

**RESOLUTION APPROVING ACT 233 FINANCING CONTRACT
AND PUBLICATION OF NOTICE THEREOF
(BETSIE LAKE UTILITIES AUTHORITY)**

Village of Elberta
County of Benzie, Michigan

Minutes of a regular meeting of the Village Council of the Village of Elberta, County of Benzie, Michigan, held on the 18th day of April, 2024 at 7:00 p.m., prevailing Eastern Time.

PRESENT: Trustees: Brett McGregor, Kenneth Holmes, Emily Votruba, Jennifer Wilkins

ABSENT: Trustee: Ryan Fiebing

The following preamble and resolution were offered by Trustee Jennifer Wilkins and supported by Trustee Brett McGregor:

WHEREAS, the Village of Elberta, County of Benzie, State of Michigan (the "Village"), and the City of Frankfort, County of Benzie, State of Michigan (the "City," and together with the Village, the "Local Units"), have incorporated the Betsie Lake Utilities Authority (the "Authority") under the provisions of Act 233, Public Acts of Michigan, 1955, as amended ("Act 233"); and

WHEREAS, the Authority was incorporated for the purpose of acquiring, owning, improving, enlarging and extending a system of sewer and sewage disposal improvements; and

WHEREAS, the Authority has acquired and constructed a system of sewer and sewage disposal improvements, consisting generally of a wastewater treatment plant and certain interceptor sewers (collectively, the "System") to serve the Local Units; and

WHEREAS, the Local Units desire to have the Authority acquire and construct certain improvements to the System's wastewater treatment plant (the "Improvements") to provide the Local Units with improved wastewater treatment facilities and services; and

WHEREAS, the Local Units have requested that the Authority undertake the acquisition, construction and financing of the Improvements under and in accordance with the provisions of Act 233; and

WHEREAS, the Authority has caused to be prepared a Financing Contract, dated as of April 1, 2024 (the "Financing Contract"), by and among the Authority and the Local Units, which provides, among other things, for the allocation of the cost of the Improvements to the Local Units, and for the financing of the costs of the Improvements by the issuance of bonds of the Authority (the "Bonds") in accordance with the provisions of Act 233; and

WHEREAS, under the terms of the Financing Contract, each of the Local Units will be obligated to pay its respective share of the costs of the Improvements, in installments, which in

the aggregate will be sufficient to pay the principal of and interest on the Bonds of the Authority as the same become due, all as provided in the Financing Contract; and

WHEREAS, the Financing Contract has been presented to this Village Council for approval.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Financing Contract, by and among the Authority and the Local Units, providing for the acquisition, construction and financing of the Improvements, as more particularly described in the Financing Contract, is hereby approved and confirmed in substantially the form attached hereto as Appendix A, subject to such completions, additions and revisions as shall be approved by the President and Clerk and which are not materially adverse to the Village. The President and Clerk are authorized and directed to execute and deliver the Financing Contract for and on behalf of the Village when it is in final form.

2. The issuance of the Bonds by the Authority pursuant to Act 233 for the purpose of paying the costs of the Improvements and the costs of issuance of the Bonds, all as more particularly described in the Financing Contract, is hereby approved; provided, however, that the Village's share of the aggregate principal amount of the Bonds shall not exceed \$1,515,000 and the Bonds shall be payable in not to exceed forty (40) annual installments. The Village acknowledges that the Bonds of the Authority will be issued in anticipation of, and secured by, the contractual obligations of the Local Units as set forth in the Financing Contract, and that the Village's actual share of the principal of and interest on the Bonds will be determined in accordance with the terms of the Financing Contract.

3. This Village Council hereby approves and confirms the pledge of the Village's limited tax full faith and credit for the prompt and timely payment of the Village's obligations under the Financing Contract. Pursuant to such pledge, the Village shall, to the extent necessary, levy ad valorem taxes on all taxable property within the Village sufficient to meet its obligations under the Financing Contract, subject to applicable constitutional and statutory tax rate limitations.

4. Notice of the adoption of this resolution approving the Financing Contract shall be published promptly after adoption of this resolution in substantially the form attached hereto as Appendix B. Said notice shall be published as a **display advertisement of at least one-quarter (1/4) page in size** in a newspaper of general circulation in the Village, which manner of publication is deemed by this Village Council to be the most effective manner of informing the taxpayers and electors of the Village of the details of the Financing Contract and the right of referendum thereon. A copy of the Financing Contract shall be placed on file in the office of the Village Clerk and shall be available for public examination.

5. The Financing Contract shall become binding and effective upon the expiration of forty-five (45) days following the date of publication of the aforesaid notice unless under the provisions of Act 233 the effectiveness of the Financing Contract is stayed by reason of the filing of a petition for referendum thereon, in which instance the Financing Contract shall become

binding and effective upon approval by a majority of the electors of the Village voting thereupon at an election called and held for that purpose.

6. The Village hereby authorizes the Authority to prepare and circulate a Preliminary Official Statement and a final Official Statement in connection with the sale of the Bonds. The President and Clerk-Treasurer (each an "Authorized Officer") are each hereby authorized to prepare, approve and distribute information describing the Village to be used by the Authority in connection with the preparation and distribution by the Authority of the Preliminary Official Statement and the Official Statement, and to deem such information final for the purpose of enabling the purchasers of the Bonds to comply with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission. Each Authorized Officer is authorized, if applicable, to execute the final Official Statement on behalf of the Village.

7. If required in connection with the sale and delivery of the Bonds, the Village agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, and each Authorized Officer is hereby authorized to execute such undertaking on behalf of the Village prior to delivery of the Bonds.

8. Each Authorized Officer is hereby authorized and directed to take such further steps and actions as are necessary or desirable to enable the Authority to issue the Bonds for and on behalf of the Village as contemplated herein and in the Financing Contract, and to make and file any and all applications or requests for waivers with the Michigan Department of Treasury necessary to effectuate the sale and delivery of the Bonds, including, if necessary, an Application for State Treasurer's Approval to Issue Long-Term Securities, and to pay any fees required by the Michigan Department of Treasury in connection with any such applications or waivers.

9. The Village hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended.

10. The Village has been advised that the Authority has retained Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield") as its bond counsel in connection with the issuance of the Bonds and the Village hereby consents to the representation of the Authority by Miller Canfield.

11. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Trustees: Emily Votruba, Kenneth Holmes, Brett McGregor, and Jennifer Wilkins


ABSENT: Trustee: Ryan Fiebing

NAYS: None

RESOLUTION DECLARED ADOPTED.


Village Clerk-Treasurer
Village of Elberta

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Village Council of the Village of Elberta, County of Benzie, Michigan, at a regular meeting held on April 18, 2024, 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.


Village Clerk-Treasurer
Village of Elberta

FINANCING CONTRACT

THIS FINANCING CONTRACT (this "Contract"), dated as of the 1st day of April, 2024, is entered into by and among the BETSIE LAKE UTILITIES AUTHORITY, a municipal authority and public body corporate of the State of Michigan (the "Authority"), the CITY OF FRANKFORT (the City") and the VILLAGE OF ELBERTA (the "Village"), each a municipal corporation located in the County of Benzie, Michigan (the City and the Township are each referred to herein as a "Local Unit," and collectively, as the "Local Units").

WITNESSETH:

WHEREAS, the Authority has been incorporated under the provisions of Act 233, Public Acts of Michigan, 1955, as amended ("Act 233"), for the purpose of acquiring, owning, improving, enlarging and extending a system of sewer and sewage disposal improvements; and

WHEREAS, each of the Local Units is a constituent member of the Authority; and

WHEREAS, the Authority has acquired and constructed a system of sewer and sewage disposal improvements, consisting generally of a wastewater treatment plant (the "Facility") and certain interceptor sewers (collectively, the "System") to serve the Local Units; and

WHEREAS, it is immediately necessary and imperative for the public health and welfare that the Authority acquire and construct certain improvements to the Facility, as more particularly described in Section 1 of this Contract (the "Improvements"); and

WHEREAS, plans and an estimate of the cost of the Improvements have been prepared by the Authority's engineers, Gosling Czubak Engineering Sciences, Inc. (the "Consulting Engineers"); and

WHEREAS, the Local Units desire to have the Authority acquire and construct the Improvements as part of the System in order to provide the Local Units with improved wastewater treatment facilities and services; and

WHEREAS, the Authority and the Local Units are agreeable to the execution of this Contract to provide, among other things, for the financing of the costs of the Improvements; and

WHEREAS, prior to execution of this Contract, each Local Unit has approved and authorized the execution of this Contract by resolution of its governing body, and a notice of intent to enter into this Contract has been or will be published by each Local Unit in a newspaper of general circulation within such Local Unit, all in accordance with Act 233.

NOW, THEREFORE, in consideration of the premises and the covenants made herein, THE AUTHORITY AND THE LOCAL UNITS AGREE AS FOLLOWS:

1. The Authority and the Local Units hereby approve the acquisition and construction of improvements to the System, consisting generally of (i) the construction of a new headworks process at the Facility, including mechanical screening and grit removal, and the construction of a new heated and ventilated building to house the new headworks process, (ii) the acquisition and construction of ultraviolet disinfection facilities and equipment at the Facility, and the construction of a new heated and ventilated building to house the ultraviolet disinfection facilities and equipment, and (iii) related improvements, structures, equipment and appurtenances, all as more particularly described in the plans prepared by the Consulting Engineers (collectively, the "Improvements").

2. Each of the Local Unit hereby consents to the use by the Authority of public streets, alleys, lands and rights-of-way in the Local Units necessary for the purpose of constructing the Improvements to the System and any additional improvements, enlargements and extensions thereto.

3. The Improvements are necessary to provide improved wastewater treatment facilities at the Facility and are immediately necessary to protect and preserve the public health.

4. Each of the Local Units hereby approves and confirms the existing plans for the Improvements to the System prepared by the Consulting Engineers and the total estimated cost for the Improvements in the sum of \$5,000,000. Said cost estimate includes all surveys, plans, specifications, acquisition of property for rights-of-way, physical construction necessary to acquire and construct the Improvements to the System, the acquisition of all materials, machinery and necessary equipment, and all engineering, engineering supervision, administrative, legal and financing expenses necessary in connection with the acquisition and construction of the Improvements and the financing thereof. Each Local Unit shall pay its proportionate share of the total cost of the Improvements, which cost shall be allocated among and charged to the Local Units as shown below (expressed as a percentage of the total cost of the Improvements):

City of Frankfort	69.7%
Village of Elberta	30.3%

5. The Authority shall not enter into any final contract or contracts for the acquisition and construction of the Improvements to the System if such contract price or prices will be such as to require the amount of bonds to be issued by the Authority to finance the acquisition and construction of the Improvements, as provided in Section 8 of this Contract, to exceed the maximum amount of such bonds authorized to be issued by the Authority in accordance with Section 8 of this Contract, unless the Local Units, by resolution of their respective governing bodies, (a) approve said increased total cost and (b) agree to pay the excess over the estimated cost, either in cash or by specifically authorizing the maximum principal amount of bonds to be issued as provided in Section 8 of this Contract to be increased to an amount which will provide sufficient funds to meet said increased cost and a similar increase in

the installment obligations of the Local Units pledged under the terms of this Contract to the payment of such bonds.

6. The Improvements to the System shall be acquired and constructed by the Authority in accordance with the plans and specifications therefor approved by this Contract; provided, however, that minor variations from said plans and specifications may be made without the approval of the Local Units if such variations shall not materially affect such plans and specifications. All matters relating to engineering plans, together with the making and letting of final construction contracts, the approval of work and materials thereunder, and construction supervision, shall be in the exclusive control of the Authority. All acquisition of site and rights-of-way shall be done by the Authority as owner of the System.

7. The Improvements shall be owned by the Authority as part of the System. The Facility, including the Improvements, shall continue to be operated by the Betsie Lake Utilities Board established by the Local Units pursuant to an inter-local agreement dated November 16, 1988, as the same has been or may be amended from time to time.

8. To provide for the construction and financing of the Improvements to the System in accordance with the provisions of Act 233, the Authority shall take the following steps:

(a) After execution of this Contract, the Authority will take steps to adopt a resolution (the "Bond Resolution") providing for the issuance of bonds, in one or more series, in the aggregate principal amount of not to exceed Five Million Dollars (\$5,000,000) (the "Bonds") to finance the cost of the Improvements. The Bonds shall mature serially or be payable in annual installments as authorized by law and shall be secured solely by the contractual obligations of the Local Units to pay the installments due, plus interest, as hereinafter provided in this Contract. After due adoption of the Bond Resolution, the Authority will take all necessary legal procedures and steps necessary to effectuate the sale and delivery of the Bonds.

(b) The Authority shall take all steps necessary to enter into and execute final construction contracts for the acquisition and construction of the Improvements to the System as specified and approved hereinbefore in this Contract, in accordance with the plans and specifications therefor based on the plans as approved by this Contract.

(c) The Authority will require and procure from the contractor or contractors undertaking the construction and acquisition of the Improvements to the System necessary and proper bonds to guarantee the performance of the contract or contracts and such labor and material bonds as may be required by law, in such amount and such forms as may be approved by the Authority.

(d) The Authority upon receipt of the proceeds of sale of the Bonds will comply with all provisions and requirements provided for in the Bond Resolution and this Contract relative to the investment and use of the proceeds of the Bonds.

(e) The Authority may temporarily invest any Bond proceeds as permitted by law, and investment income shall accrue to and follow the funds producing such income. Neither the Authority nor the Local Units shall invest, reinvest, or accumulate any moneys deemed to be proceeds of the Bonds pursuant to applicable federal law and regulations, in such a manner as to cause the Bonds to be “arbitrage bonds” within the meaning of said law and regulations, nor shall any party hereto take any action which would cause the interest on the Bonds to be included in gross income for federal income taxation purposes.

9. The total cost of the Improvements shall be charged to and paid by the Local Units to the Authority in the manner and at the times herein set forth. The principal amount of the Bonds shall be paid to the Authority by the Local Units in annual principal installments in amounts equal to the annual principal installments on the Bonds as established by the Authority in the Bond Resolution or as may be approved by the Authority at the time of sale of the Bonds, plus interest and other expenses as hereinafter provided, on a business day that is not less five (5) business days preceding the date each year on which principal installments on the Bonds are due as established by the Authority in the Bond Resolution or as may be approved by the Authority at the time of sale of the Bonds.

Each Local Unit covenants and agrees to pay its Proportionate Bond Share (hereinafter defined) of each principal installment of the Bonds required to be made by the Local Units to the Authority pursuant to this Section 9. “Proportionate Bond Share” means, for each Local Unit, such Local Unit’s percentage share of each payment required to be made by the Local Units pursuant to this Contract as set forth below:

City of Frankfort	69.7%
Village of Elberta	30.3%

In addition to said principal installments, each Local Unit covenants and agrees to pay to the Authority on a business day that is not less than five (5) business days preceding each semi-annual date on which interest on the Bonds is due and payable, its Proportionate Bond Share of the amount required to pay all interest due and payable on Bonds from time to time outstanding on the next succeeding interest payment date for the Bonds, as established by the Authority in the Bond Resolution or as may be approved by the Authority at the time of sale of the Bonds.

The sum of the charges to be paid by the Local Units pursuant to this Section 9 shall in all cases be sufficient to ensure that the Authority shall have on hand, not less than five (5) business days preceding the dates each year on which interest or principal of and interest on the Bonds is due and payable, an amount sufficient to pay the interest or the principal of and interest on the Bonds coming due on the next interest payment date or principal and interest payment date.

It is understood and agreed that the Bonds of the Authority will be issued in anticipation of, and secured by, the contractual obligations of the Local Units as set forth in this Section 9. From time to time as the Authority is billed by the paying agent for the Bonds for its services as paying agent, or registering Bonds, and as other costs and expenses accrue to the Authority from

handling of the payments made by the Local Units, or from other actions taken in connection with the payment, accounting and administration of the Bonds, the Authority shall promptly notify the Local Units of the amount of such paying agent fees and other costs and expenses, and each Local Unit shall promptly remit to the Authority its Proportionate Bond Share of the funds necessary to meet such fees and other costs and expenses.

The Authority shall, within thirty (30) days after the delivery of the Bonds, furnish the Local Units with a complete schedule of maturities of principal and interest thereon and a calculation of each Local Unit's Proportionate Bond Share thereof, which calculation shall be conclusive and binding on the Local Units. In addition, the Authority shall also, at least thirty (30) days prior to each principal and/or interest installment due date, advise the Local Units, in writing, of the exact amount of principal and/or interest due on the Bonds on the next succeeding bond principal and/or interest due date, and payable by the Local Units on the fifth business day preceding the payment date, as hereinbefore provided. Failure of the Authority to notify the Local Units of any such payment shall not relieve the Local Units of the obligation to make such payment.

If any payment required to be made by a Local Unit pursuant to this Section 9 is not paid when due, the amount not so paid shall be subject to a penalty, in addition to interest, of one percent (1%) thereof for each month or fraction thereof that the same remains unpaid after the due date.

Should cash payments be required from the Local Units in addition to the amounts specified in the preceding paragraphs of this Section 9 to meet additional costs of constructing the Improvements, the Local Units shall, upon written request by the Authority, furnish to the Authority written evidence of its agreement and ability to make such additional cash payments, and the Authority may elect not to proceed with the acquisition or financing of the Improvements until such written evidence satisfactory to the Authority has been received by it. The Local Units shall pay to the Authority such additional cash payments within thirty (30) days after written request for such payment has been delivered by the Authority to the Local Units.

10. Pursuant to the authorization contained in Act 233, each Local Unit hereby irrevocably pledges its full faith and credit for the prompt and timely payment of its obligations pledged for payment of the principal of and interest on the Bonds as set forth in Section 9 of this Contract. Pursuant to such pledge, if other funds are not available, each Local Unit shall be required to pay such amounts from any of its general funds as a first budget obligation, and shall each year levy an ad valorem tax on all the taxable property in the Local Unit in an amount which, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay such obligations under this Contract becoming due before the time of the following year's tax collections, such annual levy, however, to be subject to applicable constitutional, statutory and charter tax limitations. The foregoing commitments of the Local Units are expressly recognized as being for the purpose of providing funds to meet their respective contractual obligations in anticipation of which the Bonds are to be issued. Nothing herein contained shall be construed to prevent a Local Unit from using any, or any combination of, the means and methods provided in Section 7 of Act 233, as now or hereafter amended, for the purpose of providing funds to meet its obligations under this Contract, and, if at the time of making the

annual tax levy there shall be either other funds on hand earmarked and set aside, or funds provided in the annual budget of the Local Unit for the payment of the contractual obligations due prior to the next tax collection period, then such annual tax levy may be reduced by such amount.

11. Each Local Unit may pay in advance any of the payments required to be made by this Contract, in which event the Authority shall credit the Local Unit with such advance payment on future-due payments to the extent of such advance payment.

12. If the Bonds are then subject to optional redemption prior to maturity by the Authority, a Local Unit may pay additional moneys over and above any of the payments specified in this Contract, with the written request that said additional funds be used to call Bonds for redemption prior to maturity, in which event the Authority shall be obligated to apply and use said moneys for such purpose to the fullest extent possible. Such moneys shall not then be credited as advance payments under the provisions of Section 11 of this Contract.

13. In the event that a Local Unit shall fail for any reason to pay to the Authority at the times specified the amounts required to be paid by the provisions of this Contract, the Authority shall immediately give notice of such default and the amount thereof, in writing, to the Treasurer of such Local Unit, the Treasurer of the County of Benzie, the Treasurer of the State of Michigan, and such other officials charged with disbursement to such Local Unit of funds returned by the State of Michigan and now or hereafter under Act 233 available for pledge, as provided in this paragraph and in Section 12a of Act 233, and if such default is not corrected within ten (10) days after such notification, the State Treasurer, or other appropriate official charged with disbursement to such Local Unit of the aforesaid funds, is, by these presents, specifically authorized by the Local Unit, to the extent permitted by law, to withhold from the aforesaid funds the maximum amount necessary to cure said deficit and to pay said sums so withheld to the Authority, to apply to the obligations of such Local Unit as herein set forth subject to the limitations provided by law. Any such moneys so withheld and paid shall be considered to have been returned to such Local Unit within the meaning of the Constitution of Michigan of 1963, the purpose of this provision being solely to voluntarily authorize and pledge the use of such funds to meet past due obligations of the Local Unit under the provisions of this Contract. In addition to the foregoing, the Authority shall have all other rights and remedies provided by law to enforce the obligations of the Local Units to make payments in the manner and at the times required by this Contract. The Local Units will not take any action to reduce the right of the Authority to receive the aforesaid state-returned moneys in the event of default.

14. It is specifically recognized by each of the Local Units that the debt service payments required to be made by it pursuant to the terms of Section 9 of this Contract are to be pledged for and used to pay the principal of and interest on the Bonds to be issued by the Authority as provided by this Contract and authorized by law, and each Local Unit covenants and agrees that it will make all required payments to the Authority promptly and at the times herein specified without regard to whether the Improvements are actually completed or placed in operation.

15. If the proceeds of the sale of the Bonds, together any other funds received by the Authority from other sources for payment of the cost of the Improvements, are for any reason insufficient to complete the Improvements, the Authority may issue additional bonds in an aggregate principal amount sufficient to complete the Improvements upon written approval of the Local Units and amendment of this Contract.

16. After completion of the Improvements and payment of all costs thereof, any surplus remaining from the proceeds of sale of the Bonds shall be used by the Authority for either of the following purposes, at the option of and upon request made by resolutions of the Local Units, to wit: (a) for additional improvements to the System, subject to approval of the Authority; or (b) credit by the Authority toward the next payments due the Authority by the Local Units hereunder.

17. The obligations and undertakings of each of the parties to this Contract shall be conditioned on the successful issuance and sale of the Bonds pursuant to Act 233, as described in this Contract, and if for any reason whatsoever the Bonds are not issued and sold within two (2) years from the date of this Contract, this Contract, except for payment of preliminary expenses as hereinafter provided, shall be considered void and of no force and effect. In the event that the Bonds are not issued and sold, all preliminary legal and engineering costs with respect to the Improvements shall be paid by the Local Units in proportion to the allocation of the total cost of the Improvements set forth in Section 4 of this Contract.

18. The Authority and each Local Unit recognizes that the holders from time to time of the Bonds will have contractual rights in this Contract, and it is therefore covenanted and agreed by each of them that so long as any of said Bonds shall remain outstanding and unpaid, the provisions of this Contract shall not be subject to any alteration or revision which would in any manner materially affect either the security of the Bonds or the prompt payment of principal or interest thereon. The Local Units and the Authority further covenant and agree that they will each comply with their respective duties and obligations under the terms of this Contract promptly at the times and in the manner herein set forth, and will not suffer to be done any act which would in any way impair the Bonds, the security therefor, or the prompt payment of principal and interest thereon. It is hereby declared that the terms of this Contract insofar as they pertain to the security of the Bonds shall be deemed to be for the benefit of the holders of the Bonds.

19. This Contract shall remain in full force and effect for a period of forty (40) years from the effective date of this Contract as provided in Section 21 hereof; provided that the obligation of each Local Unit to pay its Proportionate Bond Share of each payment required to be made by the Local Units pursuant to Section 9 of this Contract shall terminate at such time as the Bonds are paid in full, together with any deficiency or penalty thereon.

20. This Contract shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

21. This Contract shall become effective upon the latest of the following:
(a) approval of this Contract by the legislative bodies of each of the Local Units and by the

Commission of the Authority; (b) execution of this Contract by the duly authorized officers of each of the Local Units and by the Authority; and (c) the expiration of 45 days after the date of publication by each of the Local Units of a notice of intent to enter into this Contract as provided in Act 233, unless the effectiveness of this Contract is stayed by reason of the filing of a petition for referendum thereon in a Local Unit, in which case upon approval by a majority of the electors of such Local Unit voting thereupon at an election called and held for that purpose.

22. In the event that any one or more provisions of this Contract shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, but this Contract shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

23. To the extent of any conflict between the provisions of this Contract and the provisions of any other contract by and among the parties hereto, the provisions of this Contract shall control.

24. This Contract shall be governed by and construed in accordance with the laws of the State of Michigan. This Contract may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed and delivered by the undersigned, being duly authorized by the respective governing bodies of such parties, all as of the day and year first above written.

BETSIE LAKE UTILITIES AUTHORITY

By *A. Walenta*
Its: Chairman

By *J. K. H.*
Its: Secretary

CITY OF FRANKFORT

By *John M. Holwerda*
Its: Mayor, *John M. Holwerda*

By *Christine Ward Spence*
Its: Clerk, *Christine Ward Spence*

VILLAGE OF ELBERTA

By *Jemima S. Wilkins*
Its: President

By *Kathleen A. Rabala*
Its: Clerk

APPENDIX A

[Attach Financing Contract]

APPENDIX B

NOTICE OF INTENT TO ENTER INTO TAX-SUPPORTED CONTRACT AND OF RIGHT TO PETITION FOR REFERENDUM THEREON

**TO THE TAXPAYERS AND ELECTORS OF THE VILLAGE OF ELBERTA, COUNTY OF
BENZIE, STATE OF MICHIGAN:**

PLEASE TAKE NOTICE that the Village Council of the Village of Elberta, County of Benzie, State of Michigan (the "Village"), has adopted a resolution authorizing the execution of a Financing Contract (the "Contract") by and among the Betsie Lake Utilities Authority, the Village, and the City of Frankfort (the "City"), pursuant to Act 233, Public Acts of Michigan, 1955, as amended. The Contract provides, among other things, that the Authority will acquire and construct certain improvements to the Authority's sewage disposal system (the "System") to provide the Village and the City (collectively, the "Local Units") with improved wastewater treatment facilities and services.

The improvements to the System to be constructed by the Authority pursuant to the Contract consist generally of (i) the construction of a new headworks process at the wastewater treatment plant, including mechanical screening and grit removal, and the construction of a new heated and ventilated building to house the new headworks process, (ii) the acquisition and construction of ultraviolet disinfection facilities and equipment at the wastewater treatment plant, and the acquisition and construction of a new heated and ventilated building to house the ultraviolet disinfection facilities and equipment, and (iii) related improvements, structures, equipment and appurtenances (collectively, the "Improvements").

The Contract further provides that the Authority will issue bonds, in one or more series, in the aggregate principal amount of not to exceed \$5,000,000 (the "Bonds") to finance all or part of the costs of the Improvements. Under the terms of the Contract, each of the Local Units will pay to the Authority its respective share of all sums necessary to pay the principal of and interest on the Bonds as the same become due.

CONTRACT OBLIGATIONS OF THE VILLAGE

The Bonds will be issued in one or more series in the aggregate principal amount of not to exceed \$5,000,000, and the Village's share of the aggregate principal amount of the Bonds will not exceed \$1,515,000. The principal of the Bonds will be payable in not to exceed forty (40) annual installments and will bear interest at a rate not exceeding 7.00% per annum on the outstanding principal balance, subject to revision in accordance with terms of the Contract. Under the terms of the Contract, the Village will be obligated to pay to the Authority all sums required to pay the Village's share of the principal of and interest on the Bonds as the same become due (the "Contract Payments"). As security for the Contract Payments, the Village has pledged its limited tax full faith and credit. **PURSUANT TO SUCH PLEDGE, THE VILLAGE WILL BE REQUIRED TO PAY THE CONTRACT PAYMENTS FROM ITS GENERAL FUNDS OR, IF NECESSARY, TO LEVY AD VALOREM TAXES ON ALL TAXABLE**

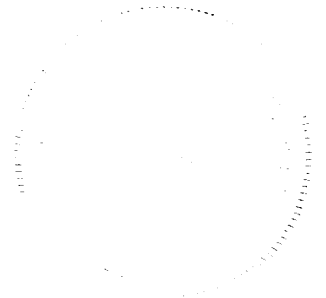
PROPERTY WITHIN ITS BOUNDARIES, SUBJECT TO APPLICABLE CONSTITUTIONAL AND STATUTORY TAX RATE LIMITATIONS, TO THE EXTENT NECESSARY TO MAKE THE REQUIRED CONTRACT PAYMENTS TO THE AUTHORITY IF OTHER FUNDS FOR SUCH PURPOSE ARE NOT AVAILABLE. The Village presently expects to make the Contract Payments to the Authority from rates and charges imposed on the users of the System for the sewage disposal services supplied by the System.

RIGHT OF REFERENDUM

THE CONTRACT WILL BECOME EFFECTIVE WITHOUT VOTE OF THE ELECTORS OF THE VILLAGE, AS PERMITTED BY LAW, UNLESS A PETITION REQUESTING AN ELECTION ON THE QUESTION OF ENTERING INTO THE CONTRACT, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE VILLAGE, IS FILED WITH THE VILLAGE CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. If such petition is so filed, the Contract will not become effective without an approving vote by a majority of electors of the Village voting on the question.

THIS NOTICE is given pursuant to the requirements of Section 8 of Act 233, Public Acts of Michigan, 1955, as amended. Further information concerning the details of the Contract and the matters set out in this notice may be secured from the Village Clerk's office.

Katherine Ralston
Village Clerk-Treasurer
Village of Elberta
151 Pearson St. PO Box 8
Elberta, Michigan 49628





Baker Tilly US, LLP
2852 Eyde Parkway, Ste 150
East Lansing, MI 48823
United States of America

T: 1+ (517) 321-0110
bakertilly.com

April 9, 2024

Betsie Lake Utilities Authority, Michigan
181 Lake Street
Frankfort, MI 49635

RE: Engagement Letter Agreement Related to Services

This letter agreement (the Engagement Letter) is to confirm our understanding of the basis upon which Baker Tilly US, LLP (Baker Tilly) and its affiliates are being engaged by the Betsie Lake Utilities Authority, Michigan (the Client) to assist the Client with advisory services.

Scope, Objectives and Approach

It is anticipated that projects undertaken in accordance with this Engagement Letter will be at the request of the Client. The scope of services, additional terms and associated fee for individual engagements will be contained in a Scope Appendix or Appendices to this Engagement Letter. Authorization to provide services will commence upon execution and return of this Engagement Letter and one or more Appendices.

Management's Responsibilities

It is understood that Baker Tilly will serve in an advisory capacity with the Client. The Client is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee the services we provide. The Client is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

The procedures we perform in our engagement will be heavily influenced by the representations that we receive from Client personnel. Accordingly, false or misleading representations could cause material errors to go undetected. The Client, therefore, agrees that Baker Tilly will have no liability in connection with claims based upon our failure to detect material errors resulting from false or misleading representations made to us by any Client personnel and our failure to provide an acceptable level of service due to those false or misleading representations.

The ability to provide service according to timelines established and at fees indicated will rely in part on receiving timely responses from the Client. The Client will provide information and responses to deliverables within the timeframes established in a Scope Appendix unless subsequently agreed otherwise in writing.

The responsibility for auditing the records of the Client rests with the Client's separately retained auditor and the work performed by Baker Tilly shall not include an audit or review of the records or the expression of an opinion on financial data.

Ownership of Intellectual Property

Unless otherwise stated in a specific Scope Appendix, subject to Baker Tilly's rights in Baker Tilly's Knowledge (as defined below), Client shall own all intellectual property rights in the deliverables developed under the applicable Scope Appendix or Appendices (Deliverables). Notwithstanding the foregoing, Baker Tilly will maintain all ownership right, title and interest to all Baker Tilly's Knowledge. For purposes of this Agreement "Baker Tilly's Knowledge" means Baker Tilly's and its affiliates (Baker Tilly Parties) proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by the Baker Tilly Parties prior to the Effective Date of this Agreement or the applicable Scope Appendix or Appendices (Baker Tilly's Preexisting Knowledge) (2) developed or obtained by the Baker Tilly Parties after the Effective Date, that are reusable from client to client and project to project, where Client has not paid for such development; and (3) extensions, enhancements, or modifications of Baker Tilly's Preexisting Knowledge which do not include or incorporate the Client's confidential information. To the extent that any Baker Tilly Knowledge is incorporated into the Deliverables, Baker Tilly grants to Client a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Baker Tilly Knowledge in connection with the Deliverables, and for no other purpose without the prior written consent of Baker Tilly. Additionally, Baker Tilly may maintain copies of its work papers for a period of time and for use in a manner sufficient to satisfy any applicable legal or regulatory requirements.

The supporting documentation for this engagement, including, but not limited to work papers, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to required third parties, the Client hereby authorizes us to do so.

Timing and Fees

Specific services will commence upon execution and return of a Scope Appendix to this Engagement Letter and our professional fees will be based on the rates outlined in such Scope Appendix.

Payment of professional fees is not contingent upon project completion by Client nor material timing changes in project completion. Professional fees provided according to the Scope Appendix are due within 30 days of being invoiced, regardless of project status. If necessary, monthly payment plan arrangements may be negotiated upon request.

Dispute Resolution

Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Engagement Letter or the applicable Scope Appendix or Appendices as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Agreement or the applicable Scope Appendix or Appendices as shall be resolved as set forth in this section using the following procedure: In the unlikely event that differences concerning the services or fees provided by Baker Tilly should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties agree to expressly waive trial by jury in any judicial proceeding involving directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of, related to, or connected with this Agreement or the applicable Scope Appendix or Appendices as or the relationship of the parties established hereunder.

Because a breach of any the provisions of this Engagement Letter or the applicable Scope Appendix or Appendices as concerning confidentiality or intellectual property rights will irreparably harm the non-breaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this section in order to seek injunctive or declaratory relief.

Limitation on Damages

To the extent allowed under applicable law, the aggregate liability (including attorney's fees and all other costs) of either party and its present or former partners, principals, agents or employees to the other party related to the services performed under an applicable Scope Appendix or Appendices shall not exceed the fees paid to Baker Tilly under the applicable Scope Appendix or Appendices to which the claim relates, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of the at-fault party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Engagement Letter or the applicable Scope Appendix or Appendices as even if the other party has been advised of the possibility of such damages.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim.

Other Matters

E-Verify Program

Baker Tilly participates in the E-Verify program. For the purpose of this paragraph, the E-Verify program means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigration Responsibility Act of 1996 (P.L. 104-208), Division C, Title IV, s.401(a), as amended, operated by the United States Department of Homeland Security or a successor work authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees under the Immigration Reform and Control Act of 1986 (P.L. 99-603). Baker Tilly does not employ any "unauthorized aliens" as that term is defined in 8 U.S.C. 1324a(h)(3).

Investments

Baker Tilly certifies that pursuant to I.C. 5-22-16.5 *et seq.* Baker Tilly is not now engaged in investment activities in Iran. Baker Tilly understands that providing a false certification could result in the fines, penalties and civil action listed in I.C. 5-22-16.5-14.

Non-Discrimination

Pursuant to I.C. §22-9-1-10, Baker Tilly and its subcontractors, if any, shall not discriminate against any employee or applicant for employment to be employed in the performance of this Engagement Letter, with respect to hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of race, religion, color, sex, disability, national origin, ancestry, or veteran status. Breach of this covenant may be regarded as a material breach of this Engagement Letter.

Baker Tilly certifies that, except for de minimis and non-systematic violations, it has not violated the terms of I.C. 24-4.7, I.C. 24-5-12, or I.C. 24-5-14 in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law, and that Baker Tilly will not violate the terms of I.C. 24-4.7 for the duration of the Engagement Letter, even if I.C. 24-4.7 is preempted by federal law. Baker Tilly further certifies that any affiliate or principal of Baker Tilly and any agent acting on behalf of Baker Tilly or on behalf of any affiliate or principal of Baker Tilly, except for de minimis and non-systematic violations, has not violated the terms of I.C. 24-4.7 in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law, and will not violate the terms of I.C. 24-4.7 for the duration of the Engagement Letter, even if I.C. 24-4.7 is preempted by federal law.

Anti-Nepotism

The Firm is aware of the provisions under I.C. 36-1-21 *et seq.* with respect to anti-nepotism in contractual relationships with governmental entities. The Firm is not aware of any relative (as defined in I.C. 36-1-21-3) of any elected official (as defined in I.C. 36-1-21-2) of the Client who is an owner or an employee of the Firm.

In the event Baker Tilly is requested by the Client; or required by government regulation, subpoena, or other legal process to produce our engagement working papers or its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is not a party to the proceeding in which the information is sought, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses incurred in responding to such a request.

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated, or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

In the event that any provision of this Engagement Letter or statement of work contained in a Scope Appendix hereto is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Engagement Letter or statement of work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Engagement Letter would impair Baker Tilly's independence under its rules, such provision(s) shall be of no effect.

Termination

Both the Client and Baker Tilly have the right to terminate this Engagement Letter or any work being done under an individual Scope Appendix at any time after reasonable advance written notice. On termination, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Scope Appendix will terminate 60 days after completion of the services in such Appendix.

Important Disclosures

Incorporated as Attachment A and part of this Engagement Letter are important disclosures. These include disclosures that apply generally and those that are applicable in the event Baker Tilly is engaged to provide municipal advisory services.

Betsie Lake Utilities Authority, Michigan

April 9, 2024
Page 6

This Engagement Letter, including the attached Disclosures as updated from time to time, comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals, oral or written, and all other communications between the parties. Both parties acknowledge that work performed pursuant to the Engagement Letter will be done through Scope Appendices executed and made a part of this document. Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Engagement Letter shall survive the expiration or termination of this Engagement Letter or any statement of work contained in a Scope Appendix hereto. If this Engagement Letter is acceptable, please sign below and return one copy to us for our files.

Sincerely,



Andy Campbell, CPA, Director

Signature Section:

The terms as set forth in this Engagement Letter are agreed to on behalf of the Client by:

Name: J. Salento
Title: CHAIRMAN
Date: 4/18/2024

Attachment A

Important Disclosures

Non-Exclusive Services

Client acknowledges and agrees that Baker Tilly and its affiliates, including but not limited to Baker Tilly US, LLP, Baker Tilly Municipal Advisors, LLC, Baker Tilly Capital, LLC and Baker Tilly Wealth Management, LLC, is free to render municipal advisory and other services to the Client or others and that Baker Tilly does not make its services available exclusively to the Client.

Affiliated Entities

Baker Tilly US, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

Baker Tilly Wealth Management, LLC (BTWM), a U.S. Securities and Exchange Commission (SEC) registered investment adviser, may provide services to the Client in connection with the investment of proceeds from an issuance of securities. In such instances, services will be provided under a separate engagement, for an additional fee. Notwithstanding the foregoing, Baker Tilly may act as solicitor for and recommend the use of BTWM, but the Client shall be under no obligation to retain BTWM or to otherwise utilize BTWM relative to Client's investments. The fees paid with respect to investment services are typically based in part on the size of the issuance proceeds and Baker Tilly may have incentive to recommend larger financings than would be in the Client's best interest. Baker Tilly will manage and mitigate this potential conflict of interest by this disclosure of the affiliated entity's relationship, a Solicitation Disclosure Statement when Client retains BTWM's services.

Baker Tilly Capital, LLC (BTC) is a limited-service broker-dealer specializing in merger and acquisition, capital sourcing, project finance and corporate finance advisory services. BTC does not participate in any municipal offerings advised on by its affiliate Baker Tilly Municipal Advisors. Any services provided to Client by BTC would be done so under a separate engagement for an additional fee.

Baker Tilly Municipal Advisors (BTMA) is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the SEC and the Municipal Securities Rulemaking Board (MSRB). As such, BTMA may provide certain specific municipal advisory services to the Client. BTMA is neither a placement agent to the Client nor a broker/dealer. The offer and sale of any bonds is made by the Client, in the sole discretion of the Client, and under its control and supervision. The Client acknowledges that BTMA does not undertake to sell or attempt to sell bonds or other debt obligations and will not take part in the offer or sale thereof.

Baker Tilly, may provide services to the Client in connection with human resources consulting, including, but not limited to, executive recruitment, talent management and community survey services. In such instances, services will be provided under a separate scope of work for an additional fee. Certain executives of the Client may have been hired after the services of Baker Tilly were utilized and may make decisions about whether to engage other services of Baker Tilly or its affiliates. Notwithstanding the foregoing, Baker Tilly may recommend the use of Baker Tilly or a subsidiary, but the Client shall be under no obligation to retain Baker Tilly or an affiliate or to otherwise utilize either relative to the Client's activities.

Conflict Disclosure Applicable to Municipal Advisory Services Provided by BTMA

Legal or Disciplinary Disclosure. BTMA is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving BTMA. Pursuant to MSRB Rule G-42, BTMA is required to disclose any legal or disciplinary event that is material to the Client's evaluation of BTMA or the integrity of its management or advisory personnel.

There are no criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations or civil litigation involving BTMA. Copies of BTMA filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Baker Tilly Municipal Advisors, LLC or for our CIK number which is 0001616995. The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

Contingent Fee. The fees to be paid by the Client to BTMA are or may be based on the size of the transaction and partially contingent on the successful closing of the transaction. Although this form of compensation may be customary in the municipal securities market, it presents a conflict because BTMA may have an incentive to recommend unnecessary financings, larger financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause a financing or other transaction to be delayed or fail to close, BTMA may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Hourly Fee Arrangements. Under an hourly fee form of compensation, BTMA will be paid an amount equal to the number of hours worked multiplied by an agreed upon billing rate. This form of compensation presents a potential conflict of interest if BTMA and the Client do not agree on a maximum fee under the applicable Appendix to this Engagement Letter because BTMA will not have a financial incentive to recommend alternatives that would result in fewer hours worked. In addition, hourly fees are typically payable by the Client whether or not the financing transaction closes.

Fixed Fee Arrangements. The fees to be paid by the Client to BTMA may be in a fixed amount established at the outset of the service. The amount is usually based upon an analysis by the Client and BTMA of, among other things, the expected duration and complexity of the transaction and the work documented in the Scope Appendix to be performed by Baker Tilly. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Baker Tilly may suffer a loss. Thus, Baker Tilly may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives.

BTMA manages and mitigates conflicts related to fees and/or other services provided primarily through clarity in the fee to be charged and scope of work to be undertaken and by adherence to MSRB Rules including, but not limited to, the fiduciary duty which it owes to the Client requiring BTMA to put the interests of the Client ahead of its own and BTMA's duty to deal fairly with all persons in its municipal advisory activities.

To the extent any additional material conflicts of interest have been identified specific to a scope of work the conflict will be identified in the respective Scope Appendix. Material conflicts of interest that arise after the date of a Scope Appendix will be provide to the Client in writing at that time.

RE: Bond Issuance

DATE: April 9, 2024

This Scope Appendix is attached by reference to the above-named engagement letter (the Engagement Letter) between the Betsie Lake Utilities Authority, Michigan (the Client) and Baker Tilly US, LLP and relates to services to be provided by Baker Tilly Municipal Advisors, LLC.

SCOPE OF WORK

Baker Tilly Municipal Advisors (BTMA) agrees to furnish and perform the following services for the Client.

A. Competitive Sale Bond Issuance

- Assessment of market options
- Advice regarding negotiated versus competitive sale formats
- Development of a timetable
- Bond sizing and specifications
- Rating agency application
- Department of Treasury liaison
- Marketing of the Bond issue including compilation and distribution of an Official Statement
- Conduct sale/pricing
- Closing letter development
- Monitoring of the closing procedures

COMPENSATION AND INVOICING

BTMA's fees for services set forth in the Scope Appendix will be \$30,720 if the Authority issues Revenue Bonds or \$25,720 if the Authority issues Limited Tax General Obligation Bonds. This fee includes all expenses incurred and up to two in-person meetings attended (additional meetings would be charged at \$1,500 per meeting above fee detailed above).

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.



**SCOPE APPENDIX to
Engagement Letter dated: April 9, 2024
Between Betsie Lake Utilities Authority, Michigan, and
Baker Tilly US, LLP**

- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

Termination

This Scope Appendix will terminate according to the terms of the Engagement Letter.

If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,



Andy Campbell, CPA, Director

Signature Section:

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name: *D. Valenta*
Title: CHAIRMAN
Date: 4/18/2024

RESOLUTION APPROVING ACT 233 FINANCING CONTRACT
AND PUBLICATION OF NOTICE THEREOF
(BETSIE LAKE UTILITIES AUTHORITY)

City of Frankfort
County of Benzie, Michigan

Minutes of a regular meeting of the City Council of the City of Frankfort, County of Benzie, Michigan, held on the 16th day of April, 2024 at 5:00 p.m., prevailing Eastern Time.

PRESENT: Members Carrella, Charters, Holwerda, Olsen, Stratton

ABSENT: Members _____

The following preamble and resolution were offered by Member Charters and supported by Member Stratton:

WHEREAS, the City of Frankfort, County of Benzie, State of Michigan (the "City"), and the Village of Elberta, County of Benzie, State of Michigan (the "Village," and together with the City, the "Local Units"), have incorporated the Betsie Lake Utilities Authority (the "Authority") under the provisions of Act 233, Public Acts of Michigan, 1955, as amended ("Act 233"); and

WHEREAS, the Authority was incorporated for the purpose of acquiring, owning, improving, enlarging and extending a system of sewer and sewage disposal improvements; and

WHEREAS, the Authority has acquired and constructed a system of sewer and sewage disposal improvements, consisting generally of a wastewater treatment plant and certain interceptor sewers (collectively, the "System") to serve the Local Units; and

WHEREAS, the Local Units desire to have the Authority acquire and construct certain improvements to the System's wastewater treatment plant (the "Improvements") to provide the Local Units with improved wastewater treatment facilities and services; and

WHEREAS, the Local Units have requested that the Authority undertake the acquisition, construction and financing of the Improvements under and in accordance with the provisions of Act 233; and

WHEREAS, the Authority has caused to be prepared a Financing Contract, dated as of April 1, 2024 (the "Financing Contract"), by and among the Authority and the Local Units, which provides, among other things, for the allocation of the cost of the Improvements to the Local Units, and for the financing of the costs of the Improvements by the issuance of bonds of the Authority (the "Bonds") in accordance with the provisions of Act 233; and

WHEREAS, under the terms of the Financing Contract, each of the Local Units will be obligated to pay its respective share of the costs of the Improvements, in installments, which in the aggregate will be sufficient to pay the principal of and interest on the Bonds of the Authority as the same become due, all as provided in the Financing Contract; and

WHEREAS, the Financing Contract has been presented to this City Council for approval.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Financing Contract, by and among the Authority and the Local Units, providing for the acquisition, construction and financing of the Improvements, as more particularly described in the Financing Contract, is hereby approved and confirmed in substantially the form attached hereto as Appendix A, subject to such completions, additions and revisions as shall be approved by the Mayor and Clerk and which are not materially adverse to the City. The Mayor and Clerk are authorized and directed to execute and deliver the Financing Contract for and on behalf of the City when it is in final form.

2. The issuance of the Bonds by the Authority pursuant to Act 233 for the purpose of paying the costs of the Improvements and the costs of issuance of the Bonds, all as more particularly described in the Financing Contract, is hereby approved; provided, however, that the City's share of the aggregate principal amount of the Bonds shall not exceed \$3,485,000 and the Bonds shall be payable in not to exceed forty (40) annual installments. The City acknowledges that the Bonds of the Authority will be issued in anticipation of, and secured by, the contractual obligations of the Local Units as set forth in the Financing Contract, and that the City's actual share of the principal of and interest on the Bonds will be determined in accordance with the terms of the Financing Contract.

3. This City Council hereby approves and confirms the pledge of the City's limited tax full faith and credit for the prompt and timely payment of the City's obligations under the Financing Contract. Pursuant to such pledge, the City shall, to the extent necessary, levy ad valorem taxes on all taxable property within the City sufficient to meet its obligations under the Financing Contract, subject to applicable constitutional, statutory and charter tax rate limitations.

4. Notice of the adoption of this resolution approving the Financing Contract shall be published promptly after adoption of this resolution in substantially the form attached hereto as Appendix B. Said notice shall be published as a **display advertisement of at least one-quarter (1/4) page in size** in a newspaper of general circulation in the City, which manner of publication is deemed by this City Council to be the most effective manner of informing the taxpayers and electors of the City of the details of the Financing Contract and the right of referendum thereon. A copy of the Financing Contract shall be placed on file in the office of the City Clerk and shall be available for public examination.

5. The Financing Contract shall become binding and effective upon the expiration of forty-five (45) days following the date of publication of the aforesaid notice unless under the provisions of Act 233 the effectiveness of the Financing Contract is stayed by reason of the filing of a petition for referendum thereon, in which instance the Financing Contract shall become

binding and effective upon approval by a majority of the electors of the City voting thereupon at an election called and held for that purpose.

6. The City hereby authorizes the Authority to prepare and circulate a Preliminary Official Statement and a final Official Statement in connection with the sale of the Bonds. The Mayor, Superintendent and Clerk/Treasurer (each an "Authorized Officer") are each hereby authorized to prepare, approve and distribute information describing the City to be used by the Authority in connection with the preparation and distribution by the Authority of the Preliminary Official Statement and the Official Statement, and to deem such information final for the purpose of enabling the purchasers of the Bonds to comply with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission. Each Authorized Officer is authorized, if applicable, to execute the final Official Statement on behalf of the City.

7. If required in connection with the sale and delivery of the Bonds, the City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, and each Authorized Officer is hereby authorized to execute such undertaking on behalf of the City prior to delivery of the Bonds.

8. Each Authorized Officer is hereby authorized and directed to take such further steps and actions as are necessary or desirable to enable the Authority to issue the Bonds for and on behalf of the City as contemplated herein and in the Financing Contract, and to make and file any and all applications or requests for waivers with the Michigan Department of Treasury necessary to effectuate the sale and delivery of the Bonds, including, if necessary, an Application for State Treasurer's Approval to Issue Long-Term Securities, and to pay any fees required by the Michigan Department of Treasury in connection with any such applications or waivers.

9. The City hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended.

10. The City has been advised that the Authority has retained Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield") as its bond counsel in connection with the issuance of the Bonds and the City hereby consents to the representation of the Authority by Miller Canfield.

11. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members Charters, Carrella, Holwerda, Olsen, Stratton

NAYS: Members —

RESOLUTION DECLARED ADOPTED.

Christine Ward Spence
City Clerk, Christine Ward Spence
City of Frankfort

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Frankfort, County of Benzie, Michigan, at a regular meeting held on April 16, 2024, 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.

Christine Ward Spence
City Clerk, Christine Ward Spence
City of Frankfort

APPENDIX A

[Attach Financing Contract]

APPENDIX B

NOTICE OF INTENT TO ENTER INTO TAX-SUPPORTED CONTRACT AND OF RIGHT TO PETITION FOR REFERENDUM THEREON

**TO THE TAXPAYERS AND ELECTORS OF THE CITY OF FRANKFORT, COUNTY OF
BENZIE, STATE OF MICHIGAN:**

PLEASE TAKE NOTICE that the City Council of the City of Frankfort, County of Benzie, State of Michigan (the "City"), has adopted a resolution authorizing the execution of a Financing Contract (the "Contract") by and among the Betsie Lake Utilities Authority, the City, and the Village of Elberta (the "Village"), pursuant to Act 233, Public Acts of Michigan, 1955, as amended. The Contract provides, among other things, that the Authority will acquire and construct certain improvements to the Authority's sewage disposal system (the "System") to provide the City and the Village (collectively, the "Local Units") with improved wastewater treatment facilities and services.

The improvements to the System to be constructed by the Authority pursuant to the Contract consist generally of (i) the construction of a new headworks process at the wastewater treatment plant, including mechanical screening and grit removal, and the construction of a new heated and ventilated building to house the new headworks process, (ii) the acquisition and construction of ultraviolet disinfection facilities and equipment at the wastewater treatment plant, and the acquisition and construction of a new heated and ventilated building to house the ultraviolet disinfection facilities and equipment, and (iii) related improvements, structures, equipment and appurtenances (collectively, the "Improvements").

The Contract further provides that the Authority will issue bonds, in one or more series, in the aggregate principal amount of not to exceed \$5,000,000 (the "Bonds") to finance all or part of the costs of the Improvements. Under the terms of the Contract, each of the Local Units will pay to the Authority its respective share of all sums necessary to pay the principal of and interest on the Bonds as the same become due.

CONTRACT OBLIGATIONS OF THE CITY

The Bonds will be issued in one or more series in the aggregate principal amount of not to exceed \$5,000,000, and the City's share of the aggregate principal amount of the Bonds will not exceed \$3,485,000. The principal of the Bonds will be payable in not to exceed forty (40) annual installments and will bear interest at a rate not exceeding 7.00% per annum on the outstanding principal balance, subject to revision in accordance with terms of the Contract. Under the terms of the Contract, the City will be obligated to pay to the Authority all sums required to pay the City's share of the principal of and interest on the Bonds as the same become due (the "Contract Payments"). As security for the Contract Payments, the City has pledged its limited tax full faith and credit. **PURSUANT TO SUCH PLEDGE, THE CITY WILL BE REQUIRED TO PAY THE CONTRACT PAYMENTS FROM ITS GENERAL FUNDS OR, IF NECESSARY, TO LEVY AD VALOREM TAXES ON ALL TAXABLE PROPERTY**

WITHIN ITS BOUNDARIES, SUBJECT TO APPLICABLE CONSTITUTIONAL, STATUTORY AND CHARTER TAX RATE LIMITATIONS, TO THE EXTENT NECESSARY TO MAKE THE REQUIRED CONTRACT PAYMENTS TO THE AUTHORITY IF OTHER FUNDS FOR SUCH PURPOSE ARE NOT AVAILABLE. The City presently expects to make the Contract Payments to the Authority from rates and charges imposed on the users of the System for the sewage disposal services supplied by the System.

RIGHT OF REFERENDUM

THE CONTRACT WILL BECOME EFFECTIVE WITHOUT VOTE OF THE ELECTORS OF THE CITY, AS PERMITTED BY LAW, UNLESS A PETITION REQUESTING AN ELECTION ON THE QUESTION OF ENTERING INTO THE CONTRACT, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY, IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. If such petition is so filed, the Contract will not become effective without an approving vote by a majority of electors of the City voting on the question.

THIS NOTICE is given pursuant to the requirements of Section 8 of Act 233, Public Acts of Michigan, 1955, as amended. Further information concerning the details of the Contract and the matters set out in this notice may be secured from the City Clerk's office.

Christine Spence
City Clerk
City of Frankfort
412 Main Street
Frankfort, Michigan 49635



Baker Tilly Municipal Advisors, LLC
2852 Eyde Pkwy, Ste 150
East Lansing, MI 48823
(517) 321-0110
bakertilly.com

March 22, 2024

To: Betsie Lake Utilities Authority Working Group
From: Andy Campbell, *Director*
Cecilia Mende, *Consultant*

The following is the tentative timetable for the 2024 Sewer Limited Tax Bonds:

- 4/16 City of Frankfort adopts Notice of Intent Resolution at regular meeting.
- 4/18 Village of Elberta adopts Notice of Intent Resolution at regular meeting.
- 4/18 Authority motions to move forward with sewer project at regular meeting.
- 4/23 Notice of Intent 45-day referendum notice is published for City of Frankfort.
- 4/25 Notice of Intent 45-day referendum notice is published for Village of Elberta.
- 4/26 Rating request made on behalf of the Authority by Baker Tilly to Standard & Poor's.
- 4/29 Bond Specs sent by Baker Tilly to Miller Canfield.
- 5/01 Preliminary Official Statement (POS) draft sent by Baker Tilly to the working group.
- 5/15 Comments are due on the POS.
- 5/16 Authority adopts Bond Authorizing Resolution at regular Authority meeting.
- 5/16 Village of Elberta adopts Bond Authorizing Resolution at regular meeting.
- 5/17 Due diligence call with the working group.
- 5/17 Rating call with the Authority, Baker Tilly, and Standard & Poor's.
- 5/21 City of Frankfort adopts Bond Authorizing Resolution at regular meeting.
- 5/22 Second draft of the POS sent out to the working group.
- 5/29 Rating received.
- 6/05 Final sign off on the POS is due from the working group.
- ~6/07 Notice of Intent 45-day referendum notice expires for City of Frankfort.
- ~6/10 Notice of Intent 45-day referendum notice expires for Village of Elberta.
- 6/12 Notice of Sale is published by Miller Canfield in the Bond Buyer.
- 6/12 POS distributed to the market by the printer and Baker Tilly.
- ~6/25 Bond sale. This date should be considered flexible right up to the Notice of Sale date. The specific date will be determined by schedules and market conditions.