

**RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENT TO ISSUE
ADDITIONAL CAPITAL IMPROVEMENT BONDS AND
DECLARATION OF INTENT TO REIMBURSE**

CHARTER TOWNSHIP OF MADISON
County of Lenawee, State of Michigan

Minutes of a special meeting of the Township Board of the Charter Township of Madison, County of Lenawee, State of Michigan, held on the 1st day of May, 2024, at 9:00 a.m., Eastern Daylight Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member: _____
and supported by Member: _____:

WHEREAS, the Charter Township of Madison, County of Lenawee, State of Michigan (the "Township"), has previously stated its intention to authorize the issuance and sale of one or more series of general obligation limited tax capital improvement bonds (the "Bonds") pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), for the purpose of paying all or part of the cost to acquire, construct, furnish and equip improvements to the Township's existing water supply system, consisting generally of improvements to the water treatment plant, together with all necessary sites, structures, equipment, interests in land, appurtenances and attachments thereto (the "Project"); and

WHEREAS, a notice of intent to issue bonds must be published before the issuance of the aforesaid bonds in order to comply with the requirements of Section 517 of Act 34; and

WHEREAS, on December 13, 2023 the Township published a notice of intent to issue bonds in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) for the Project (the "Prior Notice"); and

WHEREAS, based on current construction estimates for the Project, the Township now anticipates that it will be necessary to issue Bonds in excess of the amount described in the Prior Notice and the Township also desires to expand the scope of the Project to include improvements to the Township's existing sewer system (the "Revised Project"); and

WHEREAS, the Township desires to publish a new notice for an additional authorization of Bonds in an amount not to exceed One Million Dollars (\$1,000,000) which notice shall provide additional borrowing authority for the Revised Project and shall be in addition to the principal amount of the bonds authorized by the Prior Notice; and

WHEREAS, the total amount of Bonds to be issued to finance the acquisition and construction of the Revised Project shall not exceed Four Million Five Hundred Thousand Dollars (\$4,500,000); and

WHEREAS, the Township intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the Township for the Revised Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Township Clerk is authorized and directed to publish a notice of intent to issue bonds in *The Daily Telegram*, a newspaper of general circulation within the Township.

2. The notice of intent shall be published as a display advertisement not less than one quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.

3. The Township Board does hereby determine that the foregoing form of Notice of Intent to Issue Bonds, and the manner of publication directed, is adequate notice to the electors of the Township and users of the water and sewer systems, and is the method best calculated to give them notice of the Township's intent to issue the Bonds, the purpose of the Bonds, the security for the Bonds, and the right of referendum of the electors with respect thereto, and that the provision of forty-five (45) days within which to file a referendum petition is adequate to insure that the Township's electors may exercise their legal rights of referendum, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. The Township makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) The Township reasonably expects to reimburse itself with proceeds of the Bonds for certain costs of the Revised Project which were paid or will be paid from funds of the Township subsequent to sixty (60) days prior to today.
- (b) The maximum principal amount of debt expected to be issued for the Revised Project, including issuance costs, is \$4,500,000.
- (c) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the related Revised Project are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Township's use of the proceeds of the debt to be issued for the Revised Project to reimburse the Township for a capital expenditure made pursuant to this resolution.

5. 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: _____

NAYS: Members: _____

RESOLUTION DECLARED ADOPTED.

Janet Moden
Township Clerk

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Township Board of the Charter Township of Madison, County of Lenawee, State of Michigan, at a special meeting held on the 1st day of May, 2024, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.

Janet Moden
Township Clerk

EXHIBIT A

NOTICE TO ELECTORS OF THE CHARTER TOWNSHIP OF MADISON OF INTENT TO ISSUE BONDS SECURED BY THE TAXING POWER OF THE TOWNSHIP AND THE RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the Township Board of the Charter Township of Madison, Macomb County, Michigan, intends to authorize the issuance and sale of limited tax general obligation capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in one or more series in an amount not to exceed One Million Dollars (\$1,000,000), for the purpose of paying part of the cost to acquire, construct, furnish and equip improvements to the Township's existing water supply system, consisting generally of improvements to the water treatment plant, and improvements to the Township's existing sewer system, together with all necessary sites, structures, equipment, interests in land, appurtenances and attachments thereto (the "Project"). The Township previously published a notice of intent to issue bonds for the water supply system improvements on December 13, 2023 in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (the "Prior Notice"). This principal amount of bonds to be issued and sold pursuant to this notice is in addition to the principal amount of bonds to be issued and sold pursuant to the Prior Notice.

BOND DETAILS

The bonds will mature no later than thirty (30) years after the date of issuance, with interest rates to be determined at a public or negotiated sale but in no event to exceed the maximum permitted by law on the unpaid balance from time to time remaining outstanding on said bonds.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL OF AND INTEREST ON SAID BONDS shall be payable from the general funds of the Township lawfully available for such purposes including property taxes levied within applicable constitutional and statutory tax rate limitations. The Township anticipates paying debt service on the bonds from revenues received by the Township from operation of said water supply and sewer systems.

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE TOWNSHIP IS FILED WITH THE TOWNSHIP CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS OF THE TOWNSHIP VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION will be furnished at the office of the Township Clerk upon request.

Janet Moden, Township Clerk
Charter Township of Madison