opinion of the village attorney.

The right to vote is limited to the members of council physically or virtually present at the time the vote is taken.

Voting by proxy or by telephone is not permitted.

6. Results of Voting

In all cases where a vote is taken, the Clerk shall declare the result.

Any council member who voted in the majority on any motion may move for a reconsideration of the motion at that meeting or at the next succeeding meeting of the council. When a motion to reconsider fails, it cannot be renewed.

E. CITIZEN PARTICIPATION

1. General

Each regular council meeting agenda shall provide for reserved time for audience participation.

If requested by a member of the council, the presiding officer shall have discretion to allow a member of the audience to speak at times other than reserved time for audience participation.

2. Length of Public Comment

Any person who addresses the Village Council during public comment or a public hearing shall be limited to 2-minutes in length per individual. The Clerk will maintain the official time and notify the speakers when their time is up.

3. Addressing the Council

When a person addresses the Village Council, he or she shall approach the podium. Remarks should be confined to the question at hand and addressed to the chair in a courteous tone. No person shall have the right to speak more than once on any particular subject until all other persons wishing to be heard on that subject have had the opportunity to speak. Simple yes or no questions may be answered by council, but detailed questions and/or debate during public comment will not be entertained.

F. MISCELLANEOUS

1. Adoption and Amendment of Rules of Procedure

These rules of procedure of the Village Council will be placed on the agenda of the first meeting of the council following the seating of the newly elected council members for review and adoption. A copy of the rules adopted shall be distributed to each council member.

The council may alter or amend its rules at any time by a vote of a majority of its members after notice has been given of the proposed alteration or amendment.

2. Suspension or Amendment of Rules

The rules of the Village Council may be suspended for a specified portion of a meeting by an affirmative vote of two-thirds of the members serving except that council actions shall conform to state statutes and to the Michigan and the United States Constitution.

3 . Bid Awards

The Village Council during regular or special meetings will award bids. A bid award may be made at a special meeting of council if that action is announced in the notice of the special meeting.

4 . Committees

Special committees may be established for a specific period of time by the Village Manager or by a resolution of the council which specifies the task of the special committee and the date of its dissolution.

Citizen task forces may be established by a resolution of the council, which specifies the task to be accomplished, and the date of its dissolution. Members of such committees will be appointed by the Village Manager subject to approval by a majority vote of the Village Council and must be taxpayers of the Village. Vacancies will be filled by majority vote of the Village Council in the same way appointments are made.

5. Authorization for Contacting the Village Attorney

The following village officials (by title) are authorized to contact the village attorney regarding village matters:

Village Manager

Village Clerk

Village President

Date adopted:	10/25/01
Amended:	02/08/10
Amended:	12/10/12
Amended:	03/24/14
Amended:	02/09/15
Amended:	12/12/16
Amended:	08/14/17

Village of Roscommon

Discharging of Firearms Ordinance

THE MICHIGAN PENAL CODE(EXCERPT) ACT 328 OF 1931

750.234E Brandishing firearm in public; applicability; violation as misdemeanor; penalty.

Sec. 2324e.

- (1) Except as provided in subsection (2), a person shall not willfully and knowingly brandish a firearm in public.
- (2) Subsection (1) does not apply to either of the following:
 - (a) A peace officer lawfully performing his or her duties as a peace officer.
 - (b) A person lawfully acting in self-defense or defense of another under the self-defense act, 2006 PA 309, MCL 780.971 to 780.974
- (3) A person who violates this section is guilty of a misdemeanor punishable by imprisonment for not more than 90 days, or a fine of not more than \$100.00, or both.

DEFINITION.

FIREARM: Any weapon or device, including Bows, Crossbows and Pneumatic guns, from which is propelled any missile, projectile, bullet, shot, pellet, or other mass, by means of explosives, compressed air, or gas or by means of springs, levers, or other mechanical devices which weapon, or device shall be capable by the discharge of any such propelled missile, projectile, bullet shot, pellet or other mass, of inflicting personal injury or death upon any person, or damage to another's property.

No person shall discharge any weapon within the Village of Roscommon except in connection with any training program approved by the Village Council, authorized military parades by permission of the Village Council, or in connection with the performance of lawful duties of law enforcement, or as specifically provided by law in the protection of persons, property, or family.

Hunting is prohibited within the Village of Roscommon.

LOAN RESOLUTION (Public Bodies)

A RESOLUTION OF THE Village Council

OF THE Roscommon Village

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Water System

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Roscommon Village

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

One Million Two Hundred Ninety-Nine Thousand & 00 100

pursuant to the provisions of PA 94 of 1933, as amended; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 3,757,000.00

under the terms offered by the Government; that the Village President

and Treasurer of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas _____ Nays _____ Absent _____

IN WITNESS WHEREOF, the Village Council of the

Roscommon Village has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this _____, _____ day of _____

(SEAL)

By Mike Miller

Attest:

Title President

Title Village Clerk

**VILLAGE OF ROSCOMMON
(Roscommon County, Michigan)**

Resolution No. _____

**RESOLUTION TO AUTHORIZE ISSUANCE
OF SANITARY SEWER SYSTEM JUNIOR LIEN REVENUE BONDS**

Minutes of a regular meeting of the Village Council of the Village of Roscommon, Roscommon County, Michigan, held at the Village Hall on April 12, 2021, at _____ p.m., local time.

PRESENT: _____

ABSENT: _____

The following Resolution was offered by Member _____ and supported by Member _____:

WHEREAS, pursuant to Act 94, Public Acts of Michigan, 1933, as amended (the "Act") the Village Council of the Village of Roscommon (the "Village") has determined to make improvements to the Village's Sanitary Sewer System; and

WHEREAS, the improvements will enable the Village to provide more efficient and better quality public services to the users of the Sanitary Sewer System; and

WHEREAS, the improvements shall be financed in part by the issuance of revenue bonds in accordance with the Act in the sum of not to exceed \$1,570,000 for a period of not to exceed forty (40) years.

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. DEFINITIONS. Whenever used in this Resolution except when otherwise indicated by context, the following definitions shall apply:

- (a) "Act" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Additional First Lien Bonds" means any First Lien Bonds issued in the future.
- (c) "Additional Junior Lien Bonds" means any additional Junior Lien Bonds issued in the future.
- (d) "Adjusted Net Revenues" means for any operating year the Net Revenues to which may be made the following adjustments:

(i) Revenues may be augmented by the amount of any rate increase adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.

(ii) Revenues may be augmented by amounts that may be derived from rates and charges to be paid by new customers of the System.

(e) "Authorized Officer," means the Village President, Village Manager, the Clerk and the Treasurer of the Village, or any one or more of them acting alone or together.

(f) "Bondholder" or "Bondholders" means the holder or holders of the Bonds.

(g) "Bond Reserve Account" means the subaccount established within the Redemption Account pursuant to Section 16(b)(ii)(C).

(h) "Bonds" means the Series 2021 Bonds, any Additional Junior Lien Bonds, and any Additional First Lien Bonds authorized pursuant to this Resolution or any resolution supplemental to this Resolution.

(i) "Construction Fund" shall mean the 2021 Sanitary Sewer System Revenue Bonds Construction Fund created pursuant to Section 16(a).

(j) "Council" means the Village Council of the Village, the legislative and governing body thereof.

(k) "First Lien Bonds" shall mean any bonds or other obligations that may be issued or incurred by the Village in the future payable from the Revenues of the System that are secured by a lien that is a first lien on the Net Revenues of the System, senior in standing and priority of lien with respect to the Net Revenues to the claim of the Junior Lien Bonds.

(l) "First Lien Redemption Account" means the First Lien Bond and Interest Redemption Account created as a subaccount of the Redemption Account pursuant to Section 16(b)(ii)(A).

(m) "G. O. Fund" means the General Obligation Debt Fund created pursuant to Section 16(b)(iii).

(n) "Government Obligations" means any bonds or other obligations not callable at the option of the Issuer thereof, which as to principal and interest constitute direct obligations of the United States of America, or obligations the principal of and interest on which

is fully guaranteed by the United States of America, including U.S. Treasury Trust Receipts, or any other obligations permitted under the terms of an escrow agreement.

(o) “Improvements” means the design, acquisition and construction of improvements to the System, including, but not limited to, the design, acquisition and construction of improvements to lift stations, including, but not limited to, pump replacement, replacement of force main air release valves, structural repairs, pipe improvements, new controls, mechanical replacement, replacement of communication systems, and repairs; improvements to, lining, repairing and replacing sewer mains and installation of new sewer mains, service wye repairs, improvements to, repair and replacement of manholes, CCTV inspections and other collection system improvements; improvements to the wastewater treatment facility, including, but not limited to, installation of a new mechanical influent screen, and installation aeration improvements and removal of biosolids to facilitate the aeration improvements; the restoration of streets, rights-of-way and easements affected by the improvements and related facilities; as well as all other improvements, work, equipment, furnishings and appurtenances determined by the Village Council.

(p) “Junior Lien Bonds” shall mean any bonds or other obligations that may be issued or incurred by the Village payable from the Revenues of the System that are secured by a lien on the Net Revenues of the System that is subordinate to a first lien on the Net Revenues of the System that may be created for the benefit of any First Lien Bonds and shall include the Series 2021 Bonds.

(q) “Junior Lien Redemption Account” shall mean the Junior Lien Bond and Interest Redemption Account created as a subaccount of the Redemption Account pursuant to Section 16(b)(ii)(B).

(r) “Net Revenues” shall have the same meaning as defined in Section 3 of the Act.

(s) “Operation and Maintenance Fund” means the Operation and Maintenance Fund created pursuant to Section 16(b)(i).

(t) “Receiving Fund” shall mean the Sanitary Sewer System Receiving Fund created pursuant to Section 16(b).

(u) “Redemption Account” shall mean the Bond and Interest Redemption Account created pursuant to Section 16(b)(ii).

(v) "Resolution" means this Resolution and all amendments hereto.

(w) "Revenues" shall have the same meaning as defined in Section 3 of the Act and shall include all earnings on investment of funds of the System and all other revenues derived from or pledged to the operation of the System.

(x) "Series 2021 Bonds" means the Village's Sanitary Sewer System Junior Lien Revenue Bonds, Series 2021 (Federally Taxable) to be issued pursuant to this Resolution in one or more series.

(y) "System" means the Village's complete sanitary sewer system, both inside and outside the Village, including all collection and treatment facilities for sanitary sewer and all appurtenances thereto now owned by the Village and those acquired pursuant to this Resolution and all extensions and improvements thereto hereafter made.

(z) "Village" means the Village of Roscommon, Roscommon County, Michigan.

(aa) "United States" means the United States of America.

Section 2. NECESSITY, PUBLIC PURPOSE. It is hereby determined to be necessary for the public health, safety and welfare of the Village to acquire and construct the Improvements to the System in accordance with the maps, plans and specifications therefor prepared by the Village's consulting engineers, which are hereby approved.

Section 3. ESTIMATED COST; PERIOD OF USEFULNESS. The cost of the Improvements has been estimated by the engineers to be \$5,976,000, including the payment of legal, engineering, financial and other expenses, which estimate of cost is approved and confirmed, and the period of usefulness of the Improvements is estimated to be greater than forty (40) years.

Section 4. ISSUANCE OF BONDS. To pay a portion of the cost of designing, acquiring and constructing the Improvements and to pay the legal and financial expenses and all other expenses incidental to the issuance of the Series 2021 Bonds, the Village shall borrow the sum of not to exceed \$1,570,000 and issue its revenue bonds pursuant to the provisions of the Act in one or more series in the aggregate principal sum of not to exceed \$1,570,000, as finally determined by the Authorized Officer at the time of sale.

Section 5. SERIES 2021 BOND TERMS. The Series 2021 Bonds shall be issued in one or more series with each series issued as one fully registered manuscript bond, shall be sold and delivered to the United States in denominations of \$1,000 or any whole multiple thereof. Each

series of the Series 2021 Bonds shall be dated the date of delivery to the United States, or such other date approved by the Authorized Officer, and shall be payable on the dates and in the amounts determined by the Authorized Officer at the time of sale provided the final maturity of each series of the Series 2021 Bonds shall be no later than forty (40) years after the date of issuance. The Series 2021 Bonds shall bear interest at a rate or rates of not to exceed 2.125% per annum as determined by the Authorized Officer, payable semiannually on the dates determined by the Authorized Officer at the time of sale. The Authorized Officer may alter or determine the Bond terms within the parameters of this Resolution as hereafter provided.

Section 6. PAYMENT OF BONDS; PLEDGE OF NET REVENUES. Principal of and interest on the Bonds shall be payable in lawful money of the United States to the person appearing on the Bond registration books as the registered owner thereof. Payment of principal on the Bonds shall be made at the principal office of the Paying Agent (defined below), and payment of interest on the Bonds shall be paid to the registered owner at the address as it appears on the registration books; provided, however, while any Bonds are held by the United States, principal of and interest on those Bonds shall be paid in lawful money of the United States to the United States or its assignee by draft, check or pre-authorized debit at the office specified in writing or by such other method of payment as instructed by the United States or its assignee.

The principal of and interest on the Bonds shall be payable from the Net Revenues derived from the operation of the System, including future improvements, enlargements and extensions thereof, after provision has been made for the payment of expenses of administration, operation and maintenance thereof. The Net Revenues of the System, including future enlargements, improvements, and extensions thereto, are hereby pledged to the payment of the principal of and interest on the Bonds. To secure the payment of the principal of and interest on the Bonds a statutory lien is created pursuant to the Act to and in favor of the Bondholders of the Bonds upon the Net Revenues of the System, including future enlargements, improvements, and extensions thereof. The statutory lien on the Net Revenues securing all First Lien Bonds shall be a first lien as provided in the Act and shall at all times and in all respects be and remain superior to the lien on the Net Revenues securing any Junior Lien Bonds. The Net Revenues so pledged shall be and remain subject to such lien until the payment in full of the principal of and interest on the Bonds or until Bonds are defeased as provided in Section 24.

The Series 2021 Bonds, including both principal and interest thereon, shall not be a general obligation of the Village and shall not constitute an indebtedness of the Village for the purpose of any debt limitations imposed by any constitutional or statutory provisions.

Section 7. PRIOR REDEMPTION. The Series 2021 Bonds shall be subject to redemption prior to maturity, at the option of the Village, in whole or in part, in such order as the Village may designate on any date, at the par value thereof and accrued interest to the date fixed for redemption, without a premium. Series 2021 Bonds of a denomination greater than \$1,000 may be partially redeemed in the amount of \$1,000 or any whole multiple thereof. If less than all the Series 2021 Bonds maturing in any year are to be redeemed, the Series 2021 Bonds or portions of the Series 2021 Bonds to be redeemed shall be selected by lot. Series 2021 Bonds called for redemption shall be redeemed at the par value thereof, plus accrued interest to the date fixed for redemption, without a premium.

Notice of the call of any Series 2021 Bonds for redemption shall be given by mail not less than thirty (30) days prior to the date fixed for redemption to the registered holder at the registered address. Series 2021 Bonds 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 Paying Agent to redeem such Series 2021 Bonds.

Section 8. PAYING AGENT AND REGISTRATION.

(a) Appointment of Paying Agent. From time to time the Village shall designate and appoint a Paying Agent (the "Paying Agent"), which shall also act as transfer agent and bond registrar. The initial Paying Agent shall be the Treasurer of the Village. In the event of a change in the Paying Agent, notice shall be given in writing, by certified mail, to each Registered Owner not less than sixty (60) days prior to the next interest payment date. The Paying Agent shall keep the official books for the recordation of the Registered Owners of the Bonds.

(b) Registration of Bonds. Registration of the Bonds shall be recorded in the registration books of the Village to be kept by a Paying Agent. Except as may be provided for additional Bonds in the resolution authorizing issuance of those Bonds, Bonds may be transferred only by submitting the same, together with a satisfactory instrument of transfer signed by the Registered Owner or the Registered Owner's legal representative duly authorized in writing, to the Paying Agent, after which a new Bond or Bonds shall be issued by the Paying Agent to the transferee (new registered owner) in any denomination, in the same aggregate principal amount as

the Bond submitted for transfer. No transfer of Bonds shall be valid unless and until recorded on the bond registration books in accordance with the foregoing. The person in whose name any Bond is registered may for all purposes, notwithstanding any notice to the contrary, be deemed and treated by the Village and the Paying Agent as the absolute owner thereof, and any payment of the principal of and interest on any Bond to the Registered Owner thereof shall constitute a valid discharge of the Village's liability upon such Bond to the extent of such payment. No Bond shall be transferred less than fifteen (15) days prior to an interest payment date nor after the Bond has been called for redemption.

Section 9. SALE OF BONDS. The Series 2021 Bonds shall be sold to the United States. The Village determines that a negotiated sale to the United States is in the best interest of the Village because the terms offered by the United States are more favorable than those available from other sources of funding.

Section 10. BOND FORM. The Series 2021 Bonds shall be substantially in the form attached hereto as Exhibit A, and incorporated herein, with such completions, changes and additions as may be required by the United States or as recommended by the Village's Bond counsel and approved by the officers of the Village signing the Series 2021 Bonds.

Section 11. AUTHORIZED OFFICER. The Authorized Officer is hereby designated, for and on behalf of the Village, to do all acts and to take all necessary steps required to effectuate the sale, issuance and delivery of the Series 2021 Bonds. Notwithstanding any other provision of this Resolution, the Authorized Officer is authorized within the limitations of this Resolution to determine the specific interest rate or rates to be borne by the Series 2021 Bonds, not exceeding 2.125% per annum, the principal amount, interest payment dates, dates of maturities, and amount of maturities, redemption rights, the title of the Series 2021 Bonds, date of issuance, the amount of the rate covenant in Section 19 and additional bonds test in Section 22 and other terms and conditions relating to the Series 2021 Bonds and the sale thereof provided, however, the last annual principal installment of each series shall not be more than forty (40) years from the date of issuance of that series of the Series 2021 Bonds. The Authorized Officer's approval of the terms shall be evidenced by his or her signature on the document or agreement stating such terms. The Authorized Officer is hereby authorized for and on behalf of the Village, without further Council approval, to do all acts and take all necessary steps required to effectuate the sale, issuance, and delivery of the Series 2021 Bonds. The Authorized Officer is authorized to execute any orders,

receipts, agreements, pledge agreements, documents or certificates necessary to complete the transaction, including, but not limited to, any issuer's certificate, any certificates relating to federal or state securities laws, rules or regulations, any applications to the Michigan Department of Treasury.

Section 12. EXECUTION OF BONDS. The President or the President Pro Tem and the Clerk or the Deputy Clerk of the Village are hereby authorized and directed to sign the Series 2021 Bonds, either manually or by facsimile signature, on behalf of the Village. Upon execution, the Series 2021 Bonds shall be delivered to the purchaser thereof.

Section 13. RIGHTS OF BONDHOLDERS. The Bondholders representing in the aggregate not less than twenty percent (20%) of the entire amount of Bonds then outstanding may protect and enforce the statutory lien, either at law or in equity, by suit, action, mandamus, or other proceedings, and enforce and compel the performance of all duties of the officials of the Village, including the fixing of sufficient rates, the collection of revenues, the proper segregation of revenues and the proper application thereof; provided, however, that such statutory lien shall not be construed to give any Registered Owner of any Bond authority to compel the sale of the System, the revenues of which are pledged thereto.

If there is any default in the payment of the principal of or interest on any of the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Village and under the direction of such court, and by and with the approval of such court, to fix and charge rates and collect revenues sufficient to provide for the payment of any Bonds or other obligations outstanding against the revenues of the System and for the payment of the expenses of operating and maintaining the System and to apply the income and revenues of the System in conformity with the Act and this Resolution.

The owners or Bondholders, from time to time, of the Bonds, shall have all the rights and remedies given by law, and particularly by the Act, for the collection and enforcement of the Bonds and the security therefor.

Section 14. MANAGEMENT OF SYSTEM. Except as provided in this Resolution, the construction, alteration, repair and management of the System shall be under the supervision and control of the Council. The Village may employ such persons in such capacities as it deems advisable to carry on the efficient management and operation of the System. The Council may

make such rules, orders and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 15. SUPERVISED BANK ACCOUNTS. The Treasurer shall be custodian of all funds belonging to and/or associated with the System and such funds shall be deposited in a bank or banks, each of which has unimpaired capital and surplus of at least \$2,000,000, or which are each a member of the Federal Deposit Insurance Corporation.

Section 16. FUNDS AND ACCOUNTS. The Treasurer is hereby directed to create and maintain the following funds, which shall be designated as follows, into which the Bond proceeds and the revenues and income from the System shall be deposited, which funds and accounts shall be established and maintained, except as otherwise provided, so long as any of the Bonds hereby authorized remain unpaid.

(a) Bond Proceeds – Construction Fund. The proceeds of the Series 2021 Bonds shall be deposited in the Construction Fund. Such moneys shall be used solely for the purpose for which the Series 2021 Bonds were issued. Any unexpended balance in the Construction Fund remaining after completion of the Improvements may be used for such purposes as allowed by law. After completion of the Improvements and disposition of remaining Series 2021 Bond proceeds, if any, pursuant to the provisions of this Section, the Construction Fund shall be closed.

(b) Receiving Fund. The gross income and revenue of the System shall be set aside into the Receiving Fund. The moneys so deposited are pledged for the purpose of the following funds and accounts and shall be expended and used only in the manner and order as follows:

(i) Operation and Maintenance Fund. The Village shall create and maintain the Operation and Maintenance Fund. Prior to the beginning of each fiscal year, the Council shall prepare an annual budget of the System for the ensuing fiscal year. Out of the revenues in the Receiving Fund, there shall be set aside, quarterly and deposited into the Operation and Maintenance Fund a sum sufficient to pay the reasonable and necessary current expenses of administering, operating and maintaining the System for the ensuing three months.

(ii) Redemption Account. The Village shall create and maintain the Redemption Account.

(A) First Lien Redemption Account. The First Lien Redemption Account shall be established as a subaccount within the Redemption Account to be used solely for the purpose of paying the principal of and interest on First Lien Bonds. After the transfers required above, there shall first be transferred quarterly from the Receiving Fund, and deposited in the First Lien Redemption Account, for payment of principal of and interest on the First Lien Bonds, a sum equal to at least one-half (1/2) of the amount of interest due on First Lien Bonds on the next ensuing interest payment dates plus not less than one-fourth (1/4) of the principal maturing on First Lien Bonds on the next ensuing principal payment dates in each year. The moneys in the First Lien Redemption Account shall be accounted for separately.

(B) Junior Lien Redemption Account. The Junior Lien Redemption Account shall also be established as a subaccount within the Redemption Account to be used solely for the purpose of paying the principal of and interest on Junior Lien Bonds. After the transfers required above, there shall be transferred quarterly from the Receiving Fund, and deposited in the Junior Lien Redemption Account for payment of principal of and interest on the Junior Lien Bonds, a sum equal to at least one-half (1/2) of the amount of interest on Junior Lien Bonds due on the next ensuing interest payment dates plus not less than one-fourth (1/4) of the principal maturing on Junior Lien Bonds on the next ensuing principal payment dates in each year. The monies in the Junior Lien Redemption Account shall be accounted for separately.

(C) Bond Reserve Account. The Bond Reserve Account shall also be established as a subaccount of the Redemption Account. There is hereby established a subaccount with respect to the Series 2021 Bonds within the Bond Reserve Account to be known as the Series 2021 Bonds Reserve Account (the "2021 Reserve"). The Village shall pay into the 2021 Reserve from the revenues of the System after provision has been made for the Operation and Maintenance Fund and the current requirements of the Redemption Account, an annual sum of not less than \$5,136 until there has been accumulated in the 2021 Reserve the sum of \$51,630 or such other amounts determined by the United States and approved by the Authorized Officer (the "Required Reserve"). Except as hereinafter provided, no further deposits or additions need be made into the 2021 Reserve once the Required Reserve has been deposited therein. The moneys in the Bond Reserve Account shall be used solely for the payment of the principal of and interest on the Series 2021 Bonds as to which there would otherwise be default.

If at any time it shall be necessary to use moneys in the 2021 Reserve for payment of principal and/or interest on the Series 2021 Bonds, then the moneys so used shall be replaced from the revenues first received thereafter that are not required by this Resolution to be used for operation and maintenance or for current principal and interest requirements. The 2021 Reserve shall be maintained while the Series 2021 Bonds remain outstanding or until they are defeased. The 2021 Reserve may be applied to the final payments of principal and interest on the Series 2021 Bonds or to provide funds for their defeasance.

(D) Additional Deposits. If for any reason there is a failure to make a required deposit to any of the subaccounts of the Redemption Account or for any reason there is a deficiency in any of the subaccounts, then an amount equal to the deficiency shall be set aside and deposited in the subaccount from the Net Revenues in the next succeeding period, which amount shall be in addition to the regular deposit required during such succeeding period.

No further payments need be made into a subaccount of the Redemption Account after the amount accumulated and held in the subaccount, or in the case of the Series 2021 Bonds together with amounts held in the 2021 Reserve, is sufficient to pay when due the entire amount of principal and interest that will be payable at the time of maturity or at an earlier redemption date of all the Bonds then remaining outstanding that are payable from the subaccount, or for Bonds that have been defeased as provided in Section 24.

(iii) General Obligation Debt Fund. The G. O. Fund is hereby established. After meeting the requirement of the foregoing funds, there may be transferred quarterly from remaining revenues in the Receiving Fund, or from other available monies, and deposited in the G. O. Fund, such sums as the Council, in its sole discretion determines to be desirable to pay debt service on presently existing or future general obligation bond issues of the Village or general obligation contractual obligations of the Village incurred or to be incurred for System purposes. This section shall not be construed to create a lien on the Net Revenues in favor of any obligations the debt service on which may be paid from the G. O. Fund from time to time.

(iv) Repair Replacement and Improvement Fund. The Village shall create and maintain the Repair Replacement and Improvement Fund. The Village shall deposit each year from monies in the Receiving Fund, after meeting the requirements of the subsections set forth above, the sum of \$20,633 or such other amounts determined by the United States and approved by the Authorized Officer, until the principal of and interest on the Series 2021 Bonds

has been paid in full. Moneys in the Repair Replacement and Improvement Fund shall be used by the Village for the purpose of acquiring and constructing improvements, additions and extensions and for making repairs and replacements to the System. Such additional sums may be deposited into the Repair Replacement and Improvement Fund as the Council shall determine to be necessary from time to time for the purposes of the Repair Replacement and Improvement Fund.

(v) Surplus Moneys. All moneys remaining in the Receiving Fund at the end of any operating year after satisfying the above requirements may be transferred to the Redemption Account and its subaccounts and used as authorized in this Resolution or, at the option of the Village, transferred to the G. O. Fund or the Repair Replacement and Improvement Fund and used for the purposes for which said funds were established. Provided, however, that if there should be a deficit in the Operation and Maintenance Fund, and any subaccount of the Redemption Account, the G. O. Fund or a bond reserve account on account of defaults in setting aside therein the amounts required in this Resolution, or a future resolution, then the Village shall transfer the moneys remaining in the Receiving Fund at the end of any operating year to such funds in the priority and order named, to the extent of such deficits. Available surplus moneys may be used to retire any outstanding obligations of the Village incurred for construction, expansion or addition to the System, including additional bonds, the issuance of which is authorized by this Resolution, or if no other disposition has been provided for, such moneys may be used for such other purposes of the System as the Village Council may deem to be for the best interest of the Village.

(vi) Priority of Accounts. In the event the monies in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or any subaccounts of the Redemption Account, any monies or securities in other funds of the System, except the Construction Fund, shall be credited or transferred, first, to the Operation and Maintenance Fund, second to the First Lien Redemption Account, third to the Junior Lien Redemption Account and fourth to a bond reserve account, to the extent of any deficit therein.

Section 17. INVESTMENT OF FUNDS. Moneys in the funds and accounts established herein may be invested by the Village in bonds, notes, bills and certificates of, or guaranteed by, the United States of America, or in interest bearing time deposits or other investments as shall be determined by the Village, subject to the provisions of Act 20, Public Acts of Michigan, 1943, as amended, or any statute subsequently adopted regulating investments by the Village.

Section 18. DEPOSITORY AND FUNDS ON HAND. Monies in the several funds and accounts maintained pursuant to this Resolution, except monies in the Construction Fund and Redemption Account, which must be kept in a separate account, may be kept in one or more accounts at financial institutions designated by resolution of the Village, and if kept in one account, the monies shall be allocated on the books and records of the Village in the manner and at the times provided in this Resolution.

Section 19. RATES AND CHARGES. Rates shall be fixed and revised from time to time by the Council so as to produce amounts that are sufficient to pay the expenses of administration and the costs of operation and maintenance of the System, to provide an amount of revenues adequate for the payment of principal of and interest on the Bonds, reserve, replacement and improvement requirements and to otherwise comply with all requirements and covenants provided herein; and such that are reasonably expected to yield annual Net Revenues of the System, in the current fiscal year equal to at least 100% of principal maturing and interest payable in the forthcoming twelve (12) month period on the then outstanding Junior Lien Bonds and equal to such percentage of the average the annual principal and interest thereafter maturing in the forthcoming twelve (12) month period on the then outstanding First Lien Bonds, if any, as is established by the resolution authorizing the issuance of the First Lien Bonds; and promptly upon any material change in the circumstances which were not contemplated at the time such rates and charges were most recently reviewed, but not less frequently than once in each fiscal year, review the rates and charges for its services and promptly revise such rates and charges as necessary to comply with the foregoing requirement, in which case the Village will be in compliance with the requirements of this Section. The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into consideration the costs and value of the System, the cost of maintaining, repairing, and operating the System, and the amounts necessary for the retirement of all Bonds and interest accruing on all Bonds, and there shall be charged such rates and charges as shall be adequate to meet the requirement of this and the preceding sections.

Section 20. NO FREE SERVICE. No free service shall be furnished by the System to the Village or to any individual, firm or corporation, public or private, or to any agency or instrumentality.

Section 21. REVENUE BOND COVENANTS. The Village covenants and agrees, so long as any of the Bonds hereby authorized remain unpaid, as follows:

(a) It will punctually perform all duties with reference to the System and comply with applicable State laws and regulations and continually operate and maintain the System in good condition.

(b) It will not sell, lease, mortgage or in any manner dispose of the System, or any substantial part of it, until all Bonds payable from the revenues of the System shall have been paid in full, defeased, or provision has been made or an agreement entered into for the payment of such Bonds. The Village is explicitly authorized to enter into arrangements, including a lease of the system, with a regional authority in which the Village is a participant if such arrangements require the authority to provide funds to make payments sufficient to pay the debt service on any of the bonds affected by the arrangement.

(c) It will cause an annual review of rates and charges to be made and based thereon will adjust such rates and charges to provide the amounts required by this Resolution.

(d) It will maintain complete books and records relating to the operation of the System and its financial affairs, will cause such books and records to be audited annually at the end of each fiscal year and an audit report prepared, and will furnish a Bondholder a copy of such report upon written request.

(e) It will maintain and carry insurance on all physical properties of the System, for the benefit of the Bondholders, of the kinds and in the amounts normally carried by municipalities engaged in the operation of similar systems. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of calling Bonds.

Section 22. ADDITIONAL BONDS. Additional First Lien Bonds of equal standing and priority with any outstanding First Lien Bonds may be issued for repair, replacement, improvement or extension of the System and to refund all or a portion of Bonds and paying the costs of issuing the Additional First Lien Bonds, but only if the average actual or Adjusted Net Revenues of the System for any consecutive twelve month period out of the 24 months preceding the adoption of the resolution authorizing the issuance of such Bonds shall be equal to at least one hundred percent (100%) of the average annual principal and interest thereafter maturing in any operating year on the then outstanding First Lien Bonds, Junior Lien Bonds and the Additional First Lien Bonds then being issued. In addition, Additional First Lien Bonds of equal standing

and priority with any outstanding First Lien Bonds may be issued to refund all or a portion of outstanding Bonds if the refunding would provide a net present value debt service savings to the Village. If the Additional First Lien Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the Additional First Lien Bonds. Additional Junior Lien Bonds may be issued in the discretion of the Village.

Additional Junior Lien Bonds of equal standing and priority with any outstanding Junior Lien Bonds may be issued for repair, replacement, improvement or extension of the System and to refund all or a portion of Bonds and paying the costs of issuing the Additional Junior Lien Bonds, but only if the average actual or Adjusted Net Revenues of the System for any consecutive twelve month period out of the 24 months preceding the adoption of the resolution authorizing the issuance of such Bonds shall be equal to at least one hundred percent (100%) of the average annual principal and interest thereafter maturing in any operating year on the then outstanding First Lien Bonds, Junior Lien Bonds and the Additional Junior Lien Bonds then being issued. In addition, Additional Junior Lien Bonds of equal standing and priority with any outstanding Junior Lien Bonds may be issued to refund all or a portion of outstanding Bonds if the refunding would provide a net present value debt service savings to the Village. If the Additional Junior Lien Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the Additional Junior Lien Bonds.

In addition, at any time that the United States is the holder of all of the Bonds outstanding, Additional First Lien Bonds and Junior Lien Bonds may be issued if the United States consents or agrees to the issuance.

In addition, Additional First Lien Bonds may be issued without meeting any of the conditions and tests set forth above to pay: (i) the cost of acquisition and construction of any repairs, replacements, improvements, major renewals or corrections of any damage or loss to the System necessary, in the opinion of the Village engineer, to keep the System in good operating condition or to prevent a loss of Revenues therefrom to the extent that the cost thereof cannot

reasonably be paid from the Repair Replacement and Improvement Fund or from insurance proceeds, or (ii) the cost of decommissioning, disposal or termination of any part of the System.

Determination by the Council as to existence of conditions permitting the issuance of Additional Bonds shall be conclusive, provided this shall not eliminate any requirement for any other approval required herein.

Any additional Bonds shall be subject to the various funds herein established, and all revenue from any such extension or replacement constructed by the proceeds of any additional Bonds shall be paid into the Receiving Fund.

Section 23. DEFAULT OF THE VILLAGE. If there shall be default in the provisions of this Resolution, any subaccount of the Redemption Account, or in the payment of principal or interest on any of the Bonds, upon the filing of a suit by the owners of twenty percent (20%) or more of the principal amount of the Bonds outstanding, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Village with power to charge and collect rates sufficient to provide for the payment of the Bonds, for the payment of operation expenses, and to apply income and revenues in accordance with this Resolution and the laws of the State of Michigan.

The Village hereby agrees to transfer to any bona fide receiver or other subsequent operator of the System, pursuant to any valid court order in a proceeding brought to enforce payment of the Village's obligations, all contracts and other rights of the Village, conditionally, for such time only as such receiver or operator shall operate by authority of the court.

In the event of default, the owners of twenty percent (20%) or more of the outstanding Bonds may require by mandatory injunction the raising of rates in a reasonable amount.

Section 24. DEFEASANCE.

(a) Bonds held by the United States shall not be defeased without written approval of the United States.

(b) Except as provided above, in the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional or mandatory redemption, the principal of, premium, if any, and interest on any of the Bonds, shall be deposited in trust, this Resolution shall be defeased with respect to such Bonds (the "Defeased

Bonds”), and the owners of the Defeased Bonds shall have no further rights under this Resolution except to receive payment of the principal of, premium, if any, and interest on the bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein. Defeased Bonds shall be treated as if they have been redeemed for all purposes under this Resolution.

Section 25. FISCAL YEAR OF SYSTEM. The fiscal year for operating the System shall coincide with the fiscal year of the Village.

Section 26. CONTRACT WITH BONDHOLDERS. The provisions of this Resolution shall constitute a contract between the Village and the Bondholders from time to time, and after the issuance of any of such Bonds, no change, variation or alteration of the provisions of this Resolution may be made that would lessen the security for such Bonds. The provisions of this Resolution shall be enforceable by appropriate proceedings taken by such Bondholder, either at law or in equity.

Section 27. ELECTRONIC FUND TRANSFERS. Pursuant to the guidelines and requirements of the United States, promulgated through the Rural Development Division of the United States Department of Agriculture, the Series 2021 Bond proceeds will be released and delivered to the Village pursuant to draws against such funds during construction and acquisition of the Improvements. Commencing with the issuance of the Series 2021 Bonds, the Treasurer, or his or her appointee, will inscribe his or her initials on Schedule II attached to the appropriate Series 2021 Bonds to acknowledge receipt and acceptance of the amount of the draw. Thereafter the Treasurer will complete and execute an “Estimate of Funds Needed for a Thirty- (30-) Day Period”, Form 440-11 (the “Estimate of Funds Needed”) periodically requesting additional funds.

In the event the United States provides for an electronic fund transfer of draws, the Village shall deliver the executed Estimate of Funds Needed by mail or facsimile transmission to the United States, after which the appropriate funds will be wire transferred to the account of the Village.

Section 28. LOAN RESOLUTION. The Loan Resolution, RUS Bulletin 1780-27, is hereby adopted and the terms and conditions hereof are incorporated herein, with such changes completions an additions as are approved by the Authorized Officer.

Section 29. PUBLICATION AND RECORDATION. This Resolution shall be published once in full in a newspaper of general circulation in the Village qualified under state law

to publish legal notices, and the same shall be recorded in the records of the Village and such recording authenticated by the signature of the Village Clerk.

Section 30. RESOLUTION SUBJECT TO MICHIGAN LAW. The provisions of this Resolution are subject to the laws of the State of Michigan.

Section 31. SECTION HEADINGS. The section headings in this Resolution are furnished for convenience of reference only and shall not be considered to be a part of this Resolution.

Section 32. SEVERABILITY. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 33. CONFLICT. Except as provided above, all Resolutions and Resolutions or parts thereof, insofar as the same may be in conflict herewith, are hereby repealed to the extent of the conflict; provided that the foregoing shall not operate to repeal any provision thereof, the repeal of which would impair the obligation on the Bonds.

Section 34. EFFECTIVE DATE OF RESOLUTION. Pursuant to Section 6 of the Act, this Resolution shall be approved on the date of first reading and this Resolution shall be effective immediately upon its adoption.

YEAS: _____

NAYS: _____

ABSTAIN: _____

RESOLUTION DECLARED ADOPTED.

Mike Miller, President

Frances Dawson, Clerk

CERTIFICATION

I, Frances Dawson, the duly qualified and acting Clerk of the Village of Roscommon, Roscommon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Village Council at a regular meeting held on April 12, 2021, and that notice of said meeting was given pursuant to Act 267, Public Acts of Michigan, 1976, as amended.

Date: April 12, 2021

Frances Dawson, Clerk

EXHIBIT A

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF ROSCOMMON
VILLAGE OF ROSCOMMON
SANITARY SEWER SYSTEM JUNIOR LIEN REVENUE BONDS,
SERIES, 2021
(Federally Taxable)**

Interest Rate

Maturity Date

Date of Original Issue

Registered Owner: United States of America

Principal Amount: [Insert par amount]

The Village of Roscommon, Roscommon County, Michigan (the "Issuer"), acknowledges itself indebted and, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, out of the net revenues of the Sanitary Sewer System of the Issuer (the "System"), including all appurtenances, additions, extensions and improvements thereto after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the "Net Revenues"), the Principal Amount specified above, in the amounts and on the dates as set forth on Schedule I attached hereto, unless prepaid prior thereto as hereinafter provided, together with interest thereon from the dates of receipt of such funds, or such later date to which interest has been paid, at the Interest Rate per annum specified above, first payable on _____ 1, 20__, and semiannually thereafter on the first day of _____ and _____ of each year, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto.

Principal of this Bond is payable in lawful money of the United States of America to the United States of America. As long as the United States is the holder of this Bond, such payments shall be made by check, draft, wire transfer, Pre-Authorized Debit (PAD) or such other method of payment as instructed by the United States or its assignee.

This Bond, being one fully registered manuscript bond payable serially as set forth on Schedule I, is issued in accordance with the provisions of Act 94, Public Acts of Michigan, 1933, as amended and a resolution adopted by the Village Council of the Issuer on April 12, 2021 (the "Resolution"), for the purpose of paying the cost of acquiring and constructing improvements to the System. This Bond is a self-liquidating Bond, and is not a general obligation of the Issuer within any constitutional or statutory limitations but is payable, both as to principal and interest, solely from the Net Revenues of the System. The principal of and interest on this Bond are secured by a statutory lien on the Net Revenues.

The Issuer hereby covenants and agrees to fix, and maintain at all times while any of the Bonds shall be outstanding, such rates for service furnished by the System as are required by the Resolution, to maintain a bond and interest redemption account, a bond reserve account and to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Resolution. The statutory liens securing any First Lien Bonds (as defined in the Resolution) issued by the Issuer will be first liens that are and shall remain superior to the lien on the Net Revenues securing this Bond and any and any Additional Junior Lien Bonds (as defined in the Resolution). The Bonds of this series shall have equal standing with any Additional Junior Lien Bonds that may be issued pursuant to the Resolution, and additional bonds of superior standing to the bonds of this series may be issued pursuant to the Resolution. For a complete statement of the revenues from which, and the conditions under which, this Bond is payable, a statement of the conditions under which additional bonds of equal or superior standing may hereafter be issued, and the general covenants and provisions pursuant to which this Bond is issued, reference is made to the Resolution.

While the Bonds of this series are held by the United States of America they shall not be defeased without the prior written consent of the United States of America. The Bonds shall be subject to redemption prior to maturity, at the option of the Issuer and in whole or in part in such order as the Issuer may designate, on any date, at the par value thereof and accrued interest to the date fixed for redemption, without a premium.

This Bond shall be registered in the name of the United States of America on the registration books kept by the Treasurer, acting as Paying Agent and bond registrar. No transfer shall be valid unless made upon the books of the Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this Bond, exist and have been done and performed in regular

and due time and form as required by law and that the total indebtedness of the Issuer including this Bond, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Village of Roscommon, Roscommon County, Michigan, by its Village Council, has caused this Bond to be signed, by the manual or facsimile signatures of its President and the Clerk, all as of the _____ day of _____ 2021.

Mike Miller, President

Frances Dawson, Clerk

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond represents the total authorized issue of the Village of Roscommon Sanitary Sewer System Junior Lien Revenue Bonds, Series 2021 (Federally Taxable), in the principal amount of [Insert par amount], and has been registered in the name of the Registered Owner designated on the face hereof in the bond register maintained for the Village of Roscommon.

Date: _____, 2021

Jan Deloge, Treasurer
As Paying Agent/Bond Registrar/Transfer Agent

TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto

(Tax Identification or Social Security No. _____) the within Bond and all rights hereunder, and hereby constitutes and appoints _____ attorney, to transfer the within Bond on the books kept for registration thereof by the Paying Agent, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears on the registration books every particular, without alteration or enlargement or any change whatever.

SCHEDULE I

VILLAGE OF ROSCOMMON

**\$(INSERT PAR AMOUNT)
SANITARY SEWER SYSTEM JUNIOR LIEN REVENUE BONDS,
SERIES 2021
(Federally Taxable)**

The Bond in the aggregate principal amount of \$[Insert par amount] matures annually on the first day of _____ as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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LOAN RESOLUTION
(Public Bodies)A RESOLUTION OF THE Village CouncilOF THE Roscommon VillageAUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
Wastewater Treatment and Collection System

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Roscommon Village*(Public Body)*

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

One Million Five Hundred Seventy Thousand & 00/100pursuant to the provisions of PA 94 of 1933, as amended; and**WHEREAS**, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**VILLAGE OF ROSCOMMON
(Roscommon County, Michigan)**

Resolution No. _____

**RESOLUTION TO AUTHORIZE ISSUANCE
OF WATER SYSTEM JUNIOR LIEN REVENUE BONDS**

Minutes of a regular meeting of the Village Council of the Village of Roscommon, Roscommon County, Michigan, held at the Village Hall on April 12, 2021, at _____ p.m., local time.

PRESENT: _____

ABSENT: _____

The following Resolution was offered by Member _____ and supported by Member _____:

WHEREAS, pursuant to Act 94, Public Acts of Michigan, 1933, as amended (the "Act") the Village Council of the Village of Roscommon (the "Village") has determined to make improvements to the Village's Water System; and

WHEREAS, the improvements will enable the Village to provide more efficient and better quality public services to the users of the Water System; and

WHEREAS, the improvements shall be financed in part by the issuance of revenue bonds in accordance with the Act in the sum of not to exceed \$1,229,000 for a period of not to exceed forty (40) years.

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. DEFINITIONS. Whenever used in this Resolution except when otherwise indicated by context, the following definitions shall apply:

- (a) "Act" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Additional First Lien Bonds" means any First Lien Bonds issued in the future.
- (c) "Additional Junior Lien Bonds" means any additional Junior Lien Bonds issued in the future.
- (d) "Adjusted Net Revenues" means for any operating year the Net Revenues to which may be made the following adjustments:

(i) Revenues may be augmented by the amount of any rate increase adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.

(ii) Revenues may be augmented by amounts that may be derived from rates and charges to be paid by new customers of the System.

(e) "Authorized Officer," means the Village President, Village Manager, the Clerk and the Treasurer of the Village, or any one or more of them acting alone or together.

(f) "Bondholder" or "Bondholders" means the holder or holders of the Bonds.

(g) "Bond Reserve Account" means the subaccount established within the Redemption Account pursuant to Section 16(b)(ii)(C).

(h) "Bonds" means the Series 2021 Bonds, any Additional Junior Lien Bonds, and any Additional First Lien Bonds authorized pursuant to this Resolution or any resolution supplemental to this Resolution.

(i) "Construction Fund" shall mean the 2021 Water System Revenue Bonds Construction Fund created pursuant to Section 16(a).

(j) "Council" means the Village Council of the Village, the legislative and governing body thereof.

(k) "First Lien Bonds" shall mean any bonds or other obligations that may be issued or incurred by the Village in the future payable from the Revenues of the System that are secured by a lien that is a first lien on the Net Revenues of the System, senior in standing and priority of lien with respect to the Net Revenues to the claim of the Junior Lien Bonds.

(l) "First Lien Redemption Account" means the First Lien Bond and Interest Redemption Account created as a subaccount of the Redemption Account pursuant to Section 16(b)(ii)(A).

(m) "G. O. Fund" means the General Obligation Debt Fund created pursuant to Section 16(b)(iii).

(n) "Government Obligations" means any bonds or other obligations not callable at the option of the Issuer thereof, which as to principal and interest constitute direct obligations of the United States of America, or obligations the principal of and interest on which

is fully guaranteed by the United States of America, including U.S. Treasury Trust Receipts, or any other obligations permitted under the terms of an escrow agreement.

(o) “Improvements” means the design, acquisition and construction of improvements to the System, including, but not limited to, the design, acquisition, and construction of improvements to and replacing of water mains and installing of new water mains, abandoning water mains and other distribution system improvements; improvements to and replacement of communication systems and controls, improvements to and replacement of meter pits, replacement of meters and related software and hardware; improvements to and replacement of wells and well houses; the restoration of streets, rights-of-way and easements affected by the improvements and related facilities; as well as all other improvements, work, equipment, furnishings and appurtenances determined by the Village Council.

(p) “Junior Lien Bonds” shall mean any bonds or other obligations that may be issued or incurred by the Village payable from the Revenues of the System that are secured by a lien on the Net Revenues of the System that is subordinate to a first lien on the Net Revenues of the System that may be created for the benefit of any First Lien Bonds and shall include the Series 2021 Bonds.

(q) “Junior Lien Redemption Account” shall mean the Junior Lien Bond and Interest Redemption Account created as a subaccount of the Redemption Account pursuant to Section 16(b)(ii)(B).

(r) “Net Revenues” shall have the same meaning as defined in Section 3 of the Act.

(s) “Operation and Maintenance Fund” means the Operation and Maintenance Fund created pursuant to Section 16(b)(i).

(t) “Receiving Fund” shall mean the Water System Receiving Fund created pursuant to Section 16(b).

(u) “Redemption Account” shall mean the Bond and Interest Redemption Account created pursuant to Section 16(b)(ii).

(v) “Resolution” means this Resolution and all amendments hereto.

(w) “Revenues” shall have the same meaning as defined in Section 3 of the Act and shall include all earnings on investment of funds of the System and all other revenues derived from or pledged to the operation of the System.

(x) "Series 2021 Bonds" means the Village's Water System Junior Lien Revenue Bonds, Series 2021 (Federally Taxable) to be issued pursuant to this Resolution in one or more series.

(y) "System" means the Village's complete Water system, both inside and outside the Village, including all wells, treatment and distribution facilities for supplying water and all appurtenances thereto now owned by the Village and those acquired pursuant to this Resolution and all extensions and improvements thereto hereafter made.

(z) "United States" means the United States of America.

(aa) "Village" means the Village of Roscommon, Roscommon County, Michigan.

Section 2. NECESSITY, PUBLIC PURPOSE. It is hereby determined to be necessary for the public health, safety and welfare of the Village to acquire and construct the Improvements to the System in accordance with the maps, plans and specifications therefor prepared by the Village's consulting engineers, which are hereby approved.

Section 3. ESTIMATED COST; PERIOD OF USEFULNESS. The cost of the Improvements has been estimated by the engineers to be \$5,056,000, including the payment of legal, engineering, financial and other expenses, which estimate of cost is approved and confirmed, and the period of usefulness of the Improvements is estimated to be greater than forty (40) years.

Section 4. ISSUANCE OF BONDS. To pay a portion of the cost of designing, acquiring and constructing the Improvements and to pay the legal and financial expenses and all other expenses incidental to the issuance of the Series 2021 Bonds, the Village shall borrow the sum of not to exceed \$1,229,000 and issue its revenue bonds pursuant to the provisions of the Act in one or more series in the aggregate principal sum of not to exceed \$1,229,000, as finally determined by the Authorized Officer at the time of sale.

Section 5. SERIES 2021 BOND TERMS. The Series 2021 Bonds shall be issued in one or more series with each series issued as one fully registered manuscript bond, shall be sold and delivered to the United States in denominations of \$1,000 or any whole multiple thereof. Each series of the Series 2021 Bonds shall be dated the date of delivery to the United States, or such other date approved by the Authorized Officer, and shall be payable on the dates and in the amounts determined by the Authorized Officer at the time of sale provided the final maturity of each series

of the Series 2021 Bonds shall be no later than forty (40) years after the date of issuance. The Series 2021 Bonds shall bear interest at a rate or rates of not to exceed 2.125% per annum as determined by the Authorized Officer, payable semiannually on the dates determined by the Authorized Officer at the time of sale. The Authorized Officer may alter or determine the Bond terms within the parameters of this Resolution as hereafter provided.

Section 6. PAYMENT OF BONDS; PLEDGE OF NET REVENUES. Principal of and interest on the Bonds shall be payable in lawful money of the United States to the person appearing on the Bond registration books as the registered owner thereof. Payment of principal on the Bonds shall be made at the principal office of the Paying Agent (defined below), and payment of interest on the Bonds shall be paid to the registered owner at the address as it appears on the registration books; provided, however, while any Bonds are held by the United States, principal of and interest on those Bonds shall be paid in lawful money of the United States to the United States or its assignee by draft, check or pre-authorized debit at the office specified in writing or by such other method of payment as instructed by the United States or its assignee.

The principal of and interest on the Bonds shall be payable from the Net Revenues derived from the operation of the System, including future improvements, enlargements and extensions thereof, after provision has been made for the payment of expenses of administration, operation and maintenance thereof. The Net Revenues of the System, including future enlargements, improvements, and extensions thereto, are hereby pledged to the payment of the principal of and interest on the Bonds. To secure the payment of the principal of and interest on the Bonds a statutory lien is created pursuant to the Act to and in favor of the Bondholders of the Bonds upon the Net Revenues of the System, including future enlargements, improvements, and extensions thereof. The statutory lien on the Net Revenues securing all First Lien Bonds shall be a first lien as provided in the Act and shall at all times and in all respects be and remain superior to the lien on the Net Revenues securing any Junior Lien Bonds. The Net Revenues so pledged shall be and remain subject to such lien until the payment in full of the principal of and interest on the Bonds or until Bonds are defeased as provided in Section 24.

The Series 2021 Bonds, including both principal and interest thereon, shall not be a general obligation of the Village and shall not constitute an indebtedness of the Village for the purpose of any debt limitations imposed by any constitutional or statutory provisions.

Section 7. PRIOR REDEMPTION. The Series 2021 Bonds shall be subject to redemption prior to maturity, at the option of the Village, in whole or in part, in such order as the Village may designate on any date, at the par value thereof and accrued interest to the date fixed for redemption, without a premium. Series 2021 Bonds of a denomination greater than \$1,000 may be partially redeemed in the amount of \$1,000 or any whole multiple thereof. If less than all the Series 2021 Bonds maturing in any year are to be redeemed, the Series 2021 Bonds or portions of the Series 2021 Bonds to be redeemed shall be selected by lot. Series 2021 Bonds called for redemption shall be redeemed at the par value thereof, plus accrued interest to the date fixed for redemption, without a premium.

Notice of the call of any Series 2021 Bonds for redemption shall be given by mail not less than thirty (30) days prior to the date fixed for redemption to the registered holder at the registered address. Series 2021 Bonds 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 Paying Agent to redeem such Series 2021 Bonds.

Section 8. PAYING AGENT AND REGISTRATION.

(a) Appointment of Paying Agent. From time to time the Village shall designate and appoint a Paying Agent (the "Paying Agent"), which shall also act as transfer agent and bond registrar. The initial Paying Agent shall be the Treasurer of the Village. In the event of a change in the Paying Agent, notice shall be given in writing, by certified mail, to each Registered Owner not less than sixty (60) days prior to the next interest payment date. The Paying Agent shall keep the official books for the recordation of the Registered Owners of the Bonds.

(b) Registration of Bonds. Registration of the Bonds shall be recorded in the registration books of the Village to be kept by a Paying Agent. Except as may be provided for additional Bonds in the resolution authorizing issuance of those Bonds, Bonds may be transferred only by submitting the same, together with a satisfactory instrument of transfer signed by the Registered Owner or the Registered Owner's legal representative duly authorized in writing, to the Paying Agent, after which a new Bond or Bonds shall be issued by the Paying Agent to the transferee (new registered owner) in any denomination, in the same aggregate principal amount as the Bond submitted for transfer. No transfer of Bonds shall be valid unless and until recorded on the bond registration books in accordance with the foregoing. The person in whose name any Bond is registered may for all purposes, notwithstanding any notice to the contrary, be deemed

and treated by the Village and the Paying Agent as the absolute owner thereof, and any payment of the principal of and interest on any Bond to the Registered Owner thereof shall constitute a valid discharge of the Village's liability upon such Bond to the extent of such payment. No Bond shall be transferred less than fifteen (15) days prior to an interest payment date nor after the Bond has been called for redemption.

Section 9. SALE OF BONDS. The Series 2021 Bonds shall be sold to the United States. The Village determines that a negotiated sale to the United States is in the best interest of the Village because the terms offered by the United States are more favorable than those available from other sources of funding.

Section 10. BOND FORM. The Series 2021 Bonds shall be substantially in the form attached hereto as Exhibit A, and incorporated herein, with such completions, changes and additions as may be required by the United States or as recommended by the Village's Bond counsel and approved by the officers of the Village signing the Series 2021 Bonds.

Section 11. AUTHORIZED OFFICER. The Authorized Officer is hereby designated, for and on behalf of the Village, to do all acts and to take all necessary steps required to effectuate the sale, issuance and delivery of the Series 2021 Bonds. Notwithstanding any other provision of this Resolution, the Authorized Officer is authorized within the limitations of this Resolution to determine the specific interest rate or rates to be borne by the Series 2021 Bonds, not exceeding 2.125% per annum, the principal amount, interest payment dates, dates of maturities, and amount of maturities, redemption rights, the title of the Series 2021 Bonds, date of issuance, the amount of the rate covenant in Section 19 and additional bonds test in Section 22 and other terms and conditions relating to the Series 2021 Bonds and the sale thereof provided, however, the last annual principal installment of each series shall not be more than forty (40) years from the date of issuance of that series of the Series 2021 Bonds. The Authorized Officer's approval of the terms shall be evidenced by his or her signature on the document or agreement stating such terms. The Authorized Officer is hereby authorized for and on behalf of the Village, without further Council approval, to do all acts and take all necessary steps required to effectuate the sale, issuance, and delivery of the Series 2021 Bonds. The Authorized Officer is authorized to execute any orders, receipts, agreements, pledge agreements, documents or certificates necessary to complete the transaction, including, but not limited to, any issuer's certificate, any certificates relating to federal

or state securities laws, rules or regulations, any applications to the Michigan Department of Treasury.

Section 12. EXECUTION OF BONDS. The President or the President Pro Tem and the Clerk or the Deputy Clerk of the Village are hereby authorized and directed to sign the Series 2021 Bonds, either manually or by facsimile signature, on behalf of the Village. Upon execution, the Series 2021 Bonds shall be delivered to the purchaser thereof.

Section 13. RIGHTS OF BONDHOLDERS. The Bondholders representing in the aggregate not less than twenty percent (20%) of the entire amount of Bonds then outstanding may protect and enforce the statutory lien, either at law or in equity, by suit, action, mandamus, or other proceedings, and enforce and compel the performance of all duties of the officials of the Village, including the fixing of sufficient rates, the collection of revenues, the proper segregation of revenues and the proper application thereof; provided, however, that such statutory lien shall not be construed to give any Registered Owner of any Bond authority to compel the sale of the System, the revenues of which are pledged thereto.

If there is any default in the payment of the principal of or interest on any of the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Village and under the direction of such court, and by and with the approval of such court, to fix and charge rates and collect revenues sufficient to provide for the payment of any Bonds or other obligations outstanding against the revenues of the System and for the payment of the expenses of operating and maintaining the System and to apply the income and revenues of the System in conformity with the Act and this Resolution.

The owners or Bondholders, from time to time, of the Bonds, shall have all the rights and remedies given by law, and particularly by the Act, for the collection and enforcement of the Bonds and the security therefor.

Section 14. MANAGEMENT OF SYSTEM. Except as provided in this Resolution, the construction, alteration, repair and management of the System shall be under the supervision and control of the Council. The Village may employ such persons in such capacities as it deems advisable to carry on the efficient management and operation of the System. The Council may make such rules, orders and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 15. SUPERVISED BANK ACCOUNTS. The Treasurer shall be custodian of all funds belonging to and/or associated with the System and such funds shall be deposited in a bank or banks, each of which has unimpaired capital and surplus of at least \$2,000,000, or which are each a member of the Federal Deposit Insurance Corporation.

Section 16. FUNDS AND ACCOUNTS. The Treasurer is hereby directed to create and maintain the following funds, which shall be designated as follows, into which the Bond proceeds and the revenues and income from the System shall be deposited, which funds and accounts shall be established and maintained, except as otherwise provided, so long as any of the Bonds hereby authorized remain unpaid.

(a) Bond Proceeds – Construction Fund. The proceeds of the Series 2021 Bonds shall be deposited in the Construction Fund. Such moneys shall be used solely for the purpose for which the Series 2021 Bonds were issued. Any unexpended balance in the Construction Fund remaining after completion of the Improvements may be used for such purposes as allowed by law. After completion of the Improvements and disposition of remaining Series 2021 Bond proceeds, if any, pursuant to the provisions of this Section, the Construction Fund shall be closed.

(b) Receiving Fund. The gross income and revenue of the System shall be set aside into the Receiving Fund. The moneys so deposited are pledged for the purpose of the following funds and accounts and shall be expended and used only in the manner and order as follows:

(i) Operation and Maintenance Fund. The Village shall create and maintain the Operation and Maintenance Fund. Prior to the beginning of each fiscal year, the Council shall prepare an annual budget of the System for the ensuing fiscal year. Out of the revenues in the Receiving Fund, there shall be set aside, quarterly and deposited into the Operation and Maintenance Fund a sum sufficient to pay the reasonable and necessary current expenses of administering, operating and maintaining the System for the ensuing three months.

(ii) Redemption Account. The Village shall create and maintain the Redemption Account.

(A) First Lien Redemption Account. The First Lien Redemption Account shall be established as a subaccount within the Redemption Account to be used solely for the purpose of paying the principal of and interest on First Lien Bonds. After the transfers required

above, there shall first be transferred quarterly from the Receiving Fund, and deposited in the First Lien Redemption Account, for payment of principal of and interest on the First Lien Bonds, a sum equal to at least one-half (1/2) of the amount of interest due on First Lien Bonds on the next ensuing interest payment dates plus not less than one-fourth (1/4) of the principal maturing on First Lien Bonds on the next ensuing principal payment dates in each year. The moneys in the First Lien Redemption Account shall be accounted for separately.

(B) Junior Lien Redemption Account. The Junior Lien Redemption Account shall also be established as a subaccount within the Redemption Account to be used solely for the purpose of paying the principal of and interest on Junior Lien Bonds. After the transfers required above, there shall be transferred quarterly from the Receiving Fund, and deposited in the Junior Lien Redemption Account for payment of principal of and interest on the Junior Lien Bonds, a sum equal to at least one-half (1/2) of the amount of interest on Junior Lien Bonds due on the next ensuing interest payment dates plus not less than one-fourth (1/4) of the principal maturing on Junior Lien Bonds on the next ensuing principal payment dates in each year. The monies in the Junior Lien Redemption Account shall be accounted for separately.

(C) Bond Reserve Account. The Bond Reserve Account shall also be established as a subaccount of the Redemption Account. There is hereby established a subaccount with respect to the Series 2021 Bonds within the Bond Reserve Account to be known as the Series 2021 Bonds Reserve Account (the "2021 Reserve"). The Village shall pay into the 2021 Reserve from the revenues of the System after provision has been made for the Operation and Maintenance Fund and the current requirements of the Redemption Account, an annual sum of not less than \$4,248 until there has been accumulated in the 2021 Reserve the sum of \$42,480 or such other amounts determined by the United States and approved by the Authorized Officer (the "Required Reserve"). Except as hereinafter provided, no further deposits or additions need be made into the 2021 Reserve once the Required Reserve has been deposited therein. The moneys in the Bond Reserve Account shall be used solely for the payment of the principal of and interest on the Series 2021 Bonds as to which there would otherwise be default.

If at any time it shall be necessary to use moneys in the 2021 Reserve for payment of principal and/or interest on the Series 2021 Bonds, then the moneys so used shall be replaced from the revenues first received thereafter that are not required by this Resolution to be used for operation and maintenance or for current principal and interest requirements. The 2021

Reserve shall be maintained while the Series 2021 Bonds remain outstanding or until they are defeased. The 2021 Reserve may be applied to the final payments of principal and interest on the Series 2021 Bonds or to provide funds for their defeasance.

(D) Additional Deposits. If for any reason there is a failure to make a required deposit to any of the subaccounts of the Redemption Account or for any reason there is a deficiency in any of the subaccounts, then an amount equal to the deficiency shall be set aside and deposited in the subaccount from the Net Revenues in the next succeeding period, which amount shall be in addition to the regular deposit required during such succeeding period.

No further payments need be made into a subaccount of the Redemption Account after the amount accumulated and held in the subaccount, or in the case of the Series 2021 Bonds together with amounts held in the 2021 Reserve, is sufficient to pay when due the entire amount of principal and interest that will be payable at the time of maturity or at an earlier redemption date of all the Bonds then remaining outstanding that are payable from the subaccount, or for Bonds that have been defeased as provided in Section 24.

(iii) General Obligation Debt Fund. The G. O. Fund is hereby established. After meeting the requirement of the foregoing funds, there may be transferred quarterly from remaining revenues in the Receiving Fund, or from other available monies, and deposited in the G. O. Fund, such sums as the Council, in its sole discretion determines to be desirable to pay debt service on presently existing or future general obligation bond issues of the Village or general obligation contractual obligations of the Village incurred or to be incurred for System purposes. This section shall not be construed to create a lien on the Net Revenues in favor of any obligations the debt service on which may be paid from the G. O. Fund from time to time.

(iv) Repair Replacement and Improvement Fund. The Village shall create and maintain the Repair Replacement and Improvement Fund. The Village shall deposit each year from monies in the Receiving Fund, after meeting the requirements of the subsections set forth above, the sum of \$19,617 or such other amounts determined by the United States and approved by the Authorized Officer, until the principal of and interest on the Series 2021 Bonds has been paid in full. Moneys in the Repair Replacement and Improvement Fund shall be used by the Village for the purpose of acquiring and constructing improvements, additions and extensions and for making repairs and replacements to the System. Such additional sums may be deposited

into the Repair Replacement and Improvement Fund as the Council shall determine to be necessary from time to time for the purposes of the Repair Replacement and Improvement Fund.

(v) Surplus Moneys. All moneys remaining in the Receiving Fund at the end of any operating year after satisfying the above requirements may be transferred to the Redemption Account and its subaccounts and used as authorized in this Resolution or, at the option of the Village, transferred to the G. O. Fund or the Repair Replacement and Improvement Fund and used for the purposes for which said funds were established. Provided, however, that if there should be a deficit in the Operation and Maintenance Fund, and any subaccount of the Redemption Account, the G. O. Fund or a bond reserve account on account of defaults in setting aside therein the amounts required in this Resolution, or a future resolution, then the Village shall transfer the moneys remaining in the Receiving Fund at the end of any operating year to such funds in the priority and order named, to the extent of such deficits. Available surplus moneys may be used to retire any outstanding obligations of the Village incurred for construction, expansion or addition to the System, including additional bonds, the issuance of which is authorized by this Resolution, or if no other disposition has been provided for, such moneys may be used for such other purposes of the System as the Village Council may deem to be for the best interest of the Village.

(vi) Priority of Accounts. In the event the monies in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund or any subaccounts of the Redemption Account, any monies or securities in other funds of the System, except the Construction Fund, shall be credited or transferred, first, to the Operation and Maintenance Fund, second to the First Lien Redemption Account, third to the Junior Lien Redemption Account and fourth to a bond reserve account, to the extent of any deficit therein.

Section 17. INVESTMENT OF FUNDS. Moneys in the funds and accounts established herein may be invested by the Village in bonds, notes, bills and certificates of, or guaranteed by, the United States of America, or in interest bearing time deposits or other investments as shall be determined by the Village, subject to the provisions of Act 20, Public Acts of Michigan, 1943, as amended, or any statute subsequently adopted regulating investments by the Village.

Section 18. DEPOSITORY AND FUNDS ON HAND. Monies in the several funds and accounts maintained pursuant to this Resolution, except monies in the Construction Fund and Redemption Account, which must be kept in a separate account, may be kept in one or more accounts at financial institutions designated by resolution of the Village, and if kept in one account,

the monies shall be allocated on the books and records of the Village in the manner and at the times provided in this Resolution.

Section 19. RATES AND CHARGES. Rates shall be fixed and revised from time to time by the Council so as to produce amounts that are sufficient to pay the expenses of administration and the costs of operation and maintenance of the System, to provide an amount of revenues adequate for the payment of principal of and interest on the Bonds, reserve, replacement and improvement requirements and to otherwise comply with all requirements and covenants provided herein; and such that are reasonably expected to yield annual Net Revenues of the System, in the current fiscal year equal to at least 100% of principal maturing and interest payable in the forthcoming twelve (12) month period on the then outstanding Junior Lien Bonds and equal to such percentage of the average the annual principal and interest thereafter maturing in the forthcoming twelve (12) month period on the then outstanding First Lien Bonds, if any, as is established by the resolution authorizing the issuance of the First Lien Bonds; and promptly upon any material change in the circumstances which were not contemplated at the time such rates and charges were most recently reviewed, but not less frequently than once in each fiscal year, review the rates and charges for its services and promptly revise such rates and charges as necessary to comply with the foregoing requirement, in which case the Village will be in compliance with the requirements of this Section. The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into consideration the costs and value of the System, the cost of maintaining, repairing, and operating the System, and the amounts necessary for the retirement of all Bonds and interest accruing on all Bonds, and there shall be charged such rates and charges as shall be adequate to meet the requirement of this and the preceding sections.

Section 20. NO FREE SERVICE. No free service shall be furnished by the System to the Village or to any individual, firm or corporation, public or private, or to any agency or instrumentality.

Section 21. REVENUE BOND COVENANTS. The Village covenants and agrees, so long as any of the Bonds hereby authorized remain unpaid, as follows:

(a) It will punctually perform all duties with reference to the System and comply with applicable State laws and regulations and continually operate and maintain the System in good condition.

(b) It will not sell, lease, mortgage or in any manner dispose of the System, or any substantial part of it, until all Bonds payable from the revenues of the System shall have been paid in full, defeased, or provision has been made or an agreement entered into for the payment of such Bonds. The Village is explicitly authorized to enter into arrangements, including a lease of the system, with a regional authority in which the Village is a participant if such arrangements require the authority to provide funds to make payments sufficient to pay the debt service on any of the bonds affected by the arrangement.

(c) It will cause an annual review of rates and charges to be made and based thereon will adjust such rates and charges to provide the amounts required by this Resolution.

(d) It will maintain complete books and records relating to the operation of the System and its financial affairs, will cause such books and records to be audited annually at the end of each fiscal year and an audit report prepared, and will furnish a Bondholder a copy of such report upon written request.

(e) It will maintain and carry insurance on all physical properties of the System, for the benefit of the Bondholders, of the kinds and in the amounts normally carried by municipalities engaged in the operation of similar systems. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of calling Bonds.

Section 22. ADDITIONAL BONDS. Additional First Lien Bonds of equal standing and priority with any outstanding First Lien Bonds may be issued for repair, replacement, improvement or extension of the System and to refund all or a portion of Bonds and paying the costs of issuing the Additional First Lien Bonds, but only if the average actual or Adjusted Net Revenues of the System for any consecutive twelve month period out of the 24 months preceding the adoption of the resolution authorizing the issuance of such Bonds shall be equal to at least one hundred percent (100%) of the average annual principal and interest thereafter maturing in any operating year on the then outstanding First Lien Bonds, Junior Lien Bonds and the Additional First Lien Bonds then being issued. In addition, Additional First Lien Bonds of equal standing and priority with any outstanding First Lien Bonds may be issued to refund all or a portion of outstanding Bonds if the refunding would provide a net present value debt service savings to the Village. If the Additional First Lien Bonds are to be issued in whole or in part for refunding

outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the Additional First Lien Bonds. Additional Junior Lien Bonds may be issued in the discretion of the Village.

Additional Junior Lien Bonds of equal standing and priority with any outstanding Junior Lien Bonds may be issued for repair, replacement, improvement or extension of the System and to refund all or a portion of Bonds and paying the costs of issuing the Additional Junior Lien Bonds, but only if the average actual or Adjusted Net Revenues of the System for any consecutive twelve month period out of the 24 months preceding the adoption of the resolution authorizing the issuance of such Bonds shall be equal to at least one hundred percent (100%) of the average annual principal and interest thereafter maturing in any operating year on the then outstanding First Lien Bonds, Junior Lien Bonds and the Additional Junior Lien Bonds then being issued. In addition, Additional Junior Lien Bonds of equal standing and priority with any outstanding Junior Lien Bonds may be issued to refund all or a portion of outstanding Bonds if the refunding would provide a net present value debt service savings to the Village. If the Additional Junior Lien Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the Additional Junior Lien Bonds.

In addition, at any time that the United States is the holder of all of the Bonds outstanding, Additional First Lien Bonds and Junior Lien Bonds may be issued if the United States consents or agrees to the issuance.

In addition, Additional First Lien Bonds may be issued without meeting any of the conditions and tests set forth above to pay: (i) the cost of acquisition and construction of any repairs, replacements, improvements, major renewals or corrections of any damage or loss to the System necessary, in the opinion of the Village engineer, to keep the System in good operating condition or to prevent a loss of Revenues therefrom to the extent that the cost thereof cannot reasonably be paid from the Repair Replacement and Improvement Fund or from insurance proceeds, or (ii) the cost of decommissioning, disposal or termination of any part of the System.

Determination by the Council as to existence of conditions permitting the issuance of Additional Bonds shall be conclusive, provided this shall not eliminate any requirement for any other approval required herein.

Any additional Bonds shall be subject to the various funds herein established, and all revenue from any such extension or replacement constructed by the proceeds of any additional Bonds shall be paid into the Receiving Fund.

Section 23. DEFAULT OF THE VILLAGE. If there shall be default in the provisions of this Resolution, any subaccount of the Redemption Account, or in the payment of principal of or interest on any of the Bonds, upon the filing of a suit by the owners of twenty percent (20%) or more of the principal amount of the Bonds outstanding, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Village with power to charge and collect rates sufficient to provide for the payment of the Bonds, for the payment of operation expenses, and to apply income and revenues in accordance with this Resolution and the laws of the State of Michigan.

The Village hereby agrees to transfer to any bona fide receiver or other subsequent operator of the System, pursuant to any valid court order in a proceeding brought to enforce payment of the Village's obligations, all contracts and other rights of the Village, conditionally, for such time only as such receiver or operator shall operate by authority of the court.

In the event of default, the owners of twenty percent (20%) or more of the outstanding Bonds may require by mandatory injunction the raising of rates in a reasonable amount.

Section 24. DEFEASANCE.

(a) Bonds held by the United States shall not be defeased without written approval of the United States.

(b) Except as provided above, in the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional or mandatory redemption, the principal of, premium, if any, and interest on any of the Bonds, shall be deposited in trust, this Resolution shall be defeased with respect to such Bonds (the "Defeased Bonds"), and the owners of the Defeased Bonds shall have no further rights under this Resolution except to receive payment of the principal of, premium, if any, and interest on the bonds from the

cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein. Defeased Bonds shall be treated as if they have been redeemed for all purposes under this Resolution.

Section 25. FISCAL YEAR OF SYSTEM. The fiscal year for operating the System shall coincide with the fiscal year of the Village.

Section 26. CONTRACT WITH BONDHOLDERS. The provisions of this Resolution shall constitute a contract between the Village and the Bondholders from time to time, and after the issuance of any of such Bonds, no change, variation or alteration of the provisions of this Resolution may be made that would lessen the security for such Bonds. The provisions of this Resolution shall be enforceable by appropriate proceedings taken by such Bondholder, either at law or in equity.

Section 27. ELECTRONIC FUND TRANSFERS. Pursuant to the guidelines and requirements of the United States, promulgated through the Rural Development Division of the United States Department of Agriculture, the Series 2021 Bond proceeds will be released and delivered to the Village pursuant to draws against such funds during construction and acquisition of the Improvements. Commencing with the issuance of the Series 2021 Bonds, the Treasurer, or his or her appointee, will inscribe his or her initials on Schedule II attached to the appropriate Series 2021 Bonds to acknowledge receipt and acceptance of the amount of the draw. Thereafter the Treasurer will complete and execute an "Estimate of Funds Needed for a Thirty- (30-) Day Period", Form 440-11 (the "Estimate of Funds Needed") periodically requesting additional funds.

In the event the United States provides for an electronic fund transfer of draws, the Village shall deliver the executed Estimate of Funds Needed by mail or facsimile transmission to the United States, after which the appropriate funds will be wire transferred to the account of the Village.

Section 28. LOAN RESOLUTION. The Loan Resolution, RUS Bulletin 1780-27, is hereby adopted and the terms and conditions hereof are incorporated herein, with such changes completions an additions as are approved by the Authorized Officer.

Section 29. PUBLICATION AND RECORDATION. This Resolution shall be published once in full in a newspaper of general circulation in the Village qualified under state law to publish legal notices, and the same shall be recorded in the records of the Village and such recording authenticated by the signature of the Village Clerk.

Section 30. RESOLUTION SUBJECT TO MICHIGAN LAW. The provisions of this Resolution are subject to the laws of the State of Michigan.

Section 31. SECTION HEADINGS. The section headings in this Resolution are furnished for convenience of reference only and shall not be considered to be a part of this Resolution.

Section 32. SEVERABILITY. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 33. CONFLICT. Except as provided above, all Resolutions and Resolutions or parts thereof, insofar as the same may be in conflict herewith, are hereby repealed to the extent of the conflict; provided that the foregoing shall not operate to repeal any provision thereof, the repeal of which would impair the obligation on the Bonds.

Section 34. EFFECTIVE DATE OF RESOLUTION. Pursuant to Section 6 of the Act, this Resolution shall be approved on the date of first reading and this Resolution shall be effective immediately upon its adoption.

YEAS: _____

NAYS: _____

ABSTAIN: _____

RESOLUTION DECLARED ADOPTED.

Mike Miller, President

Frances Dawson, Clerk

CERTIFICATION

I, Frances Dawson, the duly qualified and acting Clerk of the Village of Roscommon, Roscommon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Village Council at a regular meeting held on April 12, 2021, and that notice of said meeting was given pursuant to Act 267, Public Acts of Michigan, 1976, as amended.

Date: April 12, 2021

Frances Dawson, Clerk

EXHIBIT A

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF ROSCOMMON
VILLAGE OF ROSCOMMON
WATER SYSTEM JUNIOR LIEN REVENUE BONDS,
SERIES, 2021
(Federally Taxable)**

Interest Rate

Maturity Date

Date of Original Issue

Registered Owner: United States of America

Principal Amount: [Insert par amount]

The Village of Roscommon, Roscommon County, Michigan (the "Issuer"), acknowledges itself indebted and, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, out of the net revenues of the Water System of the Issuer (the "System"), including all appurtenances, additions, extensions and improvements thereto after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the "Net Revenues"), the Principal Amount specified above, in the amounts and on the dates as set forth on Schedule I attached hereto, unless prepaid prior thereto as hereinafter provided, together with interest thereon from the dates of receipt of such funds, or such later date to which interest has been paid, at the Interest Rate per annum specified above, first payable on _____ 1, 20__, and semiannually thereafter on the first day of _____ and _____ of each year, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto.

Principal of this Bond is payable in lawful money of the United States of America to the United States of America. As long as the United States is the holder of this Bond, such payments shall be made by check, draft, wire transfer, Pre-Authorized Debit (PAD) or such other method of payment as instructed by the United States or its assignee.

This Bond, being one fully registered manuscript bond payable serially as set forth on Schedule I, is issued in accordance with the provisions of Act 94, Public Acts of Michigan, 1933, as amended and a resolution adopted by the Village Council of the Issuer on April 12, 2021 (the "Resolution"), for the purpose of paying the cost of acquiring and constructing improvements to the System. This Bond is a self-liquidating Bond, and is not a general obligation of the Issuer within any constitutional or statutory limitations but is payable, both as to principal and interest, solely from the Net Revenues of the System. The principal of and interest on this Bond are secured by a statutory lien on the Net Revenues.

The Issuer hereby covenants and agrees to fix, and maintain at all times while any of the Bonds shall be outstanding, such rates for service furnished by the System as are required by the Resolution, to maintain a bond and interest redemption account, a bond reserve account and to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Resolution. The statutory liens securing any First Lien Bonds (as defined in the Resolution) issued by the Issuer will be first liens that are and shall remain superior to the lien on the Net Revenues securing this Bond and any and any Additional Junior Lien Bonds (as defined in the Resolution). The Bonds of this series shall have equal standing with any Additional Junior Lien Bonds that may be issued pursuant to the Resolution, and additional bonds of superior standing to the bonds of this series may be issued pursuant to the Resolution. For a complete statement of the revenues from which, and the conditions under which, this Bond is payable, a statement of the conditions under which additional bonds of equal or superior standing may hereafter be issued, and the general covenants and provisions pursuant to which this Bond is issued, reference is made to the Resolution.

While the Bonds of this series are held by the United States of America they shall not be defeased without the prior written consent of the United States of America. The Bonds shall be subject to redemption prior to maturity, at the option of the Issuer and in whole or in part in such order as the Issuer may designate, on any date, at the par value thereof and accrued interest to the date fixed for redemption, without a premium.

This Bond shall be registered in the name of the United States of America on the registration books kept by the Treasurer, acting as Paying Agent and bond registrar. No transfer shall be valid unless made upon the books of the Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this Bond, exist and have been done and performed in regular

and due time and form as required by law and that the total indebtedness of the Issuer including this Bond, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Village of Roscommon, Roscommon County, Michigan, by its Village Council, has caused this Bond to be signed, by the manual or facsimile signatures of its President and the Clerk, all as of the _____ day of _____ 2021.

Mike Miller, President

Frances Dawson, Clerk

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond represents the total authorized issue of the Village of Roscommon Water System Junior Lien Revenue Bonds, Series 2021 (Federally Taxable), in the principal amount of [Insert par amount], and has been registered in the name of the Registered Owner designated on the face hereof in the bond register maintained for the Village of Roscommon.

Date: _____, 2021

Jan Deloge, Treasurer
As Paying Agent/Bond Registrar/Transfer Agent

TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto

(Tax Identification or Social Security No. _____) the within Bond and all rights hereunder, and hereby constitutes and appoints _____ attorney, to transfer the within Bond on the books kept for registration thereof by the Paying Agent, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears on the registration books every particular, without alteration or enlargement or any change whatever.

SCHEDULE I

VILLAGE OF ROSCOMMON

**[\$[INSERT PAR AMOUNT]]
WATER SYSTEM JUNIOR LIEN REVENUE BONDS,
SERIES 2021
(Federally Taxable)**

The Bond in the aggregate principal amount of \$[Insert par amount] matures annually on the first day of _____ as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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