Members Present: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason.

Members Absent: None.

1. CALL TO ORDER: Ms. Stumbo called the meeting to order at 4:00 p.m.

2. MINUTES OF THE PREVIOUS MEETING: Motion by Doe to receive and file the minutes of the March 27, 2013 meeting as presented. Support by Jason. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:
   A. Request to Approve – Adsorbent Granulated Activated Carbon Purchase in the Amount of $74,992 (O & M Expense Account No. 550-727) – Perry M. Thomas

   Motion by Doe to approve the Adsorbent Granulated Activated Carbon Purchase in the Amount of $74,992 (O & M Expense Account No. 550-727). Support by Cameron.

   Mr. Thomas advised the Board that the incinerator has four pollution control devices, the last of which is the Granulated Activated Carbon (GAC) absorber. He indicated that the purpose of the device is to remove mercury and dioxin from the incinerator exhaust.

   Mr. Thomas explained that there have been issues with the carbon failing prematurely due to acid gas, which has caused it to consume GAC faster than expected. He pointed out that the team that is working on resolving these issues has recommended that a full load of GAC be kept onsite in case the system develops a problem that impedes the airflow beyond the limits allowed in the incinerator permit.
Mr. Thomas also explained that, if the purchase is made before May 15th, the supplier will provide YCUA with a 5% discount, bringing the price to $71,242.88.

Ms. Stumbo inquired as to whether this is a single-source supplier. Mr. Thomas responded affirmatively, indicating that the only other supplier has expressed an unwillingness to sell this type of GAC to the Authority in light of the problems that are occurring.

Mr. Jason inquired as to how long the 24,750 lbs. of GAC is expected to last. Mr. Thomas responded that, in theory, it is supposed to last about five years but that, due to the problems described, consumption has been occurring as quickly as one year.

Mr. Bodary inquired as to what Tetra Tech’s response has been on this dilemma. Mr. Thomas responded by explaining in detail the acid gas removal process currently being pilot tested.

In favor: All. Opposed: None. (Motion carried)

B. Request to Approve - Renewal of Wastewater Treatment Plant Natural Gas Contract (O & M Expense) – Perry M. Thomas

Motion by Bodary to approve the Renewal of the Wastewater Treatment Plant Natural Gas Contract (O & M Expense). Support by Cameron.

Mr. Doe asked for clarification on the savings that can be expected over the length of the contract. Mr. Thomas confirmed that there will be $130,000 in savings over a period of one year.

In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – YCUA Resolution No. 13-6 Authorizing Issuance of Not-to-Exceed $1.6 Million Wastewater System No. 9 Bonds, Series 2013 (Charter Township of Ypsilanti 3rd Quarter SRF Retention Header / Septage Projects) (SRF Project Account No. 902-158) – Scott D. Westover

Motion by Doe to approve YCUA Resolution No. 13-6 Authorizing Issuance of Not-to-Exceed $1.6 Million Wastewater System No. 9 Bonds, Series 2013 (Charter Township of Ypsilanti 3rd Quarter SRF Retention Header / Septage Projects) (SRF Project Account No. 902-158). Support by Cameron.

Mr. Westover advised the Board that this is a requirement of the SRF loan that will close on June 25th. He indicated that the bond ceiling is set at $1.6 million but that he anticipates the actual amount at closing to be closer to $1.22 million.

Mr. Westover explained that the loan carries 2% interest over the course of 20 years and that the bonds will be purchased by the state through the
Michigan Municipal Bond Authority with the first principal payment due on April 1, 2015.

In favor: All. Opposed: None. (Motion carried)

D. Request to Approve - YCUA Resolution No. 13-7 re: Tentative Award of Contract for WWTP Retention Header and Septage Station Improvements in the Amount of $994,000 (SRF Project Account No. 902-158) – Scott D. Westover

Motion by Doe to approve YCUA Resolution No. 13-7 re: Tentative Award of Contract for WWTP Retention Header and Septage Station Improvements in the Amount of $994,000 (SRF Project Account No. 902-158). Support by Bodary.

Mr. Westover advised the Board that this is a requirement of the SRF loan that will close on June 25th and that it is typical of similar resolutions presented in the past. He indicated that the low construction bid was from Midwest Power Systems, with whom YCUA has worked in the past, in the amount of $994,000, which is considerably less than expected.

Mr. Doe inquired as to whether the $994,000 figure includes a contingency. Mr. Westover responded that it does not because, when the state does the final numbers on the loan, the $1.22 million referenced in the last item includes a contingency that they calculate based on 6% of the total overall project.

Mr. Doe then inquired as to whether Midwest Power Systems came in over budget on their last YCUA project. Mr. Westover responded that they came in over budget but within the 10% contingency.

In favor: All. Opposed: None. (Motion carried)

E. Request to Approve - Tetra Tech Proposal re: WWTP Retention Header and Septage Station Improvements Engineering Services in the Not-to-Exceed Amount of $119,000 (SRF Project Account No. 902-158) – Scott D. Westover

Motion by Cameron to approve the Tetra Tech Proposal re: WWTP Retention Header and Septage Station Improvements Engineering Services in the Not-to-Exceed Amount of $119,000 (SRF Project Account No. 902-158). Support by Bodary. In favor: All. Opposed: None. (Motion carried)

F. Fund Balance Report – Dwayne Harrigan

Mr. Harrigan directed the Board’s attention to the Fund Balance Report for March 31, 2013. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.
G. **Financial Report – Authority Net Assets** – Dwayne Harrigan

Mr. Harrigan directed the Board’s attention to the Authority Net Assets Report for March 31, 2013. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

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

Mr. Castro directed the Board’s attention to the Consumption Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

I. **Attorney’s Report** – Thomas E. Daniels

Mr. Daniels advised the Board that there are no litigation matters to report on but that he has been working closely with YCUA staff regarding several contractual matters, specifically: the Wayne County Airport Authority for the Willow Run Airport water and sewer connections, renewed wastewater treatment agreements for Superior and Sumpter Townships, a new wastewater treatment agreement with Salem Township, and a new lease agreement with Verizon Wireless for space on Shadford Tower.

J. **Environmental Report** – Perry M. Thomas

Mr. Thomas advised the Board that YCUA submitted its monthly discharge monitoring and operating reports and is in compliance with all permit requirements and limitations.

He indicated that the new wastewater treatment plant odor control system was put online on March 27th and is in the process of being optimized. Mr. Thomas confirmed that the foul air going into the aeration basin is being mitigated. He pointed out that some odor occurred earlier that day in the parking lot, which was investigated and identified to be coming from the exhaust system on top of the sludge building. Mr. Thomas also explained that staff is performing some operational tasks to eliminate those odors as well as to balance the system.

Ms. Stumbo inquired as to whether the Authority has received any odor complains calls from area residents since the new system went online. Mr. Thomas responded that there has been only one, which came in when the system was being started up.

He further advised that YCUA is expecting to receive a response from MDEQ any time now regarding the Authority’s request to have the SSO Notice of Violation rescinded.
Mr. Thomas stated that the District Compliance Agreement is now closed out and that staff is awaiting MDEQ’s acknowledgement of this as well.

He advised that the Authority’s new Operational Work Group, consisting of employees from the wastewater operations, compliance, engineering, maintenance, and administration departments has been working with personnel from Tetra Tech on several projects, one being the reduction of sulfur dioxide in the incinerator’s air stream. Mr. Thomas confirmed that a pilot will take place in the near future which will involve the injection of caustic into the scrubber water, which should solve the acid gas issue discussed in item 3.A and assure that YCUA is in compliance with the new EPA maximum achievable control technology standard that will go into effect in February of 2016.

He explained that the team is also working on optimizing a biological nutrient removal process that will eliminate phosphorous from the wastewater in order to meet the permit.

Mr. Bodary inquired how the biological system works. Mr. Thomas responded with a detailed explanation of the process.

Mr. Thomas pointed out that another project being discussed by the team is optimizing the odor control system.

K. Director’s Report - Jeff Castro

Mr. Castro advised the Board that one of the accomplishments of the new Operational Work Group is the elimination of alum to reduce sulfates. He indicated that this has been successfully achieved over the last month, which is a tremendous accomplishment. He congratulated the team on their efforts.

4. OLD BUSINESS: There was no old business for the month.

5. OTHER BUSINESS: There was no other business for the month.

L. Sanitary Sewer at 2494 East Michigan Avenue – Scott D. Westover

Mr. Westover provided the Board with a follow up to the public comments from the last meeting regarding the illegal connections to the water and sewer systems at the referenced property. He indicated that he recently had a pleasant and fruitful meeting with the property owner and one of the individuals who had spoken at the previous month’s meeting.

Mr. Westover explained that the parties discussed the alternatives to achieving proper connections to that property, which was later followed up with correspondence from YCUA that outlined the three most viable options. He pointed out that the matter is pending a decision from the property owner as to which alternative will be most cost-effective.

Ms. Stumbo asked for clarification as to whether the issue involves both
water and sewer connections or sewer only. Mr. Westover responded that the water connection is in place but that the service cannot be initiated due to the lack of sewer connection, the latter of which began nearly a year ago.

Mr. Bodary inquired as to whether the property is in an area where a septic field could be utilized instead of a sewer connection. Mr. Westover responded affirmatively but added that the cost involved in establishing a septic field is prohibitive for the property owner as well as the fact that the nature of the business as a salvage yard could present environmental challenges that would have to be reviewed and permitted by the county.

Mr. Doe interjected that a septic field was one of the first options that the property owner pursued and it was found to be too costly. He added that the issue is not putting in a service lead but rather getting a right-of-way from the surrounding property owners in order to make the connection to YCUA’s system.

M. Congratulatory Letter from State Senator Rebekah Warren

Ms. Stumbo directed the Board’s attention to a letter from Michigan Senator Rebekah Warren congratulating YCUA on receiving their $2.1 million loan. She indicated that the nice letter is appreciated.

6. STATEMENTS AND CHECKS: Motion by Doe to pay the bills in the amount of $3,973,584.58. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS: There were no public comments for the month.

8. ADJOURNMENT: Motion by Bodary to adjourn the meeting at 4:30 p.m. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

BRENDA L. STUMBO, Chair
YCUA RESOLUTION No. 13-6
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
$1,600,000 YPSILANTI COMMUNITY UTILITIES AUTHORITY
WASTEWATER SYSTEM NO. 9 BONDS, SERIES 2013
(CHARTER TOWNSHIP OF YPSILANTI)

Minutes of a regular meeting of the Commission of the Ypsilanti Community Utilities Authority held on the 24th day of April, 2013, at 4:00 p.m., prevailing Eastern Time.

PRESENT: Commissioners: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, and Larry J. Doe, and Keith P. Jason

ABSENT: Commissioners: None.

The following preamble and resolution were offered by Member Doe and supported by Member Cameron:

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

WHEREAS, the Authority and the Charter Township of Ypsilanti (the “Local Unit”) have entered into a Contract dated February 27, 2013 (the “Contract”) for the acquisition, construction and installation of certain wastewater system improvements in the Local Unit, consisting of the replacement of existing and installation of additional pumps, piping and appurtenances associated with the plant effluent water system, to serve the Local Unit (the “Project”); and

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

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

WHEREAS, the Authority now proposes to issue its bonds, as authorized by Section 9 of the Act, in anticipation of and secured solely by the contractual obligations of the Local Unit to provide the necessary funds to pay the Local Unit’s share of the cost of acquiring and constructing the System (hereinafter defined), and all things necessary to the authorization and issuance of the Authority’s bonds under the Act having been done and the Authority being now empowered to issue, and desirous of authorizing the issuance of, the bonds; and

WHEREAS, the Project qualifies for the State of Michigan State Revolving Fund (“SRF”) financing program being administered by the Michigan Department of Environmental Quality (“MDEQ”) and the Michigan Finance Authority (“MFA”), whereby bonds of the Authority are sold to the MFA and bear interest at a fixed rate of two percent (2%) per annum; and

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

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

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

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

(a) “Authority” means the Ypsilanti Community Utilities Authority.
“Bonds” means the bonds of the Authority described herein and, specifically, in Section 5 hereof.

“Contract” means the Contract dated as of February 27, 2013 between the Authority and the Local Unit.

“Contractual Payments” means the debt service installment payments required to be made by the Local Unit to the Authority pursuant to the provisions of Section 10 of the Contract and pledged to the payment of the principal of and interest on the Bonds authorized by the provisions of this resolution.

“Department of Treasury” means the Department of Treasury of the State of Michigan.

“Depository Bank” means the Michigan bank or trust company selected by the Board which is a member of the Federal Deposit Insurance Corporation.

“System” means the Ypsilanti Community Utilities Authority Wastewater System No. 9 (Charter Township of Ypsilanti), consisting of the Project, including site acquisition and development therefor, as more particularly described in the Contract, together with all necessary appurtenances and rights in land thereto, being defrayed from the proceeds of the Bonds.

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

Section 3. Estimated Cost; Useful Life of Local Unit’s Share of System. The total estimated cost of acquiring and constructing the System, including payment of incidental expenses
as specified in Section 5 of this resolution, in the amount of not to exceed $1,600,000 and the Local Unit’s share thereof of not to exceed $1,600,000, is hereby approved and confirmed. The estimated period of usefulness of the System is determined to be not less than thirty (30) years.

Section 4. Authorization of Bonds. For the purpose of defraying the Local Unit’s share of the cost of the System, including payment of engineering, legal and financing expenses, and other expenses incident thereto and incident to the issuance of the Bonds, there shall be borrowed the sum of not to exceed $1,600,000, and in evidence thereof Bonds of the Authority shall be issued in an equivalent aggregate principal amount.

Section 5. Details of Bonds. The Bonds shall be designated WASTEWATER SYSTEM NO. 9 BONDS, SERIES 2013 (CHARTER TOWNSHIP OF YPSILANTI), the principal of and interest thereon to be payable solely out of the Contractual Payments required to be paid by the Local Unit pursuant to the Contract, shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, and payable on April 1 in the years and amounts as follows, subject to revision by any Authorized Officer (hereinafter defined) in the event that the principal amount of the Bonds issued is reduced:

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<td>90,000</td>
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<td>2031</td>
<td>90,000</td>
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Final determination of the payment dates and amounts of principal installments of the Bonds shall be evidenced by execution of a Purchase Contract (the “Purchase Contract”) between the Authority and the MFA providing for sale of the Bonds, and any of the Director, Chair, Secretary and Treasurer of the Authority (the “Authorized Officers”) are authorized and directed to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above.

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

The Bonds shall bear interest at a rate of two percent (2%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and the Authorized Officers shall deliver the Bonds in accordance with the delivery instructions of the MFA.

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

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

The Secretary of the Authority shall record on the registration books payment by the Authority of each installment of principal or interest or both when made and the canceled checks or other records evidencing such payments shall be returned to and retained by the Secretary.
Upon payment by the Authority of all outstanding principal of and interest on the Bonds, the MFA shall deliver the Bonds to the Authority for cancellation.

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

Section 7. Source of Payment; Pledge; Remedies. The Bonds and the interest thereon shall be payable solely from the Contractual Payments received by the Authority, for the payment of which the Local Unit has, in the Contract, pledged its limited tax full faith and credit pursuant to the provisions of the Act, in the amounts set forth in the Contract. The Local Unit has covenanted and agreed to provide annually general or special funds in amounts sufficient to meet when due its Contractual Payments in anticipation of which the Bonds are issued, or, if necessary, to levy ad valorem taxes on all taxable property within its boundaries for such purpose, subject to applicable constitutional, statutory and charter tax rate limitations. All of such Contractual Payments are hereby pledged solely and only for the payment of principal of and interest on the Bonds. The holder or holders of the Bonds, representing in the aggregate not less than twenty percent (20%) of the entire issue then outstanding, may, by suit, action or other proceedings, protect and enforce the aforesaid pledge and enforce and compel the performance of all duties of the officials of the Authority, including, but not limited to, compelling the Local Unit, by proceedings in a court of competent jurisdiction or other appropriate forum, to make the Contractual Payments, appropriate general funds, and levy and collect appropriate taxes as herein authorized and as may be required.
under the Contract to be so appropriated, certified, levied and collected by the Local Unit for the Contractual Payments.

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

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

Section 9. Establishment of the Debt Retirement Fund. The Authority shall, after the adoption of this resolution and the delivery of the Bonds herein authorized, open a special depository account with the Depository Bank to be designated DEBT RETIREMENT FUND - YPSILANTI COMMUNITY UTILITIES AUTHORITY WASTEWATER SYSTEM NO. 9, SERIES 2013 (CHARTER TOWNSHIP OF YPSILANTI) (the “Debt Retirement Fund”), into which the Authority shall deposit the proceeds of the Bonds representing premium or accrued interest paid at the time of delivery of the Bonds, if any, and all Contractual Payments as received. The moneys from time to time on hand in the Debt Retirement Fund shall be used solely and only for the payment of the principal of and interest on the Bonds.

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

Section 11. Bond Form. The Bonds shall be in substantially the following form, subject to such modifications which may be required by the Michigan Attorney General and the MFA and approved by bond counsel:
The YPSILANTI COMMUNITY UTILITIES AUTHORITY, a public corporation of the State of Michigan (the “Issuer”), for value received, hereby promises to pay to the Michigan Finance Authority (the “Authority”), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time the Principal Amount is being drawn down by the Issuer under this bond, the Authority will periodically provide to the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding Principal Amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth in Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than $1,600,000 is disbursed to the Issuer or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two percent (2%) per annum. Interest is first payable on October 1, 2013, and semiannually thereafter on the first days of April and October of each year, as set forth in the Purchase Contract.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the designated office of The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the Issuer by the Authority (the “Authority’s Depository”); (b) the Issuer agrees that it will deposit with the Authority’s Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds at least five business days prior to the
date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the Issuer and received by the Authority’s Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the “additional interest”) at a rate equal to the rate of interest which is two percent above the Authority’s cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer’s default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer’s pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

This bond is the single, fully-registered, non-convertible bond in the principal sum of $1,600,000, issued under and in pursuance of a resolution duly adopted by the Board of Commissioners of the Issuer under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 233, Public Acts of Michigan, 1955, as amended, for the purpose of paying the cost of constructing improvements to the System (as hereinafter defined).

This bond is payable solely from the proceeds of contractual payments to be paid by the Charter Township of Ypsilanti, Washtenaw County, Michigan (the “Local Unit”) to the Issuer pursuant to a certain Contract dated as of February 27, 2013 (the “Contract”), between the Local Unit and the Issuer, whereby the Issuer is to assist in the financing of the cost of acquiring and constructing wastewater system improvements and appurtenances and attachments thereto in the Local Unit, said system being designated as Ypsilanti Community Utilities Authority Wastewater System No. 9 (Charter Township of Ypsilanti) (the “System”). By the provisions of the Contract and pursuant to the authorization provided by law, the Local Unit has pledged its limited tax full faith and credit for the payment of its contractual payments, and the Local Unit is obligated to pay such amounts from its general funds, including collections of ad valorem taxes on all taxable property within its boundaries, subject to applicable statutory, constitutional and charter tax rate limitations. The Issuer has irrevocably pledged to the payment of this bond the total contractual payments, which said total payments are established in the amount required to pay the principal of and interest on this bond when due.

Bonds may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.
This bond is transferable only upon the registration books of the Issuer by the registered owner of record in person, or by the registered owner’s attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Issuer duly executed by the registered owner or the registered owner’s attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

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

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

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

YPSILANTI COMMUNITY UTILITIES AUTHORITY

By: Brenda L. Stumbo, Chair

Countersigned:

By: Andrew Cameron, Secretary - Treasurer
SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order, or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

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Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the Issuer from the date such portion is disbursed, until paid, at the rate of 2.00% per annum, payable October 1, 2013, and semi-annually hereafter.

The Issuer agrees that it will deposit with the Authority’s Depository, or such other place as shall be designated in writing to the Issuer by the Authority payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority’s Depository has not received the Issuer’s deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority’s administrative costs and lost investment earnings attributable to that late payment.
Section 12. Additional Bonds. Nothing contained in this resolution or the Contract shall be construed to prevent the Authority from issuing additional bonds under the provisions of the Act, but any such additional bonds shall in no way have any lien on or be payable out of the Contractual Payments pledged to the payment of the Bonds, except such additional bonds as may be necessary may be issued to complete the System pursuant to the authorization provided in Section 16 of the Contract.

Section 13. Construction Fund. The proceeds of sale of the Bonds, other than proceeds for premium or accrued interest described below, shall be deposited in a special depository account in the Depository Bank designated “YPSILANTI COMMUNITY UTILITIES AUTHORITY WASTEWATER SYSTEM NO. 9, SERIES 2013 (CHARTER TOWNSHIP OF YPSILANTI) CONSTRUCTION FUND” (the “Construction Fund”). Proceeds of the Bonds representing premium or accrued interest paid at the time of delivery of the Bonds shall be deposited into the Debt Retirement Fund established under the provisions of Section 9 of this resolution. The moneys in the Construction Fund shall be used solely and only to pay costs of the improvements authorized in this resolution and any engineering, legal, bond insurance, financing or other expenses incidental thereto on authorization of the Authority, in accordance with the provisions of the Contract. Any unexpended balance remaining in the Construction Fund after completion of the System may be used for the improvement or enlargement of the System or for other projects of the Authority undertaken on behalf of the Local Unit, if such use be approved by the Local Unit. Any balance remaining after such use, if any, shall be paid into the Debt Retirement Fund, and the Local Unit shall receive a credit for the amount of such balance against the Contractual Payment next due.

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

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

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

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

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

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

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

Section 17. Purchase Contract. When prepared, the proposed forms of Purchase Contract between the Authority and the MFA and Supplemental Agreement among the Authority, the MFA and MDEQ shall be authorized to be approved by any or all of the Authorized Officers, and they are each authorized and directed to execute such documents with such revisions permitted by law and not materially adverse to the Authority as may be necessary or advisable to accomplish the sale of the Bonds to the MFA as contemplated herein.

The Authorized Officers are hereby jointly or severally authorized to take any actions necessary to comply with requirements of the MFA and MDEQ in connection with sale of the
Bonds to the MFA. The Authorized Officers are hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or MDEQ or as may be otherwise necessary or convenient to effect the approval, sale and delivery of the Bonds.

Section 18. Section Headings. Section headings are for convenience only and do not constitute a part of this resolution.

Section 19. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are repealed.

Section 20. Effective Date. This resolution shall become effective immediately upon its adoption.
The foregoing resolution was offered by Commissioner Doe and supported by Commissioner Cameron and adopted by the following roll call vote:

**AYES:** Commissioners: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, and Larry J. Doe, and Keith P. Jason

**NAYS:** Commissioners: None.

ANDREW CAMERON, Secretary - Treasurer

I, the undersigned, Secretary of the Ypsilanti Community Utilities Authority, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the Authority at a regular meeting held on April 24, 2013 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

ANDREW CAMERON, Secretary - Treasurer
WHEREAS, the Ypsilanti Community Utilities Authority wishes to construct improvements to its existing wastewater treatment and collection system; and

WHEREAS, the wastewater system improvements project formally adopted on June 26, 2012 will be funded through Michigan’s SRF Program and

WHEREAS, the Ypsilanti Community Utilities Authority has sought and received construction bids for the proposed improvements and has received a low responsive bid in the amount of $994,000 from Midwest Power Systems, Inc.; and

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

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

Yeas: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason
Nays: None.
Abstain: None.
Absent: None.

I certify that the above Resolution was adopted by the Ypsilanti Community Utilities Authority Board of Commissioners on April 24, 2013.

BY: Brenda Stumbo, Chairperson
Name and Title

Signature

April 24, 2013
Date