September 4, 2026

Mr. Tony McGhee
City of Buchanan
302 N. Redbud Trail
Buchanan, MI 49107

RE: 2027 Drinking Water State Revolving Fund Bonds/Loan & Water Rate Study – Registered Municipal Advisor and Rate Consultant Services

Dear Mr. McGhee and the City of Buchanan,

Bendzinski & Co. Municipal Finance Advisors would like to thank you for the opportunity to serve as the Registered Municipal Advisor for the issuance of the above-mentioned bond issue. This letter will confirm the terms of our engagement:

Act on behalf of the City of Buchanan (the "Issuer") with a fiduciary duty, which shall include a duty of loyalty and care in accordance with the rules and regulations set forth by the Municipal Securities Rulemaking Board ("Board" or "MSRB") and the Securities and Exchange Commission ("SEC")

Phase 1 – Water Rate Study

- Review and analyze historical operating expenses using audit and budget information.
  - 2-4 years of audits and budgets.
  - Current and proposed (if available) budget.
- A "Test Year" is developed that reflects a "normalized" operating budget.
  - Current and/or proposed budgets are considered.
  - Analysis of anticipated changes to operating costs with both client input and our input.
  - Inflation multipliers are analyzed and attached to each budget line item.
- Existing debt is analyzed.
  - Drafting of existing semi-annual debt service by debt issue.
  - Refinancing and/or restructuring possibilities are explored.
- The customer base is analyzed, including the number of meter equivalents, billable flow, treated/pumped flow and other methods.
  - This information is verified by applying it to the current rate structure to ascertain margin of error compared to audited and budgeted revenues.
  - Other operating and non-operating revenues analyzed for trends and stability.

    - Analysis of assumptions made for duration of the analysis, including prediction of meter equivalents, billable flow and other user rate revenue methods.
- Capital improvement plans are analyzed and discussed.
    - Annual asset management plans are analyzed, and scenarios are developed for cash funding and debt funding costs.
    - Funding asset management plans from cash reserves is analyzed against potential efficiency of grouping certain costs together for purposes of debt financing.
    - Financing options are considered including the State Revolving Fund, USDA Rural Development, other agency funding sources and open market bonds. Various term options, bond securities and possible interest rate scenarios are considered.
- Cash reserve analysis.
    - Cash and investments are analyzed for trending and stability, including restricted funds.
    - A cash reserve policy is recommended based on the fund's stability, capital improvement plans, size of the system and changing customer dynamics.
- User rate management is considered with various options and scenarios.
    - Appropriateness of rate structure, including the proportion of revenue generated from ready to serve and commodity charge, is analyzed.
    - Rate adjustments of a one-time nature, annual inflationary increases and other options are considered.
- Meetings
    - In-person attendance of three meetings is included.
        - This includes a rate presentation to be conducted by the company to discuss findings and recommendations.
    - Virtual attendance of Teams meetings and/or calls is included.
- Reports
    - Upon completion of study, a five-year user rate recommendation will be made.
    - Provide financial information, important supporting data, important trends and analysis, narrative detailing findings and recommendations.
- Usual and customary rate consultant services as may be requested by the Client.

Phase 2 – Drinking Water State Revolving Fund Bond Issue

- Prepare financial information and projections in cooperation with Issuer officials and engineers, in order to arrive at the amount of the issue to be sold and determine the methodology for the timely repayment of the bond issue;
- Attend meetings with Issuer's staff, its engineers, bond counsel, and Michigan Department of Environment, Great Lakes & Energy ("EGLE") staff for the purpose of planning the proposed SRF project;
- Provide assistance when requested to the Issuer, Issuer Attorney and Bond Counsel to ensure that all possible provisions are made towards the most advantageous sale of bonds;
- Prepare with the Issuer's cooperation, the Part 1 application required by the Municipal Finance Division of the Michigan Department of Treasury for their approval and expedite this approval;
- Prepare with the Issuer's cooperation, the financial processes required by the Michigan Department of Environment, Great Lakes & Energy Assistance Division, Municipal Facilities Section to obtain their approval;
- Prepare bond specifications for bond counsel including interest rate limitations, security pledge, term and other financial details of the bonds;
- Assist the Issuer with the required investment grade rating process;
- Preparation of the required User Charge System, if required; and
- Advise and assist the Issuer to enable them with a successful delivery of funds from Michigan Municipal Bond Authority.

Bendzinski & Co. proposes a fee of $24,700. This fee includes all out-of-pocket expenses, meeting attendance, mileage, etc. This fee is payable upon closing of the bonds.

We believe this provides you with the outline of the services we provide. The Registered Municipal Advisor fee is contingent upon the closing and delivery of the bonds. Although this form of compensation may be customary, it presents a conflict because Bendzinski & Co. may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the Issuer. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, Bendzinski & Co. 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. Bendzinski & Co. manages and mitigates this conflict primarily by adherence to the fiduciary duty which it owes to municipal entities such as the Issuer which require it to put the interests of the Issuer ahead of its own.

Bendzinski & Co.
MUNICIPAL FINANCE ADVISORS
A MICHIGAN FIRM, WORKING FOR MICHIGAN.

Mr. Tony McGhee
City of Buchanan
September 4, 2026

The Municipal Advisory Council of Michigan (the "MAC") assesses Bendzinski & Co., a $450.00 fee for every bond issue where we act as municipal advisor in the State of Michigan. This fee will be included in the overall bond costs of issuance. Our membership in the MAC is voluntary, but the per bond issue assessment is meant to cover costs for credit reports and similar information available from the MAC that is used in the offering document and in other states is billed directly by a third-party. The MAC is a single-source municipal database for essential bond and note details for all local government issuers in Michigan. Among 23 distinctive credit reports, the MAC is the primary source for Issuer's debt statements, overlapping debt and indirect debt, as used to determine suitability and as disclosed in official statements, (if applicable). The MAC tracks, monitors and records all Michigan new issue bond sales, whether competitive, negotiated or private placements and bond calls. The MAC does not do any lobbying. Robert J. Bendzinski, currently serves on the MAC Board of Directors.

Bendzinski & Co. 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 MSRB. As part of this registration Bendzinski & Co. is required to disclose to the SEC information regarding any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Bendzinski & Co. Pursuant to MSRB Rule G-42, Bendzinski & Co. is required to disclose any legal or disciplinary event that is material to the Issuer's evaluation of Bendzinski & Co. or the integrity of its management or advisory personnel. Bendzinski & Co. has determined that no such event exists as there are no criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations or civil litigation involving Bendzinski & Co. that were required to be reported to the SEC.

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.

Copies of Bendzinski & Co.'s 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 Bendzinski & Co. or for our CIK number which is 1614475.

It is understood and agreed that either party to this contract of employment may terminate the contract for any reason upon thirty (30) days prior written notice to the other party. If our employment on this basis is agreeable to you, please endorse your acceptance hereof on this letter which will constitute our contract of employment.

Should you have any questions or require any additional information, please do not hesitate to call.

2390 Woodlake Drive • Suite 300 • Okemos, Michigan 48864
(517) 580-0277
E-mail • acampbell@bendzinski.com

Sincerely,

BENDZINSKI & CO.
Municipal Finance Advisors

Andy Campbell, CPA
Registered Municipal Advisor

Accepted: ________________________, 20__

CITY OF BUCHANAN, STATE OF MICHIGAN

Signature:_________________________________

Printed Name:______________________________

Title:_________________________________