



AGENDA

REGULAR MEETING OF THE PARCHMENT CITY COMMISSION

February 5, 2024

7 P.M.

Parchment City Commission

Mayor Robert D. Britigan III

Vice Mayor Thomas Jordan

Commissioner Michael Conner

Commissioner Doug Fooy

Commissioner Tammy Cooper

Commissioner Robin Madaras

Commissioner Justin Mendóza

Officers

City Manager Nancy R. Stoddard

City Attorney Robert Soltis

City Treasurer/Clerk Shannon Stutz

1. Call to Order

2. Pledge of Allegiance

3. Roll Call

4. Approval of Minutes

From the City Commission Meeting of January 15, 2024

5. Additions/Changes to the Agenda - Approval

6. Citizen Comments – Items ON the Agenda

If you wish to comment regarding items ON the agenda, please follow the format below:

- *State your name and address for the records*
- *You are allowed up to 5 minutes for your comments*
- *Please let us know if you require special accommodations by notifying the Clerk*

- *Reminder: You will be making a statement, without discussion from the Commission. You are always welcome to make an appointment with the City Manager to further discuss your comments.*

7. Consent Agenda

Items on the consent agenda will be dealt with one vote by the City Commission unless a Commissioner requests an item be dealt with individually.

Motion to RECEIVE OR APPROVE as indicated:

- Warrant No. 1508 – action
- Planning Commission Meeting Minutes, November 29, 2023 – receive
- 2024 Planning Commission Schedule of Meetings – receive
- KATS Policy Meeting Minutes, December 20, 2023 – receive
- KABA 2024 January Report - receive

8. Unfinished Business

- Parchment Vegetable Products Purchase Agreement – action

9. New Business

- Amendment to Owner-Engineer (Prein & Newhof) Agreement – action
- Approval of Low Bidder for the Three Contracts - action
- Approval of the City of Parchment Sewage Collection System Revenue Bond Ordinance, - action
- Loan Resolution – USDA, Michael Schwartz – action
- Property Tax Poverty Exemption Guidelines – action

10. Citizen Comments – Items ON or OFF the Agenda

Persons wishing to comment on items that are on/off the agenda are instructed to please follow the same format as Citizen Comments for items on the agenda.

11. Mayor and Commissioner Comments

12. City Manager Comments

13. Adjournment with a Budget Workshop immediately following the meeting.

MINUTES OF THE REGULAR MEETING OF THE PARCHMENT CITY COMMISSION HELD ON MONDAY, JANUARY 15, 2024.

1. Call to order

Mayor Britigan called the meeting to order at 7:00 p.m. then led everyone in the Pledge of Allegiance.

2. Roll Call.

Present: Mayor Britigan, Commissioners Cooper, Conner, Jordan, Madaras, and Mendoza. City Manager Stoddard, City Treasurer/Clerk Stutz.

Absent: Fooy.

3. Approval of Minutes

Moved by Commissioner Mendoza supported by Commissioner Conner to approve the minutes of the January 2, 2024 Regular meeting. **Motion Carried.**

4. Additions or changes to the agenda.

9A. Parchment Vegetable Products move to meeting on February 5, 2024. Moved by Commissioner Cooper, supported by Vice Mayor Jordan to approve the agenda as amended. **Motion Carried.**

5. Citizen Comments – Items ON the Agenda

None.

6. Consent Agenda

A. Questions by Commissioners were answered regarding specific items. Moved by Commissioner Madaras, supported by Commissioner Conner to receive the consent agenda items. **Motion Carried.**

7. Unfinished Business

None.

8. New Business

A. Presentation by Kevin Trayer, National Association of Postal Supervisors – receive. Mr. Trayer began by thanking the commission for having him. He noted that since October, 2022 there has been a list of changes to local operations per Postmaster General DeJoy, including closing our city's branch. He lamented about the lack of transparency about the process, and how Mr. DeJoy is unilaterally dismantling the USPS. Mr. Trayer said communities need to know how they'll be impacted by the changes – for example, drive times for deliveries will increase by 20%. He explained that privatization means they will look for profit only, not service to everyone. Supervisor of Cooper Township, Jeff Sorensen, spoke about lengthy deliveries for ballots, and offered his support to this issue. Moved by Commissioner Mendoza, supported by Commissioner Madaras, to authorize the City Manager and Mayor to issue a letter to all levels of government in support of the USPS keeping the Parchment branch open in order to best serve local residents. **Motion Carried.**

9. Citizen Comments

Cooper Township Supervisor Jeff Sorensen informed the commission that the township planning commission has a public hearing on Jan 17 regarding putting a liquor store next to Wisser's on G Ave and Mt. Olivet.

10. Mayor and Commissioner Comments

Commissioner Mendoza said he's looking forward to hearing the presentation from the vertical vegetable farming next meeting.

Commissioner Cooper acknowledged Martin Luther King, Jr. Day, then referenced Mr. Trayer's presentation saying mail delivery is a constitutional right. She fully supports Mr. Trayer saying the USPS isn't following the law, then added it's important to send a strong message.

Commissioner Conner had a question on his water/sewer bill.

Commissioner Madaras, the new chair of the Kindleberger Arts Council, announced Bingo for Bags tickets went on sale, and the date for the event is March 16, 2024.

Mayor Britigan thanked Supervisor Sorensen for coming to the meeting, then reminded everyone of the Planning Commission's meeting on Wednesday Jan 24. He also reminded commissioners about CapCon and early registration. Then the Mayor reiterated that the next meeting on Feb. 5, 2024 will have the budget work session afterward.

11. City Manager Comments/Reports

City Manager Stoddard noted that USDA bids will be opened Thursday; then offered anyone with questions or concerns to call or text her.

12. Adjournment

There being no further business to come before the Commission, it was moved by Commissioner Mendoza and supported by all to adjourn the meeting at 7:56 p.m.

Shannon Stutz, City Clerk



City of Parchment
Check Register Report
Warrant 1508

37928	01/19/2024	CERTASITE, LLC	ANNUAL FIRE EXT INSPEC-WATER DEPT/CITY H	229.71
37929	01/19/2024	CORNERSTONE TECHNOLOGIES	SHIPPING OF TONER	14.00
37930	01/19/2024	ENGINEERED PROTECTION SYSTEMS	WATER TREATMENT - 2/1 TO 4/30/24	192.42
37931	01/19/2024	FISHBECK	PARCHMENT MILL SITE #2 MULTIPURPOSE GRANT	6,968.82
37932	01/19/2024	FORD, KRIEKARD, SOLTIS & WISE	GENERAL MATTERS - DECEMBER	1,337.50
37933	01/19/2024	J & H OIL COMPANY	FUEL CHARGES 12/16 TO 12/31/2023	334.44
37934	01/19/2024	JAMES DUBY	INS DED REIMB - SEPT, OCT, NOV.	325.16
37935	01/19/2024	JOAN VANSICKLER DESIGN	KSF HOSTING & MAINTENANCE TO DEC 2024	1,264.00
37936	01/19/2024	KALAMAZOO AREA BUILDING AUTHOR	PROP MAINT - 143 N RIVERVIEW #103	100.00
37937	01/19/2024	KALAMAZOO CITY TREASURER	CITY HALL DPW water usage- 10/3/23 TO 01/02/24	373.81
37938	01/19/2024	KALAMAZOO COUNTY GOVERNMENT	HHW - NOVEMBER 2023	134.33
37939	01/19/2024	O'BOYLE COWELL BLALOCK & ASSOC	URBAN WILDLIFE CORRIDOR/TRESTLE PROJECTS	105.00
37940	01/19/2024	PREIN & NEWHOF	ENGINEERING SVCS - 11/26 TO 12/30/23	4,610.90
			Sanitary \$3836.40; Trestle \$689.50; Stormwater \$85.00	
37941	01/19/2024	PURITY CYLINDER GASES, INC.	QUARTERLY CYLINDER RENTAL - ACCT #36050	88.33
37942	01/19/2024	SBIS	EMPLOYEE & RETIREE INS - FEBRUARY 2024	12,970.40
37943	01/19/2024	SOUTHWEST MICH CITY MGR ASSOC.	RENEWAL OF DUES - NANCY	100.00

Nancy R Stoddard

Planning Commission Meeting Minutes
November 29, 2023

1. **Call to Order at 6:05pm**
2. **Roll Call** – Chairperson DeBoer, Commissioners Dean, Tecca, Lyon-Jenness, and Bliesener, City Manager Stoddard, and Zoning Administrator (ZA) Harvey.
3. **Approval of Minutes – October 25, 2023**
 - Motion to accept the minutes by Lyon-Jenness and supported by Bliesener. All ayes.
4. **Additions/Changes to the Agenda** – No changes
5. **Citizen Comments**
 - No comments
6. **Old Business**
 - A. Article 15, Section 15.6 – Signs
 - Chairperson DeBoer turned the conversation over to ZA Harvey; he commented that he did not see any changes that were needed.
 - Bliesener agreed.
 - DeBoer asked if the Public Hearing for the Article 15 would be held at the January 24, 2024 Planning Commission (PC) meeting. ZA Harvey confirmed.
 - ZA Harvey commented that Section 15.6 is the section that had the most changes – adding standards and a table to the section. She stated that three major changes were made:
 - 1) Matrix added - Changes may be made to the matrix, if needed.
 - 2) Temporary Signs – The PC has a new way to deal with temporary signs.
 - 3) Murals – This new section may be kept or removed by the PC. Murals are not signs but an expression of art as long as there are not products being advertised in them.
 - Bliesener said it would make sense to have the Type 2 Murals reviewed by the PC. Reviewing for commercial advertising.
 - Dean mentioned the wording which used the term “subject to”; did this mean it’s the PC’s right to review it. ZA Harvey confirmed.
 - ZA Harvey said that regulating artwork is best left in a hands off position. As long as it is just artwork, not an advertisement. The PC could render an opinion if desired.
 - Bliesener recalled the example of the candy mural painted on a building as a good example. She has been at meetings where the artwork was questioned.
 - ZA Harvey will remove the G1 section (as no review is required) and reword the G2 section as reviewed by the PC.

- Chairperson DeBoer stated that he liked the use of the graphics
- Dean agreed.
- ZA Harvey stated that if the PC accepts this draft, then it may be pushed to a Public Hearing in January 2024.
- Lyon-Jenness asked that page 15 be explained. Her thoughts were for the sign at City Hall.

7. New Business

A. Updated PC Work Plan

- Chairperson DeBoer asked ZA Harvey for help with the 2024 Work Plan. He noted that the Commercial/Industrial Assessment had not been done from 2023.
- ZA Harvey said that the Commercial/Industrial Assessment was set aside in order for the Short Term Rental ordinance to be explored. The Sign ordinance brought up issues that needed to be addressed so that was prioritized. The Commercial/Industrial Assessment will be added to the 2024 Work Plan.
- ZA Harvey mentioned that a zoning ordinance update was needed for Child Care Facilities, because of an amendment to the State Law. This will be on the PC 2024 Work Plan.
- Chairperson DeBoer asked if they needed to add any more items to the 2024 Work Plan. It appears that the Commercial/Industrial Assessment may take some in-depth review.
- Bliesener stated that the January meeting would include an election of officers, the Public Hearing, and the annual work of the PC.
- ZA Harvey stated that the Child Care Facilities would be scheduled for February. The Commercial/Industrial Assessment would be scheduled for March, April, and May. She will look at the previously presented list of changes needed to add items to the 2024 Work Plan.

8. Comments from Planning Commissioners

- Chairperson DeBoer stated that he would prepare the Annual Report for the City Commission. He also asked about the EPA Work Plan Update from David Stegink, Fishbeck; it will be presented at the Monday, December 4, 2023 City Commission meeting. He asked Commissioner Dean to give an update of the Graphic Packaging odor issue.
- Dean stated the last update was October. The comment window of opportunity was now closed. Graphic Packaging is installing odor monitors to capture additional chemical outputs, per the request of citizens
- Chairperson DeBoer inquired about the mounds of dirt on the north side of Mosel?
- Bliesener had heard that they were being hauled away to a landfill.

- Chairperson DeBoer expressed his thanks to City Manager Stoddard and Zoning Administrator Harvey for keeping the PC on track through this past year. Bliesener echoed the thanks.
- Lyon-Jenness asked what happens when a sale of land is approved by the City Commission. She inquired about the ability of the City to take back the property if the developer was unable to develop it. The City Manager stated that there is a Declaration of Covenants and Restrictions within the purchase agreement to reacquire the property, if necessary.
- Commission members and the City Manager expressed their appreciation to Commissioner Tecca for his work on the PC, as he completes his term.

9. Next Meeting – Wednesday, January 24, 2024 at 6pm

10. Adjournment – Motion by Lyon-Jenness, supported by Tecca. All ayes. Meeting ended at 6:35 pm.

**2024 Planning Commission Schedule of Meetings
Wednesday at 6pm**

January 24, 2024	Planning Commission Meeting
February 28, 2024	Joint Meeting with the City Commission and Zoning Board of Appeals
March 27, 2024	Planning Commission Meeting
April 24, 2024	Planning Commission Meeting
May 22, 2024	Planning Commission Meeting
June 26, 2024	Planning Commission Meeting
July 24, 2024	Planning Commission Meeting
August 28, 2024	Planning Commission Meeting
September 25, 2024	Planning Commission Meeting
October 23, 2024	Planning Commission Meeting
November 20, 2024	Planning Commission Meeting – Week before Thanksgiving
No December meeting	

KALAMAZOO AREA TRANSPORTATION STUDY POLICY COMMITTEE

Minutes of the December 20, 2023 Meeting

CALL TO ORDER

The December 20, 2023 Policy Committee Meeting was called to order at 9:04 a.m. at Metro in Kalamazoo, by Chairperson Thompson.

INTRODUCTIONS

Introductions were made by all present. Greg Kinney, Van Buren County, joined the meeting virtually.

ROLL CALL

Meeting attendance was recorded on the sign-in sheet.

MEMBERS PARTICIPATING

Curt Aardema	Central County Transportation Authority
Heather Bowden	Michigan Department of Transportation, Planning
Rob Britigan	City of Parchment
Marsha Drouin	Richland Township
Todd Hackenberg	Village of Lawton
Jeff Heppler	Village of Augusta
Sarah Joshi	Central County Transportation Authority
Greg Kinney	Van Buren County Road Commission
Judy Lemon	City of Galesburg
Pat McGinnis	City of Portage
Sherine Miller	Kalamazoo Township
Pete Pfeiffer	Michigan Department of Transportation, TSC
Chris Praedel	City of Kalamazoo
Aditya Rama	Kalamazoo County Transportation Authority
Jeff Sorensen	Cooper Township
Paul Sotherland	KATS Citizens' Advisory Committee
Jodi Stefforia	Comstock Township
Randy Thompson, Chair	Comstock Township
Don Uish	Schoolcraft Township
Jerry VanderRoest	Charleston Township

MEMBERS ABSENT

Tim Frisbie	Village of Vicksburg
John Gisler	Kalamazoo County
Robert Henderson	Van Buren Public Transit
Joanna Johnson	Road Commission of Kalamazoo County
Randy Smith	Brady Township

OTHERS PARTICIPATING

Sean McBride	Central County Transportation Authority
Sean McCann	Michigan State Senate
Megan Mickelson	Kalamazoo Area Transportation Study
Fred Nagler	Kalamazoo Area Transportation Study
Julie Rogers	Michigan House of Representatives
Elizabeth Rumick	Kalamazoo Area Transportation Study
Jodi Stefforia	Comstock Township
Steve Stepek	Kalamazoo Area Transportation Study
Ali Townsend	Kalamazoo Area Transportation Study

CHANGES OR ADDITIONS TO THE AGENDA

There were no changes or additions to the agenda.

APPROVAL OF THE AGENDA

Heppler moved, and it was duly seconded by Sorensen, **“to approve the agenda of the December 20, 2023 Policy Committee Meeting.”** MOTION CARRIED.

PUBLIC COMMENTS

Sorensen welcomed Michigan House of Representative Julie Rogers and State Senator Sean McCann. Members thanked them for attending.

CONSENT AGENDA

- ACCEPTANCE OF THE TREASURER REPORT
- ACCEPTANCE OF THE TECHNICAL COMMITTEE REPORT
- ACCEPTANCE OF THE SOUTHCENTRAL MICHIGAN PLANNING COUNCIL REPORT
- APPROVAL OF THE MINUTES FROM THE NOVEMBER 29, 2023 MEETING

Sorensen moved, and it was duly seconded by Drouin, **“to accept and approve the items on the Consent Agenda.”** MOTION CARRIED.

FY 2023-2026 TRANSPORTATION IMPROVEMENT PROGRAM AMENDMENTS

Referring to the amendments enclosed in the meeting packet, Stepek explained the majority of the projects are traffic safety projects. Kalamazoo Area Transportation Study is excited to see the regionally significant US-131 at US-131 BR interchange project that has been discussed for nearly 20 years come to fruition. The project is required to go through the federal process even though it is not funded with any federal money. It is funded fully with state funds. Stepek clarified for Britigan that the project is shown twice on the TIP because the Michigan Department of Transportation separates projects by phase. One project refers to the right-of-way, the other refers to the construction phase. Members echoed Miller’s thanking State Representative Rogers and Senator McCann for assistance in obtaining funding for this project.

Sorensen moved, and it was duly seconded by Drouin, **“to approve the FY 2023-2026 Transportation Improvement Program Amendments.”** MOTION CARRIED.

2024 SAFETY PERFORMANCE MEASURES

Steppek noted the safety performance measure information was provided in the meeting packet. Steppek reminded attendees that every year Kalamazoo Area Transportation Study (KATS) adopts the statewide safety performance targets. The target is not a goal. The goal is zero deaths in all categories. However, the target or prediction of fatalities and serious injuries is increasing. KATS Technical Committee is revising the verbiage of our resolution of support to show decreasing trends of death and injury in our Metropolitan Planning Organization region. Once the resolution is approved by the Technical Committee, it will be presented for adoption here.

METRO MICROTRANSIT PRESENTATION

After opening remarks, Sean McBride of Metro introduced Sarah Joshi, Metro's Deputy Director of On-Demand Services for the presentation. Joshi explained what Microtransit is, the benefits of it, a map of the planned service area, and a projected timeline for the service. Metro released the Request for Proposals in October. A vendor is anticipated to be approved by the board in January. The Microtransit pilot program is planned to start in April 2024. McBride and Joshi answered questions relating to branding, drivers, vehicles, fares, sustainability, and other details.

PUBLIC TRANSPORTATION UPDATES

Aardema reported Metro's External Relations Committee participated in the Maple Hill Holiday Parade. The Central County Transportation Authority (CCTA) / Kalamazoo County Transportation Authority (KCTA) board approved the purchase of four new 40-foot diesel buses. The board approved an update of technology in middle-age buses. Rama added the Kalamazoo County Transportation Authority approved battery replacement on some hybrid buses and adjusted safety targets.

EXECUTIVE DIRECTOR'S REPORT

The updates are included in the meeting packet. Steppek added his biannual review is underway. Forward any comments or questions to Chair Randy Thompson. The Finance and Personnel Committee will meet in early 2024. The Kalamazoo Area Transportation Study Technical Committee elected new officers. Jodi Stefforia, Comstock Township and Anna Horner, Oshtemo Township are the new Chair and Vice-Chair, respectively.

NEW BUSINESS

No new business was brought forth.

PUBLIC COMMENTS

No citizens' comments were made.

MEMBER COMMENTS

In response to Sotherland's question, McBride and Aardema answered there is a small, free Amtrak short term parking lot adjacent to the railroad tracks off Rose Street. When traveling west on Kalamazoo Avenue, there is a small turn-off area for transportation drop-offs.

McGinnis reported the City of Portage East Central Avenue trail construction is out for bid. Construction is expected in 2024. The South Westnedge Avenue storm water relief project will be out for bid early next year with construction slated for next summer.

VanderRoest announced Charleston Township reviewed safety at six intersections. Two are major concerns. The Michigan Department of Transportation (MDOT) has a million-dollar project upcoming on MN and Mercury. VanderRoest recommended installation of a larger sign at M-343 and Sprinkle Road. It was determined that the Road Commission of Kalamazoo County has jurisdiction over other Sprinkle Road intersections where there are large signs. MDOT has jurisdiction over the intersection at M-343 and Sprinkle and will not be installing a bigger sign.

Heppler reported the Village of Augusta water project on the south side of the village has been completed. Plans are underway for the 2024 Washington Street bridge project.

Heppler provided the Kalamazoo County update. The County Commissioners held their last meeting of the year. Discussions included the new courthouse and parking for it.

Pfeiffer reported that the Michigan Department of Transportation (MDOT) M-40 south of I-94 interchange project in the Paw Paw area has been removed from the MDOT capital 5-year plan due to inflated prices. Design for the project continues as MDOT hopes to obtain future funding. The M-343 at Sprinkle Road project has been removed because it is unfunded. Those funds were reallocated to the I-94 westbound to US-131 northbound project scheduled for 2025.

Thompson reported the open house for the new Comstock Township Hall was well attended by approximately 125 people.

Attendees wished each other Merry Christmas, Happy Holiday, and Happy New Year.

ADJOURNMENT

There being no further business, Chairperson Thompson adjourned the meeting at 10:17 a.m.

*The next meeting of the Kalamazoo Area Transportation Study Policy Committee will be held on
Wednesday, January 31, 2024 at 9:00 a.m.*

Approved 1/31/24 (er)



2024 MONTHLY PERMITS BY JURISDICTION

MONTH OF JANUARY 2024			
JURISDICTION	PERMIT CATEGORY	# PERMITS	PERMIT REVENUE
COMSTOCK	BUILDING	5	\$ 830
COMSTOCK	ELECTRICAL	12	\$ 2,134
COMSTOCK	MECHANICAL	34	\$ 6,901
COMSTOCK	PLUMBING	7	\$ 1,068
COMSTOCK	SPECIAL - JURISDICTION	1	\$ 100
COMSTOCK	SPECIAL - HOMEOWNER	1	\$ 55
TOTAL COMSTOCK		60	\$ 11,088
KALAMAZOO	BUILDING	9	\$ 1,462
KALAMAZOO	ELECTRICAL	15	\$ 1,938
KALAMAZOO	MECHANICAL	33	\$ 4,637
KALAMAZOO	PLUMBING	8	\$ 1,151
KALAMAZOO	SPECIAL - JURISDICTION	6	\$ 600
KALAMAZOO	SPECIAL - HOMEOWNER	2	\$ 110
TOTAL KALAMAZOO		73	\$ 9,898
PARCHMENT	BUILDING	0	\$ -
PARCHMENT	ELECTRICAL	2	\$ 226
PARCHMENT	MECHANICAL	1	\$ 130
PARCHMENT	PLUMBING	0	\$ -
PARCHMENT	SPECIAL - JURISDICTION	1	\$ 100
PARCHMENT	SPECIAL - HOMEOWNER	0	\$ -
TOTAL PARCHMENT		4	\$ 456
PINE GROVE	BUILDING	0	\$ -
PINE GROVE	ELECTRICAL	5	\$ 715
PINE GROVE	MECHANICAL	4	\$ 690
PINE GROVE	PLUMBING	1	\$ 291
PINE GROVE	SPECIAL - JURISDICTION	0	\$ -
PINE GROVE	SPECIAL - HOMEOWNER	0	\$ -
TOTAL PINE GROVE		10	\$ 1,696
RICHLAND	BUILDING	14	\$ 5,521
RICHLAND	ELECTRICAL	20	\$ 5,072
RICHLAND	MECHANICAL	16	\$ 3,828
RICHLAND	PLUMBING	6	\$ 1,151
RICHLAND	SPECIAL - JURISDICTION	0	\$ -
RICHLAND	SPECIAL - HOMEOWNER	0	\$ -
TOTAL RICHLAND		56	\$ 15,572
RICHLAND VILLAGE	BUILDING	0	\$ -
RICHLAND VILLAGE	ELECTRICAL	0	\$ -
RICHLAND VILLAGE	MECHANICAL	0	\$ -
RICHLAND VILLAGE	PLUMBING	1	\$ 105
RICHLAND VILLAGE	SPECIAL - JURISDICTION	0	\$ -
RICHLAND VILLAGE	SPECIAL - HOMEOWNER	0	\$ -
TOTAL RICHLAND VILLAGE		1	\$ 105
TOTAL		204	\$ 38,815.00

REVENUE	REVENUE
JANUARY 2023	% PREV YEAR MONTH
\$ 48,411	80.2%

PERMITS	PERMITS
JANUARY 2023	% 2023 - YTD
150	136.0%



2024 MONTHLY PERMITS BY JURISDICTION

JANUARY 2024

JURISDICTION	PERMIT CATEGORY	# PERMITS	PERMIT REVENUE
COMSTOCK	BUILDING	5	\$ 830
COMSTOCK	ELECTRICAL	12	\$ 2,134
COMSTOCK	MECHANICAL	34	\$ 6,901
COMSTOCK	PLUMBING	7	\$ 1,068
COMSTOCK	SPECIAL - JURISDICTION	1	\$ 100
COMSTOCK	SPECIAL - HOMEOWNER	1	\$ 55
TOTAL COMSTOCK		60	11,088.00
KALAMAZOO	BUILDING	9	\$ 1,462
KALAMAZOO	ELECTRICAL	15	\$ 1,938
KALAMAZOO	MECHANICAL	33	\$ 4,637
KALAMAZOO	PLUMBING	8	\$ 1,151
KALAMAZOO	SPECIAL - JURISDICTION	6	\$ 600
KALAMAZOO	SPECIAL - HOMEOWNER	2	\$ 110
TOTAL KALAMAZOO		73	9,898.00
PARCHMENT	BUILDING	0	\$ -
PARCHMENT	ELECTRICAL	2	\$ 226
PARCHMENT	MECHANICAL	1	\$ 130
PARCHMENT	PLUMBING	0	\$ -
PARCHMENT	SPECIAL - JURISDICTION	1	\$ 100
PARCHMENT	SPECIAL - HOMEOWNER	0	\$ -
TOTAL PARCHMENT		4	456.00
PINE GROVE	BUILDING	0	\$ -
PINE GROVE	ELECTRICAL	5	\$ 715
PINE GROVE	MECHANICAL	4	\$ 690
PINE GROVE	PLUMBING	1	\$ 291
PINE GROVE	SPECIAL - JURISDICTION	0	\$ -
PINE GROVE	SPECIAL - HOMEOWNER	0	\$ -
TOTAL PINE GROVE		10	1,696.00
RICHLAND	BUILDING	14	\$ 5,521
RICHLAND	ELECTRICAL	20	\$ 5,072
RICHLAND	MECHANICAL	16	\$ 3,828
RICHLAND	PLUMBING	6	\$ 1,151
RICHLAND	SPECIAL - JURISDICTION	0	\$ -
RICHLAND	SPECIAL - HOMEOWNER	0	\$ -
TOTAL RICHLAND		56	15,572.00
RICHLAND VILLAGE	BUILDING	0	\$ -
RICHLAND VILLAGE	ELECTRICAL	0	\$ -
RICHLAND VILLAGE	MECHANICAL	0	\$ -
RICHLAND VILLAGE	PLUMBING	1	\$ 105
RICHLAND VILLAGE	SPECIAL - JURISDICTION	0	\$ -
RICHLAND VILLAGE	SPECIAL - HOMEOWNER	0	\$ -
TOTAL RICHLAND VILLAGE		1	105.00
TOTAL KABA	YTD	204	\$ 38,815.00

REVENUE	REVENUE
YTD - JANUARY 2023	% 2023 - YTD
48,411.00	80.2%

REVENUE
% 2024 YTD BUDGET
61.00%

PERMITS	PERMITS
YTD - JANUARY 2023	% 2023 - YTD
150	136.0%

2024 MONTHLY CUMULATIVE TOTALS			
# PERMITS	REVENUE		
204	\$ 38,815.00	JAN	
-	\$ -	FEB	
-	\$ -	MAR	
-	\$ -	APR	
-	\$ -	MAY	
-	\$ -	JUN	
-	\$ -	JUL	
-	\$ -	AUG	
-	\$ -	SEP	
-	\$ -	OCT	
-	\$ -	NOV	
-	\$ -	DEC	
204	\$ 38,815.00		

Property Maintenance Inspections

Parchment

02/01/2024

Special Permit

Permit #	Job Address	Parcel Number	Owner	Contractor	Date Entere	Fee Total Due
PS23-18-049	450 HAYMAC 614	06-02-226-080	HVG MILL PINE ASSOC		08/14/2023	100.00

Work Description: Property Maintenance request from Parchment

Property Maint. Re-inspection Completed: 01/25/2024

Property Maintenance Inspectio Completed: 08/16/2023

Total Permits: 1

Total Fees Due: \$100.00

Population: All Records

Permit.Type = Special

Permit AND

GovernmentUnitList.UnitCode =

18 AND

Permit.Status = HOLD (FEE)

AND

Permit.Category = Jurisdiction

Request

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is entered into and made effective as of this ____ day of _____, 2023 (the “**Effective Date**”), by and between the CITY OF PARCHMENT, a Michigan municipal corporation (“**Seller**”), and PARCHMENT VEGETABLE PRODUCTS, INC., a _____ corporation (“**Purchaser**”).

Background

Purchaser desires to acquire from Seller, and Seller desires to convey to Purchaser, an approximately three (3) acre parcel located in the City of Parchment, County of Kalamazoo, State of Michigan and legally described in attached Exhibit “A” (the “**Property**”). The parties desire to consummate such transactions in accordance with the terms and conditions set forth herein.

Agreement

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS SET FORTH HEREIN THE PARTIES AGREE AS FOLLOWS:

1. Property. Purchaser shall purchase and Seller shall convey the Property in accordance with the terms and conditions set forth herein. The Property shall include all improvements and fixtures located upon the land, all easements that affect the land, and all rights to divisions under the Michigan Land Division Act (if any).

2. Purchase Price. The purchase price for the Property shall be Fifteen Thousand and No/100 Dollars (\$15,000.00) (the “**Purchase Price**”). Purchaser and Seller acknowledge and agree that the amount of the Purchase Price is partial consideration for Purchaser’s agreement to be bound by the Declaration and the Restrictions therein (each as defined below) following the Closing. The Purchase Price, less the Deposit defined below, and adjusted by other charges and credits as set forth herein, shall be delivered at Closing in immediately available funds subject to the terms and conditions of this Agreement.

3. Deposit. Purchaser shall deliver to Chicago Title Insurance Company, 941 W. Milham Ave., Portage, MI 49024 (“**Title Company**”) the sum of Five Thousand and No/100 Dollars (\$5,000.00) by wire transfer or certified, cashier’s or corporate check (the “**Deposit**”) within three (3) business days of the execution of this Agreement by both parties. The Deposit shall be credited against the Purchase Price at Closing.

4. Investigation Period. The “**Investigation Period**” shall commence on the Effective Date and shall expire sixty (60) days after the Effective Date at 5:00 p.m. eastern time. During the Investigation Period, Purchaser and/or its agents and representatives shall have the right to enter the Property and have the Property and improvements located thereon inspected, evaluated, analyzed, tested, appraised and/or assessed for any matter whatsoever, including but not limited to, condition of improvements including structure, plumbing and mechanical systems and the presence of wood destroying insects; survey and boundaries of the Property including any easements serving the Property; the service agreements related to the Property; market value; soil conditions; location of flood plains; presence of wetlands and necessary mitigation, if any; storm water drainage systems; presence of environmental contamination; health and safety conditions; access to utilities; access to public roads; signage; zoning; compliance with laws, codes and ordinances and any other matter desired by Purchaser.

Notwithstanding the foregoing, to the extent Purchaser desires to undertake environmental, wetland or soils investigations of the Property during the Investigation Period (collectively, the

“**Environmental Assessments**”), the parties agree that the Environmental Assessments shall be undertaken and performed by an environmental consultant that is approved by Seller in writing. The parties further agree that the Environmental Assessments shall not include any soil borings, groundwater testing, monitoring wells or invasive sampling or testing techniques without the prior written consent of Seller. Purchaser will not initiate contact with local, state or federal environmental agencies, except through Seller. If, for any reason, this Agreement terminates or if the Property is not transferred to Purchaser for any reason, the results, conclusions, reports and information regarding the environmental condition of the Property shall be held strictly confidential by Purchaser and Purchaser’s consultants and may only be disclosed to any third party after obtaining the prior written consent of Seller. Purchaser shall indemnify and hold Seller harmless from any and all claims, actions, losses, liabilities that arise from the unauthorized disclosure of any such information. The parties agree this obligation and indemnity shall survive termination of the Agreement.

Purchaser agrees to pay all costs and expenses associated with the Purchaser’s inspections conducted pursuant to this Section 4, and Purchaser further agrees to repair and restore any damage to the Property and/or to any portions thereof resulting from or arising out of the Purchaser’s investigations if the transaction contemplated by this Agreement does not close. Purchaser and Seller agree to work together in good faith to determine the timing of Purchaser’s inspections to minimize interference with the operation of Seller’s business at the Property.

In the event that, after conducting its investigations, Purchaser desires not to proceed with the Purchase of the Property, Purchaser shall have the right to terminate this Agreement by delivery of written notice of termination to Seller and the Title Company prior to the expiration of the Investigation Period (“**Termination Notice**”). In the event Purchaser terminates this Agreement pursuant to its rights under this Section, and the Termination Notice is delivered before the expiration of the Investigation Period, then, upon Purchaser’s return or destruction of the Property Information (as defined below) as directed by Seller, the full amount of the Deposit shall be promptly refunded to Purchaser. Upon such termination, all rights and obligations of the parties hereunder shall immediately and forever terminate with the exception of those rights and obligations that are expressly intended to survive termination of this Agreement.

5. Title and Survey Matters.

A. Within three (3) business days after the Effective Date, Purchaser may order a commitment (the “**Title Commitment**”) for the Property from the Title Company to issue to Purchaser, at the Closing, an ALTA owner’s title insurance policy in the amount of the Purchase Price (the “**Title Insurance Policy**”), and with such endorsements as Purchaser may require, to the extent reasonably available (any such endorsements shall be at Purchaser’s sole cost and expense), free and clear of any liens and encumbrances except for (i) taxes and/or assessments, not yet due and payable, (ii) rights of the public to any portion of the Property lying within the bounds of any street, road, alley or highway, (iii) matters that would be revealed or disclosed by an accurate ALTA/NSPS survey of the Property, (iv) all building and zoning laws and ordinances and municipal codes and regulations, and any state, county or federal regulations affecting the Property, and (v) matters set forth in the Title Commitment not objected to by Purchaser, as permitted hereunder, or objected to by Purchaser but waived by Purchaser or the Title Company or insured over by the Title Company (collectively, the “**Permitted Exceptions**”).

B. Within three (3) business days after the Effective Date, Purchaser may order a survey of the Property in such form as Purchaser may desire (the “**Survey**”) at Purchaser’s sole cost and expense which Purchaser shall cause to also be certified to Seller and to the Title Company.

C. If written objection to title and/or Survey matters is made by Purchaser, no later than fourteen (14) days prior to the expiration date of the Investigation Period, that the title and/or Survey is

not acceptable to Purchaser, Seller shall have ten (10) days from the date that it received written notice of each of the particular defects (with reasonable specificity), in order, in Seller's sole and absolute discretion, to notify Purchaser of its proposed cure for each defect or to provide Purchaser with a revised Title Commitment evidencing that such defects have been remedied and/or that at Closing the Title Company shall insure over the same, it being expressly understood that Seller shall have no obligation to remedy any such defect or have the Title Company insure over any such defect. If Seller is unable or unwilling to obtain such revised Title Commitment or does not elect to cure such defects within such ten (10) day period, Purchaser shall have the option (i) to proceed with the purchase of the Property without any reduction in the Purchase Price, in which event such defects or objections will be deemed Permitted Exceptions or (ii) to terminate this Agreement by delivery of written notice of termination to Seller and the Title Company prior to the expiration of the Investigation Period and, upon Purchaser's return or destruction of the Property Information as directed by Seller, Purchaser shall promptly receive a refund of the Deposit and thereafter Purchaser and Seller shall be relieved of any and all obligations and liability under this Agreement (except for any surviving obligations under this Agreement). Failure of Purchaser to timely deliver such written notice of termination to Seller shall be deemed an election by Purchaser to choose the foregoing option (i).

6. Property Information. Within five (5) business days after the Effective Date, Seller agrees to deliver to Purchaser the documents and materials listed on Exhibit "B" attached hereto (collectively, the "**Property Information**"). Notwithstanding the foregoing, Purchaser acknowledges and agrees that it is relying exclusively on its own investigations and due diligence of the Property in relation to determining whether it will exercise its right to terminate this Agreement prior to the expiration of the Investigation Period. The parties further acknowledge and agree that Seller makes no representations or warranties regarding the accuracy or completeness of the Property Information and that Purchaser agrees it is not, and shall not, rely on the Property Information and that Purchaser is relying exclusively on its own investigations, due diligence and information.

7. Closing. The sale shall be closed at the offices of the Title Company, or in escrow by mail, on a mutually agreeable date on or before the date which is fifteen (15) days after the expiration of the Investigation Period, subject to a day-for-day extension to accommodate any permitted cure, response or similar period as expressly provided herein (the "**Closing Deadline**"). At Closing, Seller shall make the Seller Deliveries described herein and Purchaser shall make the Purchaser Deliveries described herein.

8. Seller's Closing Deliveries. At the Closing, Seller shall deliver to Title Company for delivery to Purchaser, the following items:

A. A Covenant Deed conveying to Purchaser title to the Property, subject to the Permitted Exceptions, executed and acknowledged by Seller in recordable form, along with a Real Estate Transfer Tax Valuation Affidavit.

B. An affidavit of ownership as is acceptable to Seller in its commercially reasonable discretion and as the Title Company may reasonably require to remove its standard printed exceptions from the Title Insurance Policy relating to, among other things, construction liens and rights of parties in possession, but not with respect to matters of survey.

C. A certificate in such form as may be required by the Internal Revenue Service pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, or the regulations issued pursuant thereto, certifying as to the non-foreign status of a transferor.

D. Such other documents, including a signed closing statement, as are necessary and appropriate for the consummation of this transaction by Seller.

9. Purchaser's Closing Deliveries. At the Closing, Purchaser shall deliver to the Title Company for delivery to Seller, the following items:

A. The Purchase Price adjusted by the Deposit and other credits and debits as set forth on the closing statement to be prepared by Title Company.

B. A certificate certifying that all of Purchaser's representations and warranties contained in this Agreement are true and correct.

C. Such other documents, including a signed closing statement, as are necessary and appropriate for the consummation of this transaction by Purchaser.

10. Closing Costs and Prorations. Seller shall pay (i) all transfer and/or conveyance taxes assessed in connection with the Closing, (ii) the base premium for the Title Insurance Policy (excluding removal of standard exceptions and the cost of any endorsements), (iii) one-half of the Title Company's closing fee in connection with this transaction and (iv) all costs related to Seller's professionals and consultants. Purchaser shall pay (A) all recording costs for recordation of the Covenant Deed, (B) all costs and expenses associated with Purchaser's inspections conducted pursuant to this Agreement and Purchaser's professionals and consultants, (C) the cost of the Title Company's search and examination fees, the Title Commitment, and any endorsements issued with the Title Insurance Policy, (D) the costs related to Purchaser's lender, if any, including any lender's policy of title insurance, (E) the cost of the Survey, if any, and (F) one-half of the Title Company's closing fee connection with this transaction.

Seller shall be responsible for and will pay at or prior to Closing all ad valorem property taxes and installments of special assessments that first came due and payable in calendar years prior to Closing. Ad valorem property taxes and installments of special assessments that first come due and payable in the year of Closing shall be prorated as of the Closing Date on a calendar year basis.

Other regular and customary costs and expenses related to the Property shall also be prorated based on the date of Closing. To the extent appropriate for the adjustment of the foregoing amounts to achieve the requirements of this Section, the terms of this Section shall survive Closing.

11. Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser, that as of the date hereof, and on the date of Closing:

A. Seller has the right, power and authority to enter into this Agreement and to sell the Property in accordance with the terms hereof. Seller has the right, power and authority to enter into all of the agreements, assignments and other documents contemplated by this Agreement. The individuals signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller are and shall be duly authorized to sign the same on Seller's behalf and to bind Seller thereto.

B. There are no leases, occupancy agreements, rights of first refusal, rights of first offer, or options in effect with respect to the Property to which Seller is a party.

C. The execution and delivery of, and the performance of all obligations under this Agreement by Seller do not and will not require any consent or approval of any person or entity, and do not and will not result in a breach of any agreement or instrument to which Seller is a party.

12. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller, that as of the date hereof, and on the date of Closing:

A. Purchaser has the full power and authority to execute, deliver and perform this Agreement and all of Purchaser's obligations under this Agreement; and

B. The individuals signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Purchaser are and shall be duly authorized to sign the same on Purchaser's behalf and to bind Purchaser thereto.

13. Indemnification.

A. Seller agrees to indemnify and hold Purchaser harmless from and against any and all liabilities, claims, demands, and expenses, of any kind or nature, including but not limited to, all expenses related thereto, including, without limitation, court costs and attorney's fees for matters arising from or related to the inaccuracy or breach of any of Seller's representations and warranties up to an amount not to exceed \$20,000.

B. Purchaser agrees to indemnify and hold Seller harmless from and against any and all liabilities, claims, demands, and expenses, of any kind or nature, including but not limited to, all expenses related thereto, including, without limitation, court costs and attorney's fees for matters arising from or related to the inaccuracy or breach of any of Purchaser's representations and warranties up to an amount not to exceed \$20,000.

C. In the event either party hereto receives notice of a claim or demand for which the other party may be entitled to indemnification pursuant to this Section, such party shall promptly give notice thereof to the other party. The indemnifying party shall immediately take such measures as may be reasonably required to properly and effectively defend such claim, and may defend same with counsel of its own choosing and approved by the other party (which approval shall not be unreasonably withheld or delayed). In the event the indemnifying party refuses to defend such claim or fails to properly and effectively defend such claim, then the other party may defend such claim with counsel of its own choosing at the expense of the indemnifying party. In such event, the indemnified party may settle such claim without the consent of the indemnifying party. It is expressly stipulated, covenanted, and agreed that the provisions of this Section shall survive the Closing for a period of 90 days.

14. Condemnation; Casualty. Purchaser shall have the right to terminate this Agreement if any part of the Property is destroyed without fault of Purchaser or any part of the Property is taken or is threatened to be taken by eminent domain. Purchaser shall give written notice of Purchaser's election to terminate this Agreement within ten (10) business days after Purchaser receives written notice from Seller of any such damage or threatened condemnation. In the event of such a termination by Purchaser, upon Purchaser's return or destruction of the Property Information as directed by Seller, the Title Company shall promptly refund to Purchaser the Deposit and the rights and obligations of the parties hereunder shall terminate, with the exception of those rights and obligations that are expressly intended to survive termination of this Agreement.

15. Default and Remedies.

A. Purchaser's Default; Seller's Remedy. If Purchaser breaches this Agreement, then Seller may terminate this Agreement by written notice thereof to Purchaser and the Deposit shall promptly be paid to Seller as liquidated damages, as Seller's sole and exclusive remedy, and upon payment to Seller of the Deposit, this Agreement and all rights and obligations of the parties shall terminate, with the exception of those rights and obligations that are expressly intended to survive termination of this Agreement. The parties agree that it would be impracticable and extremely difficult to ascertain the actual damages suffered by Seller as a result of Purchaser's failure to complete the purchase of the Property and that under the circumstances existing as of the date of this Agreement, the liquidated

damages provided for in this Section represents a reasonable estimate of the damages which Seller will incur as a result of such failure. The parties acknowledge that the payment of such liquidated damages is not intended as a forfeiture or penalty but is intended to constitute liquidated damages to Seller.

B. Seller's Default; Purchaser's Remedies. If Seller materially breaches this Agreement, then Purchaser shall, as its sole remedy, have the right to either (i) terminate this Agreement by written notice thereof to Seller, in which event Purchaser shall, upon Purchaser's return or destruction of the Property Information as directed by Seller, receive a refund of the Deposit, and neither party shall have any further liability under this Agreement except for liability which expressly survives termination as provided herein, or (ii) seek specific performance of Seller's obligations hereunder. Purchaser hereby unconditionally and irrevocably waives, to the greatest extent permitted by law, any claim for monetary damages against Seller arising out of a default by Seller hereunder, which waiver will survive the termination of this Agreement. Notwithstanding anything to the contrary contained herein, in the event Purchaser has not commenced an action for specific performance pursuant to the foregoing subclause (ii) within thirty (30) days after the date of Seller's default, Purchaser shall be deemed to have waived its right to pursue and obtain specific performance pursuant to such foregoing subclause (ii).

C. Attorneys' Fees. The prevailing party in any legal proceeding brought under or with relation to this Agreement or transaction shall be entitled to recover court costs, reasonable attorneys' fees and all other litigation expenses from the non-prevailing party.

16. Sale and Assignment of Agreement. Purchaser shall not assign this Agreement or its rights hereunder without the prior written consent of Seller, which consent may be withheld in its sole discretion. Notwithstanding the foregoing, Purchaser shall have the right to assign its rights in this Agreement, without Seller's consent, to an affiliate of Purchaser that is owned, in whole or in majority part, and controlled by Purchaser or Purchaser's principal owners. Notwithstanding any assignment, Purchaser shall not be released from any, and Purchaser shall cause all, of its obligations hereunder to be performed, including, without limitation, Purchaser's agreement to be bound by the Declaration and the Restrictions therein following the Closing. Purchaser shall provide Seller not less than three (3) business days' notice of any such assignment, such notice to include the name and signature block of the assignee and reasonable evidence of the relationship of Purchaser to such assignee.

17. AS-IS. Notwithstanding anything contained in this Agreement to the contrary, Purchaser hereby expressly acknowledges and agrees that Purchaser has or will have, prior to the end of the Investigation Period, thoroughly inspected and examined the Property to the extent deemed necessary by Purchaser in its sole discretion in order to enable Purchaser to evaluate the purchase of the Property. Purchaser hereby further acknowledges and agrees that Purchaser is relying solely upon its examination and evaluation of the Property and that Purchaser is purchasing the Property on an "**AS IS**", "**WHERE IS**" and "**WITH ALL FAULTS**" basis, without representations or warranties (other than the limited representations and warranties set forth in Section 11 above), express or implied, of any kind or nature including, but not limited to, the zoning of the Property, the tax consequences to Purchaser, the physical condition of the Property, environmental compliance, governmental approvals and compliance of the Property with applicable rules, regulations, ordinances and statutes. Purchaser hereby waives and relinquishes all rights and privileges arising out of, or with respect to or in relation to, any representations or warranties (other than the limited representations and warranties set forth in Section 11 above), whether express or implied, which may have been made or given, or which may be deemed to have been made or given, by Seller. Without limiting the generality of the foregoing, Purchaser hereby further acknowledges and agrees that warranties of merchantability and fitness for a particular purpose are excluded from the transactions contemplated hereby, as are any warranties arising from a course of dealing or usage or trade, and that, except as expressly provided in Section 11 above, Seller has not represented or warranted, and Seller does not hereby represent or warrant, that the Property now or in the future will meet or comply with the requirements of any health, environmental or safety code or

regulation of the United States of America, the State of Michigan or any other authority or jurisdiction. Without limiting the generality of the foregoing and subject to the limited representations and warranties set forth in Section 11 above, in the event Purchaser actually takes title to the Property or any portion thereof, Purchaser hereby assumes all risk and agrees that Seller shall not be liable to Purchaser (or Purchaser's successors and assigns) for, and Purchaser hereby expressly waives any claims it may have now or in the future against Seller on account of, any special, direct, indirect, consequential or any other damages resulting or arising from or relating to the ownership, use, condition, location, maintenance, repair or operation of the Property.

18. Miscellaneous.

A. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

B. This Agreement shall be governed by and construed under the laws of the state in which the Property is located.

C. This Agreement may be executed in any number of counterparts, each of which, when taken together, shall be deemed to be one and the same instrument. Executed copies of this Agreement may be delivered between the parties via electronic mail.

D. Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the same, it being agreed that the agents of all parties have participated in the preparation hereof.

E. This Agreement supersedes all prior discussions and agreements between Seller and Purchaser with respect to the conveyance of the Property and all other matters contained herein and constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and signed by both Seller and Purchaser.

F. For purposes of this Agreement, all notices shall be in writing and shall be addressed to the party or parties being notified at the address set forth below or at such other address as a party may from time to time designate in writing to the other party.

To Seller:

City of Parchment
Attn: Parchment City Manager
650 S Riverview Drive
Parchment, MI 49004
Email: manager@parchment.org

To Purchaser:

Parchment Vegetable Products, Inc.
Attn: Dan Bussema
839 Commerce Lane , Office #453
Parchment, MI 49004
Email: _____

All notices to any party required or permitted hereunder may be given by reputable overnight delivery, all charges prepaid, certified mail, return receipt requested, postage prepaid, or by email, at the address set forth above, and will be deemed effective three (3) days after mailing, one (1) business day after the date sent by reputable overnight delivery, provided, that it is sent for and guarantees next business day

delivery, and/or on the day sent by email, provided, that the sending party does not receive an error or other message indicating the email was undeliverable. Notices may be sent by counsel to Purchaser or Seller on behalf of Purchaser or Seller, as applicable.

G. This Agreement shall inure to the benefit of and bind the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

H. If any date of performance hereunder falls on a Saturday, Sunday or legal holiday, such date of performance shall be deferred to the next day which is not a Saturday, Sunday or legal holiday.

I. In case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision is severed and deleted from this Agreement.

J. Purchaser and Seller represent and warrant to the other that there has been no direct or indirect dealings with any real estate brokers, salesmen or agents in connection with this Property, or the transactions contemplated herein. Each party to this Agreement shall indemnify, defend, and hold harmless the other party from and against any and all real estate brokerage commissions, finder's fees, or other like charges due or claimed to be due to any broker who dealt with the party from whom indemnification is sought with respect to the transaction contemplated hereunder. This subsection shall survive the Closing.

K. If either party wishes to include the transaction contemplated by this Agreement in a Section 1031 like kind exchange transaction, that party shall give the other party written notice of that intention. The other party shall cooperate with the party that wishes to undertake a Section 1031 transaction, at no cost to the other party. The other party will not be required to take title to any other property that is included in the Section 1031 transaction or to delay the closing of the transaction contemplated by this Agreement in order to accommodate the Section 1031 transaction.

36. Restrictive Covenant. Purchaser acknowledges and agrees that Seller will, prior to Closing, prepare, file and record a Declaration of Covenants and Restrictions and Option to Repurchase substantially in the form attached as Exhibit "C" hereto and made a part hereof (the "**Declaration**"). The Declaration will impose certain restrictive covenants upon the Property requiring, among other things, Purchaser, its transferees, successors, assigns, licensees and/or lessees and any future owners and/or users of the Property to restrict the use, operation, transfer, lease or license of the Property to the following uses and any other uses that may be expressly permitted by the Declaration:

Indoor and urban farming for the production of vegetable products

(collectively, the "**Restrictions**"). Purchaser acknowledges and agrees that the Restrictions shall run with the land and may be enforceable by Seller, its successors or assigns in accordance with the terms of the Declaration.

Signatures on following page

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date.

SELLER:

CITY OF PARCHMENT,
a Michigan municipal corporation

By: _____
Name: _____
Its: _____

PURCHASER:

PARCHMENT VEGETABLE PRODUCTS, INC.,
a _____ corporation

By: _____
Name: _____
Its: _____

EXHIBIT "A"

THE PROPERTY

Parcel 3906-03-226-040

Commencing at the Northwest corner of Section 2, T. 2 S., R. 11 W., City of Parchment, Kalamazoo County, Michigan; thence South $89^{\circ}-13'-49''$ East along the North line of said Section, 238.78 feet; thence South $00^{\circ}-46'-11''$ West, 33.00 feet; thence South $52^{\circ}-33'-29''$ East, 188.13 feet; thence South $37^{\circ}-22'-15''$ West, 690.55 feet; thence Southwesterly 109.56 feet along a curve to the left with a radius of 1922.41 feet and a chord bearing South $35^{\circ}-44'-17''$ West, 109.55 feet; thence Southwesterly 508.63 feet along a curve to the left with a radius of 1922.41 feet and a chord bearing South $26^{\circ}-31'-32''$ West, 507.15 feet for the place of beginning of the land hereinafter described; thence continuing Southwesterly 212.27 feet along a curve to the left with a radius of 1922.41 feet and a chord bearing South $15^{\circ}-46'-58''$ West, 212.16 feet to the Easterly extension of the Northerly line of Amended Plat of Blocks 1, 6, 13 and 16, Lots 1, 2, 8, 9, 10 of Block 1, Lot 7 of Block 3, Lots 1, 2, 4, 5, 6 of Block 4, Lots 1-19 of Block 5, Lots 112 of Block 8, Vacated Parts of Everett Lane, Maiden Lane, Gallup Avenue, Sanford Street and Robert Lane of the Revised Plat of Glendale, as recorded in Liber 42 of Plats on Page 49, Kalamazoo County Records; thence North $89^{\circ}-24'-57''$ West thereon, 604.74 feet, thence North $12^{\circ}-45'-56''$ West, 150.89 feet; thence North $00^{\circ}-48'-00''$ East, 57.93 feet; thence South $89^{\circ}-24'-57''$ East, 694.98 feet to the place of beginning. Containing 3.0 Acres, more or less.

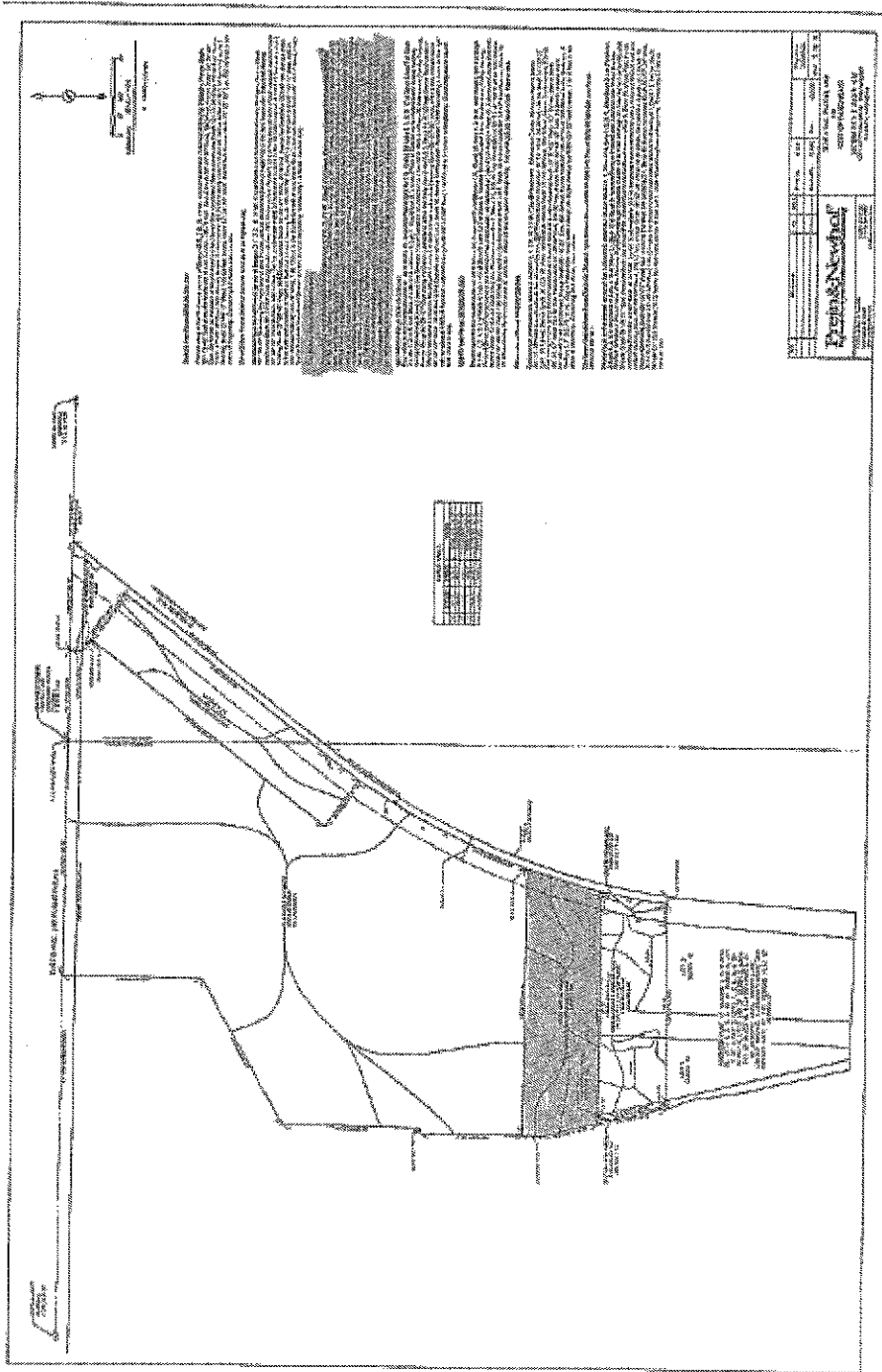


EXHIBIT "B"

PROPERTY INFORMATION

- That certain Baseline Environmental Assessment, prepared by Envirologic Environmental Consulting (since acquired by Fishbeck), dated December 16, 2019.

EXHIBIT "C"
DECLARATION

DRAFT – SUBJECT TO REVIEW AND DISCUSSION

**DECLARATION OF COVENANTS AND RESTRICTIONS
AND OPTION TO REPURCHASE**

THIS DECLARATION (this "**Restriction**") is made as of _____, 2024, by CITY OF PARCHEMENT, a Michigan municipal corporation, whose address is 650 Riverview Drive, Parchment, Michigan 49004 ("**Declarant**").

Background

A. Declarant is the owner in fee simple of the lands commonly known as _____, Parchment, Michigan and more particularly described on the attached Exhibit "A" (defined below as the "**Property**").

B. Declarant has agreed to sell the Property to Parchment Vegetable Products, Inc., a _____ corporation ("**Purchaser**") pursuant to that certain Purchase and Sale Agreement dated as of _____ (the "**Agreement**") between Declarant and Purchaser, which Agreement also provides that the amount of the Purchase Price (as defined in the Agreement) is partial consideration for Purchaser's agreement to be bound by this Restriction.

C. From and after the date of this Restriction, the Property is to be renovated and used as a facility for indoor and urban farming for the production of vegetable products (the "**Use**") in the manner, and subject to the covenants, terms and conditions set forth herein.

Restriction

NOW, THEREFORE, Declarant hereby publishes, declares and makes known to all intending purchasers and future owners of the Property, that the same shall be subject to the following conditions, restrictions, covenants and agreements, which shall be incorporated by reference in all deeds of conveyance and contracts and shall run with the land and bind all grantees in the Property, including their respective heirs, personal representatives, successors and assigns:

1. Renovation of Property. The Property shall be renovated to accommodate the Use and approximately in accordance with the site plan and other plans and specifications attached hereto as Exhibit "B" (the "**Renovation**"). As such, the Property (and facility to be renovated

thereon) may only be used for the Use and storage, distribution and office purposes that are related to the Use. The Renovation shall be completed (as evidenced by a permanent certificate of occupancy), and the Property shall reopen to the public for business, no later than twelve (12) months from the date of this Restriction. Notwithstanding the foregoing, if, despite using commercially reasonable efforts, the property owner is unable to complete the Renovation and reopen to the public for business within such twelve (12) month period as a direct result of any delays not caused by the actions or omissions of the property owner or that were not within the reasonable control of the property owner (for example, any delays in obtaining third party approvals that were timely sought by the property owner), then such twelve (12) month period will be extended on a day for day basis until the property owner completes the Renovation and reopens to the public for business, not to exceed eighteen (18) months from the date of this Restriction. No new building, facility, structure or other improvement, or change of use, shall be commenced or established prior to obtaining the prior written approval of Declarant and in accordance with the terms of this Restriction.

2. Change of Use to Facility. The property owner may submit a written request to the Declarant to change the Use to another permitted use ("**Change Request**"). Any Change Request shall contain a detailed description of the desired permitted use together with any additional documentation or information that Declarant deems necessary or appropriate. Declarant will use reasonable efforts to issue an approval (subject to any terms and/or conditions that are acceptable to Declarant in its sole discretion), denial or comments within twenty-one (21) days after its receipt of any Change Request. In the event Declarant approves any Change Request, Declarant and the property owner shall promptly execute and record (at the property owner's expense) an amendment to this Restriction which reflects the permitted change of use (subject to any terms and/or conditions that are acceptable to Declarant in its sole discretion) and which is otherwise mutually acceptable to Declarant and the property owner. Any permitted change of use of the Property shall at all times comply with the terms and conditions of this Restriction (as it may be amended), other restrictive covenants or conditions (if any), and applicable laws, statutes, codes, ordinances and planned unit development plans, including without limitation the terms and conditions of any permits or approvals related to the Renovation.

3. Option to Repurchase. The parties acknowledge and agree that Declarant is transferring the Property for the purpose of the Renovation and establishment of the Use. As such, to the extent that the Renovation is not complete and the Property has not reopened to the public for business within the twelve (12) month period (as it may be extended) provided in Section 1 above, then Declarant shall have an option to re-purchase the Property from the Purchaser or any subsequent property owner for the Purchase Price that Declarant received when it transferred the Property to Purchaser. The terms of such purchase shall be otherwise based on the terms of the Agreement with the exception that Declarant shall be "Purchaser" and Purchaser or any subsequent property owner shall be "Seller" for purposes of such option and Purchaser or any subsequent property owner shall be responsible for removal and release of any liens, mortgages, judgments or financial encumbrances against the Property. Declarant shall exercise the option by providing written notice to Purchaser or any subsequent property owner at any time after the expiration of the twelve (12) month period (as it may be extended) set forth above.

4. Additional Restrictions. In addition to the Use and other covenants and restrictions set forth in Sections 1 and 2 of this Restriction, the Property shall also be subject to the following restrictions on use:

- (i) The Property shall be restricted solely to uses that are not exempt, including any so-called "partial exemption" and whether such uses are exempt (or partially exempt) under applicable laws, regulations, rules, and/or programs currently existing or hereafter enacted, from the payment of ad valorem taxes, assessments and other governmental costs and charges (the "**Property Taxes**") generally applicable to real property where the Property is located. For example, since the following types of uses are generally exempt from Property Taxes, the Property shall not be used for, and shall be restricted against use as (but not limited to): hospitals, clinics or medical centers; churches, religious organizations or places of worship; governmental buildings, government agencies, governmental authorities and/or government related uses; schools, colleges, and/or educational related uses; philanthropic organizations, charities and/or non-profit corporations; unless such uses or users enter into (A) an agreement to pay subject to Property Taxes or (B), if applicable to such uses or users, a Payment in Lieu of Taxes (PILOT) agreement, in either case that is approved by Declarant.
- (ii) The Property is restricted against use any and all marijuana and/or cannabis uses or related uses, including without limitation, dispensaries, grow facilities and/or provisioning centers.

5. Remedies.¹ Declarant shall have the right to specifically enforce, by any proceeding at law or equity, all restrictions, conditions, covenants, reservations, now or hereafter imposed by the provisions of this Restriction. Declarant shall also have the right recover all of its damages that arise from any breach of this Restriction (including any and all terms and conditions contained herein), including, without limitation, all fees (including actual attorneys' fees and any other professional fees), costs (including court costs) and expenses of enforcement.

6. Term. The term of this Restriction shall run with the land. Notwithstanding the foregoing, the term of the option to repurchase set forth in Section 3 shall expire, and all rights and obligations thereunder shall be deemed forever released and discharged, upon the completion of the Renovation in accordance with the terms of this Restriction (including without limitation in compliance with the plans and specifications that are approved by Declarant as contemplated herein) and the establishment of the Use within the twelve (12) month period (as it may be extended) provided in Section 1 above.

Signature line on following page

¹ NOTE TO DRAFT: Full scope of available remedies to be discussed with the City of Parchment.

EXHIBIT "A" TO RESTRICTIONS

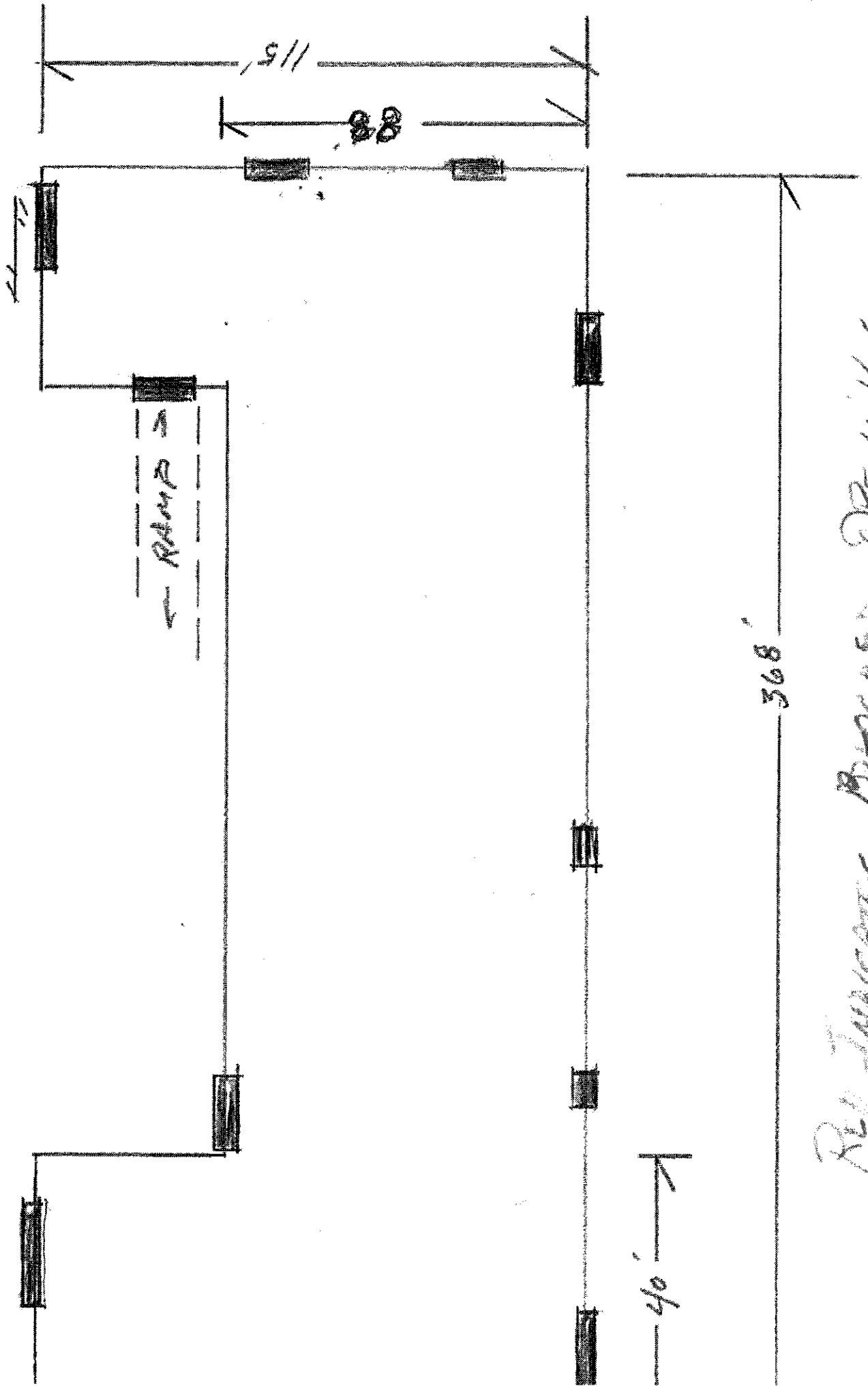
PROPERTY

Parcel 3906-03-226-040

Commencing at the Northwest corner of Section 2, T. 2 S., R. 11 W., City of Parchment, Kalamazoo County, Michigan; thence South $89^{\circ}-13'-49''$ East along the North line of said Section, 238.78 feet; thence South $00^{\circ}-46'-11''$ West, 33.00 feet; thence South $52^{\circ}-33'-29''$ East, 188.13 feet; thence South $37^{\circ}-22'-15''$ West, 690.55 feet; thence Southwesterly 109.56 feet along a curve to the left with a radius of 1922.41 feet and a chord bearing South $35^{\circ}-44'-17''$ West, 109.55 feet; thence Southwesterly 508.63 feet along a curve to the left with a radius of 1922.41 feet and a chord bearing South $26^{\circ}-31'-32''$ West, 507.15 feet for the place of beginning of the land hereinafter described; thence continuing Southwesterly 212.27 feet along a curve to the left with a radius of 1922.41 feet and a chord bearing South $15^{\circ}-46'-58''$ West, 212.16 feet to the Easterly extension of the Northerly line of Amended Plat of Blocks 1, 6, 13 and 16, Lots 1, 2, 8, 9, 10 of Block 2, Lot 7 of Block 3, Lots 1, 2, 4, 5, 6 of Block 4, Lots 1-19 of Block 5, Lots 112 of Block 8, Vacated Parts of Everett Lane, Maiden Lane, Gallup Avenue, Sanford Street and Robert Lane of the Revised Plat of Glendale, as recorded in Liber 42 of Plats on Page 49, Kalamazoo County Records; thence North $89^{\circ}-24'-57''$ West thereon, 604.74 feet, thence North $12^{\circ}-45'-56''$ West, 150.89 feet; thence North $00^{\circ}-48'-00''$ East, 57.93 feet; thence South $89^{\circ}-24'-57''$ East, 694.98 feet to the place of beginning. Containing 3.0 Acres, more or less.

EXHIBIT "B" TO RESTRICTIONS

SITE PLAN AND OTHER PLANS AND SPECIFICATIONS



RE. INDICATES DOORS OPENINGS
(RECTANGLES)

This is **EXHIBIT K**, consisting of 2 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated July 14, 2021

**AMENDMENT TO OWNER-ENGINEER AGREEMENT
Amendment No. 1**

The Effective Date of this Amendment is: January 1, 2024.

Background Data

Effective Date of Owner-Engineer Agreement: July 14, 2021

Owner: City of Parchment

Engineer: Prein&Newhof

Project: Storm Sewer System Improvements, Water System Improvements, and Wastewater System Improvements

Nature of Amendment:

Modifications to other terms and conditions of the Agreement

Description of Modifications:

The purpose of this amendment is to adopt the 2024 engineering hourly rates as shown on the attached.

Agreement Summary:

Original agreement amount:	\$ 445,000
Net change for prior amendments:	\$ 0
This amendment amount:	\$ None
Adjusted Agreement amount:	\$ 445,000.

Change in time for services (days or date, as applicable): N/A

The foregoing Agreement Summary is for reference only and does not alter the terms of the Agreement, including those set forth in Exhibit C.

Owner and Engineer hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect.

OWNER:

ENGINEER:

City of Parchment

Prein&Newhof

By:

Print Robert Britigan

name:

By:

Print Jason Washler

name:

Title: City Mayor

Title: Vice President

Date Signed:

Date Signed:

Fee Schedule

Effective January, 2024

Unless otherwise agreed, Prein&Newhof bills for time spent on a project at the hourly rate of the employees assigned. Identified below are the hourly rates for various employee classifications. Hourly billing rates include overhead, fringe benefits, and profit.

<u>Employee Classification</u>	<u>Hourly Billing Rate</u>
Senior Project Manager II, Senior Professional V	\$194
Senior Project Manager, Senior Professional IV	\$179
Project Manager, Senior Engineer III, Senior Professional III, Landscape Architect III, Senior Technician V	\$164
Senior Engineer II, Senior Professional II, Surveyor IV, Senior Technician IV, Geologist, Lab Manager	\$153
Senior Engineer, Senior Professional, Landscape Architect II, Surveyor III, Senior Technician III	\$143
Engineer II, Surveyor II, Senior Technician II, Senior Office Technician	\$134
Engineer, Surveyor, Senior Technician	\$124
Landscape Architect, Technician IV	\$114
Technician III, Lab Technician, Office Technician	\$104
Technician II	\$91
Technician	\$78
<u>Project Expenses</u>	<u>Billing Rate</u>
Mileage	\$0.70/mile
Direct expenses and sub-consultant costs	Invoice amount plus a 10% handling charge

Prein&Newhof

Sent via email: manager@parchment.org

January 25, 2024
2210250

Ms. Nancy Stoddard
City Manager
City of Parchment
650 South Riverview Drive
Parchment, MI 49004-1298

RE: Contract No. 1 – Wastewater System Improvements
Groveland, Haymac & Link Lane Lift Station and Link Lane Force Main

Dear Ms. Stoddard:

Please find enclosed the bid tabulation for the subject project. We have reviewed the bids submitted and recommend award to L. D. Docsa Associates, Inc. of Kalamazoo, Michigan in the amount of \$889,000.00.

The approval shall be contingent on the concurrence of USDA's review and approval of the bid award. Subject to the availability of funds and completion of necessary financial arrangements with USDA Rural Development.

Following Council action regarding contract award, we will request that the contractor furnish the necessary bonds and insurance and prepare the contracts for execution. If you have any questions, please contact our office.

Sincerely,

Prein&Newhof



Michael A. Schwartz P.E.

MAS:dlj

Enclosure

cc: Andy Granskog (via andy.granskog@usda.gov)
Paul Bristol (via paul.bristol@usda.gov)

Prein&Newhof

Engineers • Surveyors • Environmental • Laboratory

1707 South Park Street, Suite 200 Kalamazoo, MI 49001

t. (269) 372-1158 f. (616) 364-6955

Bid Tabulation

Owner: City of Parchment				1st L. D. Docsa Associates, Inc. 300 S. 8th St. Kalamazoo, MI 49009	
Project Title: Wastewater System Improvements - Contract No. 1 Groveland, Haymac & Link Lane Lift Station and Link Lane Force Main					
Bid Date & Time: January 18, 2024 at 10:30 am		Project #: 2210250			
Item No.	Description	Quantity	Unit	Unit Price	Total Amount
1	Groveland Lift Station	1	LSUM	\$220,000.00	\$220,000.00
2	Haymac Lift Station	1	LSUM	\$243,000.00	\$243,000.00
3	Link Lane Lift Station	1	LSUM	\$373,000.00	\$373,000.00
4	Link Lane Force Main	1	LSUM	\$53,000.00	\$53,000.00
Total Bid					\$889,000.00

Sent via email: manager@parchment.org

January 25, 2024
2210250

Ms. Nancy Stoddard
City Manager
City of Parchment
650 South Riverview Drive
Parchment, MI 49004-1298

RE: Contract No. 2 – Street and Utility System Improvements
Sturgis, Hercules and Eunice Reconstruction

Dear Ms. Stoddard:

Please find enclosed the bid tabulation for the subject project. We have reviewed the bids submitted and recommend award to Peters Construction Co. of Kalamazoo, Michigan in the amount of \$894,944.90.

The approval shall be contingent on the concurrence of USDA's review and approval of the bid award. Subject to the availability of funds and completion of necessary financial arrangements with USDA Rural Development.

Following Council action regarding contract award, we will request that the contractor furnish the necessary bonds and insurance and prepare the contracts for execution. If you have any questions, please contact our office.

Sincerely,

Prein&Newhof



Michael A. Schwartz P.E.

MAS:dlj

Enclosure

cc: Andy Granskog (via andy.granskog@usda.gov)
Paul Bristol (via paul.bristol@usda.gov)

Prein&Newhof

Engineers • Surveyors • Environmental • Laboratory

1707 South Park Street, Suite 200 Kalamazoo, MI 49001

t. (269) 372-1158 f. (616) 364-6955

Bid Tabulation

Owner: City of Parchment				1st Peters Construction Co. 3325 E. Kilgore Rd. Kalamazoo, MI 49001	
Project Title: Contract No. 2 - Street and Utility System Improvements Sturgis, Hercules and Eunice Reconstruction					
Bid Date & Time: January 18, 2024 at 10:30 am		Project #: 2210250			
Item No.	Description	Quantity	Unit	Unit Price	Total Amount
Street & Utility Improvements					
1	Mobilization, Max 10%	1	LSum	\$80,054.91	\$80,054.91
2	Dr Structure Casting, Rem, Storm	2	EA	\$456.07	\$912.14
3	Sewer, Abandon, Less than 24 inch	1,436	FT	\$11.44	\$16,427.84
4	Sewer, Abandon, Bulkhead, 4" and 6", Sturgis Rd.	14	EA	\$847.26	\$11,861.64
5	Sewer Manhole, Abandon	4	EA	\$1,451.48	\$5,805.92
6	Sewer Manhole, Remove, Sturgis Rd.	1	EA	\$1,662.48	\$1,662.48
7	Curb and Gutter, Rem	584	FT	\$20.60	\$12,030.40
8	Pavt, Rem - driveways	350	SYD	\$16.20	\$5,670.00
9	Pavt, Rem - Hercules	175	SYD	\$16.20	\$2,835.00
10	Machine Grading, Modified	10.5	STA	\$8,712.89	\$91,485.35
11	Milling, 2-inch	1,760	SYD	\$3.38	\$5,948.80
12	Subgrade Undercutting, Type II (If necessary)	50	CYD	\$61.87	\$3,093.50
13	Special Backfill (If Necessary)	50	CYD	\$61.87	\$3,093.50
14	Erosion Control, Inlet Protection, Fabric Drop	14	EA	\$136.84	\$1,915.76
15	Std. 4' Dia. Manhole	4	EA	\$4,931.79	\$19,727.16
16	Std. 4' Dia. Manhole, Dog House	2	EA	\$6,540.11	\$13,080.22
17	Sanitary Sewer, 8-inch	813	FT	\$115.12	\$93,592.56
18	Sanitary Sewer, Lateral, 6 inch	540	FT	\$64.15	\$34,641.00
19	Sanitary Lateral Cleanout	17	EA	\$884.59	\$15,038.03
20	Sewer Bulkhead, 8 inch	1	EA	\$931.92	\$931.92
21	Sewer Bulkhead, 12 inch	2	EA	\$931.92	\$1,863.84
22	Ex. 12-inch Concrete Storm Repair on Hercules	1	LSum	\$3,723.66	\$3,723.66
23	Water, Valve Box, Adjustment	11	EA	\$984.33	\$10,827.63
24	Water, Valve Box, Replace and Adjustment	1	EA	\$1,366.33	\$1,366.33
25	Manhole Adjustment	12	EA	\$1,962.68	\$23,552.16
26	Construction Bypass Operation	1	LSum	\$6,602.48	\$6,602.48
27	Dr Structure Cover, Type K	2	EA	\$1,417.80	\$2,835.60
28	HMA, 36A, Modified	122	TON	\$143.83	\$17,547.26
29	HMA, 13A, Modified	898	TON	\$143.83	\$129,159.34
30	Aggregate Base, 8-inch, MDOT 21AA	3,283	SYD	\$18.45	\$60,571.35
31	Shoulder, 6-inch, MDOT 23A	116	SYD	\$18.70	\$2,169.20
32	Class III, Granular Subbase, CIP	1,147	CYD	\$21.30	\$24,431.10
33	Curb and Gutter, Conc, Det F4	584	FT	\$35.51	\$20,737.84

Bid Tabulation

Owner: City of Parchment				1st Peters Construction Co. 3325 E. Kilgore Rd. Kalamazoo, MI 49001	
Project Title: Contract No. 2 - Street and Utility System Improvements Sturgis, Hercules and Eunice Reconstruction					
Bid Date & Time: January 18, 2024 at 10:30 am		Project #: 2210250			
Item No.	Description	Quantity	Unit	Unit Price	Total Amount
34	HMA Approach, 36A, Modified	28	TON	\$263.68	\$7,383.04
35	HMA Approach, 13A, Modified	32	TON	\$263.68	\$8,437.76
36	Approach, 6 inch, MDOT 21AA	250	SYD	\$30.96	\$7,740.00
37	Driveway, Nonreinf Conc, 6 inch	200	SYD	\$86.55	\$17,310.00
38	CL II Base, 4 Inch	200	SYD	\$15.33	\$3,066.00
39	Restoration (Topsoil, seed and mulch)	10.5	STA	\$3,067.08	\$32,204.34
40	Traffic Control Devices	1	LSum	\$10,446.39	\$10,446.39
Street & Utility Improvements - Subtotal:					\$811,783.45
Misc. Sanitary Point Repairs: G Avenue (St. Ambrose Church), Link Lane, 210 Sanford, 317 Riverview Drive					
1	Mobilization, Max 10%	1	LSum	\$7,022.92	\$7,022.92
2	Construction Bypass Operation	1	LSum	\$5,254.73	\$5,254.73
3	Pavt, Rem	285	SYD	\$16.21	\$4,619.85
4	Curb and Gutter, Rem	40	FT	\$25.74	\$1,029.60
5	Excavate and repair 8" sanitary sewer & wye (G Avenue)	1	LSum	\$4,696.57	\$4,696.57
6	Excavate replace 8" sanitary and manhole (Link Lane)	1	LSum	\$9,577.27	\$9,577.27
7	Excavate and repair sanitary sewer lead (210 Sanford)	1	LSum	\$4,393.84	\$4,393.84
8	Excavate and repair sanitary sewer lead (317 Riverview)	1	LSum	\$4,393.84	\$4,393.84
9	Repair Leaching Basin	2	EA	\$2,887.79	\$5,775.58
10	HMA, 36A, Modified	36	TON	\$263.68	\$9,492.48
11	HMA, 13A, Modified	36	TON	\$263.68	\$9,492.48
12	Aggregate Base, 8-inch, MDOT 21AA	285	SYD	\$30.03	\$8,558.55
13	Curb and Gutter, Conc, Det F4	40	FT	\$58.75	\$2,350.00
14	Traffic Control (Link Lane)	1	LSum	\$2,544.72	\$2,544.72
15	Post Video Inspection	1	LSum	\$1,385.74	\$1,385.74
16	Restoration	1	LSum	\$2,573.28	\$2,573.28
Misc. Sanitary Point Repairs - Subtotal:					\$83,161.45
Total Bid				\$894,944.90	

Sent via email: manager@parchment.org

January 25, 2024
2210250

Ms. Nancy Stoddard
City Manager
City of Parchment
650 South Riverview Drive
Parchment, MI 49004-1298

RE: Contract No. 3 – City Wide Pipe & Manhole Rehabilitation

Dear Ms. Stoddard:

Please find enclosed the bid tabulation for the subject project. We have reviewed the bids submitted and recommend award to Performance Pipelining, Inc. of Ottawa, Illinois in the amount of \$1,184,444.00.

The approval shall be contingent on the concurrence of USDA's review and approval of the bid award. Subject to the availability of funds and completion of necessary financial arrangements with USDA Rural Development.

Following Council action regarding contract award, we will request that the contractor furnish the necessary bonds and insurance and prepare the contracts for execution. If you have any questions, please contact our office.

Sincerely,

Prein&Newhof



Michael A. Schwartz P.E.

MAS:dlj

Enclosure

cc: Andy Granskog (via andy.granskog@usda.gov)
Paul Bristol (via paul.bristol@usda.gov)

Prein & Newhof

Engineers • Surveyors • Environmental • Laboratory

1707 South Park Street, Suite 200 Kalamazoo, MI 49001
t. (269) 372-1158 f. (616) 364-6955

Bid Tabulation

Owner:		1st		2nd		3rd	
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount
City of Parchment Contract No. 3 - City Wide Pipe & Manhole Rehabilitation Bid Date & Time: January 18, 2024 at 10:30 am Project #: 2210250							
BASE BID							
1	Mobilization, Max 5%	1	LSUM	\$25,000.00	\$25,000.00	\$54,187.70	\$54,187.70
2	Traffic Control	1	LSUM	\$6,000.00	\$6,000.00	\$2,847.59	\$2,847.59
3	Bypass Operation	1	LSUM	\$12,000.00	\$12,000.00	\$582.11	\$582.11
4	8" Sewer Cleaning and CCTV (pre and post inspections)	21,020	FT	\$2.00	\$42,040.00	\$4.14	\$87,022.80
5	10" Sewer Cleaning and CCTV (pre and post inspections)	2,020	FT	\$2.00	\$4,040.00	\$4.33	\$8,746.60
6	12" Sewer Cleaning and CCTV (pre and post inspections)	1,000	FT	\$2.00	\$2,000.00	\$4.99	\$4,990.00
7	8" Sanitary Sewer, CIPP	21,020	FT	\$34.00	\$714,680.00	\$36.68	\$771,013.60
8	10" Sanitary Sewer, CIPP	2,020	FT	\$43.00	\$86,860.00	\$40.73	\$82,274.60
9	12" Sanitary Sewer, CIPP	1,000	FT	\$48.00	\$48,000.00	\$51.05	\$51,050.00
10	Service Lateral Reinstatement	510	EA	\$100.00	\$51,000.00	\$49.03	\$25,005.30
11	Flow Channel Reconstruction	28	EA	\$775.00	\$21,700.00	\$873.16	\$24,448.48
12	Sanitary Structure Cover, Adj, Modified	31	EA	\$2,300.00	\$71,300.00	\$4,074.75	\$126,317.25
13	4' Dia. CIP Manhole Lining	38	VF	\$1,000.00	\$38,000.00	\$892.95	\$33,932.10
14	Install Internal Drop Connection	1	EA	\$1,400.00	\$1,400.00	\$2,910.54	\$2,910.54
15	Manhole Utility Removal	1	EA	\$500.00	\$500.00	\$2,095.59	\$2,095.59
16	Restoration	1	LSUM	\$1.00	\$1.00	\$1,164.21	\$1,164.21
Base Bid - Subtotal					\$1,124,521.00		\$1,278,588.47
							\$5,000.00
							\$5,000.00
							\$1,278,250.00 *

Prein&Newhof

Engineers • Surveyors • Environmental • Laboratory

1707 South Park Street, Suite 200 Kalamazoo, MI 49001
 t. (269) 372-1158 f. (616) 364-6955

Bid Tabulation

Owner:		1st	2nd	3rd					
City of Parchment		Performance Pipelining, Inc. 1551 W. Norris Dr. Ottawa, IL 61350	Insituform Technologies USA, LLC 580 Goddard Ave. Chesterfield, MO 63005	D.V.M. Utilities, Inc. 6045 Simms Rd., Suite 2 Sterling Heights, MI 48313					
Project Title:		Contract No. 3 - City Wide Pipe & Manhole Rehabilitation							
Bid Date & Time:		January 18, 2024 at 10:30 am							
Project #:		2210250							
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
ADDITIONAL LINING									
17	Traffic Control	1	LSUM	\$1.00	\$1.00	\$1,031.00	\$1,031.00	\$4,500.00	\$4,500.00
18	Bypass Operation	1	LSUM	\$1.00	\$1.00	\$582.11	\$582.11	\$3,775.00	\$3,775.00
19	8" Sewer Cleaning and CCTV (pre and post inspections)	1,420	FT	\$2.00	\$2,840.00	\$4.05	\$5,751.00	\$4.00	\$5,680.00
20	10" Sewer Cleaning and CCTV (pre and post inspections)	140	FT	\$2.00	\$280.00	\$4.20	\$588.00	\$6.00	\$840.00
21	8" Sanitary Sewer, CIPP	1,420	FT	\$34.00	\$48,280.00	\$42.07	\$59,739.40	\$38.50	\$54,670.00
22	10" Sanitary Sewer, CIPP	140	FT	\$43.00	\$6,020.00	\$61.31	\$8,583.40	\$82.00	\$11,480.00
23	Service Lateral Reinstatement	25	EA	\$100.00	\$2,500.00	\$52.58	\$1,314.50	\$50.00	\$1,250.00
24	Restoration	1	LSUM	\$1.00	\$1.00	\$1,164.21	\$1,164.21	\$2,500.00	\$2,500.00
Additional Lining - Subtotal					\$59,923.00		\$78,753.62		\$84,695.00
Total Bid					\$1,184,444.00		\$1,357,342.09		\$1,362,945.00 *

* Denotes correction made by Engineer

Prein&Newhof

Engineers • Surveyors • Environmental • Laboratory

1707 South Park Street, Suite 200 Kalamazoo, MI 49001
t. (269) 372-1158 f. (616) 364-6955

Bid Tabulation

Owner:		4th		5th		6th	
City of Parchment		Visu-Sewer, LLC W230 N4855 Betker Dr. Pewaukee, WI 53072		Corby Energy Services, Inc. 6001 Schooner Dr. Belleville, MI 48112		SAK Construction, LLC 864 Hoff Rd. O'Fallon, MO 63366	
Project Title:		Contract No. 3 - City Wide Pipe & Manhole Rehabilitation		Project #:		2210250	
Bid Date & Time:		January 18, 2024 at 10:30 am					
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount
BASE BID							
1	Mobilization, Max 5%	1	LSUM	\$29,000.00	\$29,000.00	\$60,000.00	\$60,000.00
2	Traffic Control	1	LSUM	\$30,000.00	\$30,000.00	\$35,000.00	\$35,000.00
3	Bypass Operation	1	LSUM	\$2,500.00	\$2,500.00	\$40,000.00	\$40,000.00
4	8" Sewer Cleaning and CCTV (pre and post inspections)	21,020	FT	\$5.00	\$105,100.00	\$3.00	\$63,060.00
5	10" Sewer Cleaning and CCTV (pre and post inspections)	2,020	FT	\$6.00	\$12,120.00	\$4.00	\$8,080.00
6	12" Sewer Cleaning and CCTV (pre and post inspections)	1,000	FT	\$7.00	\$7,000.00	\$4.00	\$4,000.00
7	8" Sanitary Sewer, CIPP	21,020	FT	\$48.50	\$1,019,470.00	\$47.00	\$987,940.00
8	10" Sanitary Sewer, CIPP	2,020	FT	\$52.00	\$105,040.00	\$50.00	\$101,000.00
9	12" Sanitary Sewer, CIPP	1,000	FT	\$77.50	\$77,500.00	\$68.00	\$68,000.00
10	Service Lateral Reinstatement	510	EA	\$25.00	\$12,750.00	\$95.00	\$48,450.00
11	Flow Channel Reconstruction	28	EA	\$1,815.00	\$50,820.00	\$1,700.00	\$47,600.00
12	Sanitary Structure Cover, Adj, Modified	31	EA	\$2,365.00	\$73,315.00	\$2,363.00	\$73,253.00
13	4' Dia. CIP Manhole Lining	38	VF	\$960.00	\$36,480.00	\$850.00	\$32,300.00
14	Install Internal Drop Connection	1	EA	\$10,025.00	\$10,025.00	\$10,100.00	\$10,100.00
15	Manhole Utility Removal	1	EA	\$2,500.00	\$2,500.00	\$1,650.00	\$1,650.00
16	Restoration	1	LSUM	\$2,500.00	\$2,500.00	\$15,000.00	\$15,000.00
Base Bid - Subtotal					\$1,576,120.00	\$1,595,433.00	\$1,717,435.00

Prein & Newhof

Engineers • Surveyors • Environmental • Laboratory

1707 South Park Street, Suite 200 Kalamazoo, MI 49001

t. (269) 372-1158 f. (616) 364-6955

Bid Tabulation

Owner:		4th		5th		6th	
City of Parchment		Visu-Sewer, LLC W230 N4855 Betker Dr. Pewaukee, WI 53072		Corby Energy Services, Inc. 6001 Schooner Dr. Belleville, MI 48112		SAK Construction, LLC 864 Hoff Rd. O'Fallon, MO 63366	
Project Title:		Contract No. 3 - City Wide Pipe & Manhole Rehabilitation					
Bid Date & Time:		January 18, 2024 at 10:30 am		Project #:		2210250	
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount
ADDITIONAL LINING							
17	Traffic Control	1	LSUM	\$2,000.00	\$2,000.00	\$5,000.00	\$5,000.00
18	Bypass Operation	1	LSUM	\$1,000.00	\$1,000.00	\$2,000.00	\$2,000.00
19	8" Sewer Cleaning and CCTV (pre and post inspections)	1,420	FT	\$5.00	\$7,100.00	\$4.00	\$5,680.00 *
20	10" Sewer Cleaning and CCTV (pre and post inspections)	140	FT	\$6.00	\$840.00	\$4.00	\$560.00
21	8" Sanitary Sewer, CIPP	1,420	FT	\$50.00	\$71,000.00	\$40.00	\$56,800.00 *
22	10" Sanitary Sewer, CIPP	140	FT	\$87.00	\$12,180.00	\$105.00	\$14,700.00
23	Service Lateral Reinstatement	25	EA	\$100.00	\$2,500.00	\$115.00	\$2,875.00
24	Restoration	1	LSUM	\$250.00	\$250.00	\$1,000.00	\$1,000.00
Additional Lining - Subtotal					\$96,870.00		\$88,615.00 *
Total Bid					\$1,672,990.00		\$1,684,048.00 *
							\$111,185.00
							\$5,000.00
							\$500.00
							\$5.50
							\$5.50
							\$53.00
							\$148.00
							\$25.00
							\$500.00

* Denotes correction made by Engineer

ORDINANCE NO. ___

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE SEWAGE COLLECTION SYSTEM OF THE CITY OF PARCHMENT; TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE BONDS TO PAY A PORTION OF THE COST THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COST OF THE OPERATION AND MAINTENANCE OF THE SYSTEM AND PAYING THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE AN ADEQUATE RESERVE ACCOUNT FOR THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE SYSTEM'S REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS AND ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY COMMISSION OF THE CITY OF PARCHMENT HEREBY ORDAINS:

Section 1. Definitions. The following words and terms used in this Ordinance shall have the meanings assigned in the preamble to this Ordinance and in this Section, unless the context clearly indicates otherwise.

The word "acquired," as used in this Ordinance, shall be construed to include acquisition by purchase, construction or by any other method.

"Act 94" shall mean Act 94, Public Acts of Michigan, 1933, as amended.

"Authorized Officer" shall mean the Issuer's Mayor, Vice Mayor, City Treasurer, City Clerk, City Manager, or a designee thereof.

"Bond" or "Bonds" shall mean the Issuer's 2024 Sewage Collection System Revenue Bonds, in the aggregate principal amount of not to exceed Two Million Five Hundred Seventy-One Thousand Dollars (\$2,571,000), authorized to be issued pursuant to this Ordinance, together with any additional bonds of equal standing hereafter issued.

"Department of Treasury" shall mean the Department of Treasury of the State of Michigan.

"Engineer" shall mean Prein & Newhof, Inc.

"Fiscal Year" shall mean the fiscal year of the Issuer and the operating year of the System, commencing July 1 and ending June 30 of the subsequent year, as such fiscal year may be changed by the Issuer from time to time.

“Government” shall mean the government of the United States of America, acting through the United States Department of Agriculture, or any agency thereof.

“Issuer” or “City” shall mean the City of Parchment, Kalamazoo County, Michigan.

“Ordinance” shall mean this Ordinance and any ordinance or resolution of the Issuer amendatory or supplemental to this Ordinance, including ordinances or resolutions authorizing the issuance of additional bonds.

“Project” shall mean the acquisition and construction of improvements and extensions to the City’s sewage collection system, including, but not limited to, acquiring related equipment, improvements and appurtenances, and the acquisition of any necessary easements, rights in land.

“Public Improvements” shall mean the Project and any other public improvements, as defined in Section 3 of Act 94, which are authorized to be acquired and constructed under the provisions of this Ordinance.

“Reserve Amount” shall mean with respect to the Bonds the lesser of: (1) the maximum annual debt service due on the Bonds in the current or any future year; (2) 125% of the average annual debt service on the Bonds; (3) 10% of the principal amount of the Bonds on the date of issuance of the Bonds; or (4) the reserve amounts required to be set aside pursuant to Section 14 of this ordinance.

“Revenues” and “Net Revenues” shall mean the revenues and net revenues of the Issuer derived from the operation of the System and shall be construed as defined in Section 3 of Act 94, including with respect to “Revenues”, the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.

“System” shall mean the Issuer’s Sewage Collection System, including such facilities thereof as are now existing, acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.

“Transfer Agent” shall mean the transfer agent and bond registrar for each series of bonds as appointed from time to time by the Issuer as provided in **Section 5** of this Ordinance and who or which shall carry out the duties and responsibilities as set forth in **Section 5** and **Section 6** of this Ordinance.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to create, establish, and improve the System and to acquire and construct the Project in accordance with the plans and specifications prepared by the Issuer’s Engineer and on file with the Issuer, which plans and specifications are hereby approved, and the System is hereby created and established.

Section 3. Costs; Useful Life. The total cost of the Project is estimated to be approximately Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000), including the payment of incidental and/or issuance expenses as specified in **Section 4** of this Ordinance, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Project is estimated to be not less than forty (40) years. Project costs not financed through the issuance of the Bonds shall be paid for using available funds of the Issuer and, as applicable, contributions from the Michigan Department of Transportation.

Section 4. Payment of Costs; Bonds Authorized. To pay a portion of the cost of acquiring and constructing the Project and the legal, engineering, financial and other expenses incidental to said acquisition and construction, and expenses incidental to the issuance and sale of the Bonds, it is hereby determined that the Issuer shall borrow the sum of not to exceed Two Million Five Hundred Seventy-One Thousand Dollars (\$2,571,000), and that revenue bonds be issued therefor pursuant to the provisions of Act 94.

Section 5. Bond Details. The Bonds shall be designated **SEWAGE COLLECTION SYSTEM REVENUE BONDS**, including an applicable designation recognizing the year in which the Bonds are issued and/or the series of the Bonds, shall be dated as of the date of delivery of the first installment, shall consist of one (1) fully-registered nonconvertible bond per series in the denomination of not to exceed Two Million Five Hundred Seventy-One Thousand Dollars (\$2,571,000); shall be issued in denominations of \$1,000, or integral multiples thereof; shall bear interest at a rate or rates to be hereafter determined not exceeding 1.25% per annum, and shall be payable in not more than forty (40) annual principal installments serially beginning April 1, 2024 (or such other date as approved by an Authorized Officer), and annually on each April 1 thereafter, with the first installment coming due not later one (1) year from the date of delivery/funding of the Bonds.

The Bonds may be issued in one or more series, as approved by an Authorized Officer. If more than one series of Bonds is issued, the title for the bond issue shall be revised to reflect the year that the series of Bonds is issued, and, if necessary, any series designation.

An Authorized Officer, or a designee thereof, is hereby authorized to: approve and/or adjust the maturity schedule, including the dates/years for the first and last maturities for the Bonds; approve and/or adjust the interest payment dates; determine (after consultation with the Issuer's financial advisor and/or bond counsel) the priority of the statutory lien on the Net Revenues of the System associated with the Bonds; and/or reduce the principal amount of the borrowing as deemed necessary and reasonable to the Project.

The Bonds are expected to be delivered to the Government as the initial purchaser thereof in installments (the "Delivery Installments") and each Delivery Installment shall be noted on the registration grid set forth on the applicable Bonds. The Delivery Installments shall be deemed to correspond to the serial principal installments of the applicable Bonds in direct chronological order of said serial principal installments.

The serial principal installments of the Bonds will each bear interest from the date of delivery of the corresponding Delivery Installment to the registered holder thereof as shown on the registration grid set forth on the Bonds at the rate of not to exceed 1.25% per annum, payable on October 1, 2024, and semiannually thereafter on April 1 and October 1 (or such other interest payment dates as shall be approved by an Authorized Officer) of each year until maturity or earlier prepayment of said installment. Acceptance of the interest rate on the Bonds shall be made by execution of the Bonds which so designates the rate specified by the Government and accepted in writing by the Issuer. The Bonds shall be issued in fully-registered form and each series of the Bonds shall not be convertible or exchangeable into more than one fully-registered bond.

Pursuant to the provisions of Section 517 of the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended (the "Act"), the Issuer has been designated as a "qualified" issuer and the Issuer is authorized to issue and sell the Bonds. Thus, the Issuer's Authorized Officers are hereby authorized and directed to negotiate privately the sale of the Bonds to the Government at an interest rate not to exceed 1.25% per annum. Further, based upon expense considerations associated with publishing a notice of sale, as specified in Section 309(2) of the Act, as well as the advantages and favorable terms (including the interest rate and reduced costs of issuance) reasonably expected to be realized from selling the Bonds to the Government through a negotiated sale versus selling the Bonds on the open market through a competitive sale, the Issuer authorizes the negotiated sale of the Bonds to the Government, without publication of a notice of sale. The Issuer hereby determines that it is in the best interest of the Issuer to accept the offer from the Government to purchase the Bonds at the price of par and at an interest rate not to exceed 1.25% per annum, and the Issuer hereby determines to sell the Bonds to the Government pursuant to the provisions of this Ordinance.

An Authorized Officer is hereby authorized to deliver the Bonds in accordance with the delivery instructions of the Government, after approval of the issuance and sale thereof by the Department of Treasury, if such approval is at that time required.

The Bonds or installments thereof will be subject to prepayment prior to maturity in the manner and at the times as provided in the form of the Bonds set forth in the form of the bond as attached as **Exhibit A**, and as otherwise provided by this Ordinance.

Section 6. Bond Registration and Transfer. The Transfer Agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer. The Transfer Agent shall transfer or cause to be transferred on said books Bonds presented for transfer, as hereinafter provided and subject to such reasonable regulations as it may prescribe.

Any Bond may be transferred upon the books required to be kept by the Transfer Agent pursuant to this Section, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for transfer, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Transfer Agent shall record such transfer on

the registration books and shall register such transfer on the registration grid attached to the Bond. At the time of such transfer the Transfer Agent shall note on the Bond the outstanding principal amount thereof at the time of such transfer. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Issuer shall not be required to: (A) issue, register the transfer of, or exchange any Bond during a period beginning at the opening of business fifteen days before the day of the mailing of a notice of prepayment of Bonds or installments thereof selected for redemption and ending at the close of business on the day of that mailing; or (B) register the transfer of or exchange any Bond or portion thereof so selected for prepayment. In the event any Bond is called for prepayment in part, the Transfer Agent, upon surrender of the Bond, shall note on the Bond the principal amount prepaid and shall return the Bond to the registered owner thereof together with the prepayment amount on the prepayment date.

An Authorized Officer is hereby appointed to act as Transfer Agent with respect to the Bonds. If and at such time as a series of the Bonds is transferred to or held by any registered owner other than the Government, the Issuer by resolution may appoint a bank or trust company qualified under Michigan law to act as transfer agent and paying agent/bond registrar with respect to such series, and the Issuer may thereafter appoint a successor Transfer Agent upon sixty (60) days notice to the registered owner of the applicable series of the Bonds.

Section 7. Payment of the Bonds. Principal of and interest on the Bonds shall be payable in lawful money of the United States of America by check or draft mailed by the Transfer Agent to the registered owner at the address of the registered owner as shown on the registration books of the Issuer kept by the Transfer Agent. If the Government shall no longer be the registered owner of the Bonds, then the principal of and interest on the Bonds shall be payable to the registered owner of record as of the fifteenth day of the month preceding the payment date by check or draft mailed to the registered owner at the registered address. Such date of determination of the registered owner for purposes of payment of principal or interest may be changed by the Issuer to conform to future market practice. An Authorized Officer is also hereby authorized to execute an agreement with any successor Transfer Agent.

The Transfer Agent shall record on the registration books the payment by the Issuer of each installment of principal or interest or both on the Bonds when made, and the canceled checks or drafts representing such payments shall be returned to and retained by an Authorized Officer, which canceled checks or drafts shall be conclusive evidence of such payments and the obligation of the Issuer with respect to such payments shall be discharged to the extent of such payments.

Upon payment by the Issuer of all outstanding principal of and interest on a series of the Bonds, the registered owners thereof shall deliver the Bond or Bonds to the Issuer for cancellation.

Section 8. Execution and Delivery of the Bonds. The Bonds shall be manually signed by the Mayor and countersigned by the City Clerk and shall have the corporate seal of the Issuer

affixed thereto or impressed thereon. After execution, the Bonds shall be held by an Authorized Officer for delivery to the Government. No Bond or any installment thereof shall be valid until registered by an Authorized Officer or by another person designated in writing by an Authorized Officer to act as Bond Registrar, or upon transfer by the Government and thereafter, by an authorized representative of the Transfer Agent.

Section 9. Bond Form. The form and tenor of the Bonds shall be in substantially the form as attached hereto as **Exhibit A**, subject to appropriate variation upon issuance of any additional bonds.

Section 10. Security for Bonds. The Bonds hereby authorized, together with interest thereon, shall be payable solely from the net income and Net Revenues to be derived from the operation of the System. To pay such principal and interest as and when same shall become due, there is hereby created a statutory lien upon the whole of the Net Revenues of the System, the priority of which lien shall be determined by an Authorized Officer or a designee thereof, to continue until the payment in full of the principal and interest on the Bonds and said revenues shall be set aside for that purpose and identified as the "Bond and Interest Redemption Fund Account".

Section 11. Budget. Immediately upon the effective date of this Ordinance for the remainder of the current Fiscal Year, and thereafter prior to the beginning of each subsequent Fiscal Year, the Issuer shall prepare an annual budget for the System for the ensuing Fiscal Year itemized on the basis of monthly requirements. A copy of such budget shall be mailed to the Government without request from the Government for review prior to adoption (as long as the Government is the registered owner of any of the Bonds), and upon written request to any other registered owners of the Bonds.

Section 12. Rates and Charges. Rates and charges for the services of the System have been, and will continue to be, fixed by ordinance in an amount sufficient to pay the costs of administration, operation and maintenance of the System, to pay the principal of and interest on the Bonds and to meet the requirements for repair, replacement, reconstruction and improvement and all other requirements provided herein, and otherwise comply with the covenants herein provided. The Issuer hereby covenants and agrees to fix and maintain at all times, while any of the Bonds shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for the foregoing expenses, requirements and covenants, and to create a Bond and Interest Redemption Account (including a Bond Reserve Account) for all such Bonds. The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into consideration the cost and value of the System and the cost of maintaining, repairing, and operating the same and the amounts necessary for the retirement of all the Bonds, the Outstanding Bonds and accruing interest on all of the Bonds, and there shall be charged such rates and charges as shall be adequate to meet the requirements of this Section, and as otherwise required by this Ordinance.

Section 13. Rates, Billing and Enforcement. Except as provided in **Section 12** above, the rates charged for the services of the System, and the billing, enforcement, and collection of

charges for such services, as well as the general management of the System, shall be as in effect in the Issuer's jurisdiction as of the date of the issuance of the Bonds, and as adjusted from time to time by the Issuer, provided by the ordinances and resolutions of the Issuer.

Section 14. Custodian of Funds; Funds and Accounts. An Authorized Officer shall be custodian of all funds belonging to or associated with the System. An Authorized Officer is hereby directed to create and maintain the following funds and accounts into which the proceeds of the Bonds and the Revenues from the System shall be deposited in the manner and at the times provided in this Ordinance, which funds and accounts shall be established and maintained, except as otherwise provided, so long as the Bonds remain unpaid.

A. Sewage Collection System Receiving Account. Upon and after the effective date of this Ordinance, the Revenues of the System shall be set aside into a separate account to be designated the SEWAGE COLLECTION SYSTEM RECEIVING ACCOUNT (the "Receiving Account"), and moneys so deposited therein shall be transferred, expended and used only in the manner and order as follows:

(1) **Operation and Maintenance Account.** There is hereby established a separate account to be designated the OPERATION AND MAINTENANCE ACCOUNT (the "Operation and Maintenance Account"). Revenues shall be transferred each quarter of the Fiscal Year, commencing upon the effective date of this Ordinance, from the Receiving Account to the Operation and Maintenance Account to pay the reasonable and necessary current expenses of administration, operation and maintenance of the System for the ensuing quarter.

(2) **Sewage Collection System Revenue Bonds - Bond and Interest Redemption Account.** There is hereby established a separate account to be designated as the SEWAGE COLLECTION SYSTEM PROJECT - BOND AND INTEREST REDEMPTION ACCOUNT (the "Bond and Interest Redemption Account"). After the transfer required in (1) above, Revenues shall be transferred each quarter of the Fiscal Year, commencing July 1, 2024, from the Receiving Account, before any other expenditures or transfer therefrom, and deposited in the Bond and Interest Redemption Account for payment of principal of and interest on the Bonds and to fund the Bond Reserve Account.

Upon any delivery of an installment of the Bonds there shall be set aside at the time of delivery and on the first day of each quarter of the Fiscal Year thereafter to the next interest payment date an amount equal to that fraction of the amount of interest due on the next interest payment date on the installment so delivered, the numerator of which is 1 and the denominator of which is the number of full and partial Fiscal Year quarters from the date of the delivery to the next interest payment date. There shall be set aside each quarter of the Fiscal Year on or after July 1, 2024, an amount not less than $\frac{1}{2}$ of the amount of interest due on the next interest payment date on all outstanding installments of the Bond not delivered during the then-current interest payment period.

Upon any delivery of an installment of the Bonds there shall be set aside at the time of such delivery and on the first day of each quarter of the Fiscal Year thereafter to the next

principal payment date an amount equal to that fraction of the amount of principal due on the next principal payment date on the installment so delivered, the numerator of which is 1 and the denominator of which is the number of full and partial Fiscal Year quarters from the date of the delivery to the next principal payment date. There shall also be set aside each quarter of the Fiscal Year on or after July 1, 2024, an amount not less than 1/4 of the amount of principal due on the next principal payment date. Except as hereinafter provided, no further deposits shall be made into the Bond and Interest Redemption Account (excluding the Bond Reserve Account) once the aforesaid sums have been deposited therein. Any amount on deposit in the Bond and Interest Redemption Account (excluding the Bond Reserve Account) in excess of (a) the amount needed for payment of principal installments of the Bonds for the then current principal payment period, plus (b) interest on the Bonds for the then-current interest payment period, shall be used by the Issuer for redemption of principal installments of the Bonds in the manner set forth in this Ordinance, or if such use is impractical, shall be deposited in or credited to the Receiving Account.

If for any reason there is a failure to make the quarterly deposit in the amounts required, then the entire amount of the deficiency shall be set aside and deposited in the Bond and Interest Redemption Account out of the Revenues first received thereafter which are not required by this Ordinance to be deposited in the Operation and Maintenance Account or in the Bond and Interest Redemption Account, which amount shall be in addition to the regular quarterly deposit required during the succeeding quarter or quarters.

There is hereby established in the Bond and Interest Redemption Account a separate account to be designated the SEWAGE COLLECTION SYSTEM PROJECT BOND RESERVE ACCOUNT (the "Bond Reserve Account"). Commencing July 1, 2024, there shall be made a separate withdrawal from the Receiving Account on the first day of each quarter of the Fiscal Year and set aside in and transferred to the Bond Reserve Account, after provision has been made for the Operation and Maintenance Account and the current requirements of the Bond and Interest Redemption Account, the sum of not less than \$2,050 per each quarter of the Fiscal Year (\$8,200 aggregate per Fiscal Year) until there is accumulated in the Bond Reserve Account the aggregate sum of \$82,000, with such amounts to be allocated between/among series of the Bonds in the event the Bonds are issued in more than one series. Except as hereinafter provided, no further deposits shall be made into the Bond and Interest Redemption Account for the purposes of the Bond Reserve Account once the aggregate sum of \$82,000 has been deposited therein. The moneys in the Bond Reserve Account shall be used solely for the payment of the principal installments of and interest on the Bonds as to which there would otherwise be default; provided, however, that in the event the amount on deposit in the Bond Reserve Account exceeds the Reserve Amount, the moneys in excess of the Reserve Amount shall be used to pay principal installment of and interest on the Bonds on the next payment date.

If at any time it shall be necessary to use moneys in the Bond Reserve Account for the payment, then the moneys so used shall be replaced from the Net Revenues first received thereafter which are not required by this Ordinance to be used for operation and maintenance or for current principal and interest requirements for the Bonds.

No further payments need be made into the Bond and Interest Redemption Account after enough of the principal installments of the Bonds have been retired so that the amount then held in the Bond and Interest Redemption Account (including the Bond Reserve Account), is equal to the entire amount of principal and interest which will be payable at the time of maturity of all the principal installments of the Bonds then remaining outstanding.

(3) Repair, Replacement and Improvement Account. There is hereby established a separate account designated REPAIR, REPLACEMENT AND IMPROVEMENT ACCOUNT (the "RRI Account"). Moneys in the RRI Account shall be used and disbursed only for the purpose of paying the cost of: (a) repairing any damage to and emergency maintenance of the System; (b) repairing or replacing obsolete, deteriorating, deteriorated or worn out portions of the System; (c) acquiring and constructing extensions and improvements to the System; and (d) when necessary, for the purpose of making payments of principal and interest on the Bonds. If the amount in the Bond and Interest Redemption Account and the Bond Reserve Account is not sufficient to pay the principal of and interest on the Bonds when due, the moneys in the RRI Account shall be transferred to the Bond and Interest Redemption Account and used for that purpose.

(4) Reverse Flow of Funds; Surplus Money. In the event the moneys in the Receiving Account are insufficient to provide for the current requirements of the Operating and Maintenance Account, the Bond and Interest Redemption Account (including the Bond Reserve Account) or the RRI Account, any moneys and/or securities in the funds of the System described by this Ordinance shall be transferred, first, to the Operation and Maintenance Account, second, the Bond and Interest Redemption Account, and third, to the RRI Account.

All moneys remaining in the Receiving Account at the end of any Fiscal Year after satisfying the above requirements for the deposit of moneys into the Operation and Maintenance Account, the Bond and Interest Redemption Account and the RRI Account may be transferred to the Bond and Interest Redemption Account and used to call Bonds or portions thereof for redemption, or at the option of the Issuer, transferred to the RRI Account and used for the purpose for which the funds were established; provided, however, that if there should be a deficit in the Operation and Maintenance Account, the Bond and Interest Redemption Account, the Bond Reserve Account or the RRI Account, on account of defaults in setting aside therein the amounts hereinbefore required, then transfers shall be made from such moneys remaining in the Receiving Account to such funds in the priority and order named in this Section, to the extent of such deficits.

Section 15. No Free Service. No free service shall be furnished by the System to any individual, firm or corporation, public or private, or to any public agency or instrumentality.

Section 16. Covenants. The Issuer covenants and agrees with the holder(s) of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest that it will keep and maintain each of the following covenants and agreements:

- A. The Issuer covenants to operate the System and to fix rates and charges for the services of the System sufficient to provide Net Revenues equal to at least 100% of the debt service requirements of the Bonds. Rates and charges for the services of the System shall be fixed in an amount sufficient to pay the costs of operating and maintaining the System, and to provide sufficient revenue for the payment of principal and interest on the Bonds, debt service, reserve, replacement and improvement requirements, and all other requirements provided herein.
- B. The Issuer will comply with applicable State laws and regulations and continually operate and maintain the System in good condition.
- C. The Issuer will cause to be maintained and kept proper books of record and account, separate from all other records and accounts, in which shall be made full and correct entries of all transactions relating to the System. The Issuer's City Commission shall cause an annual audit of such books and records and account for the preceding operating year to be made by a recognized independent certified public accountant, and will mail such audit to the supervisor/manager of the account or syndicate purchasing the Bonds. Such audit shall be completed and so made available not later than six (6) months after the close of each operating year.
- D. The Issuer will maintain and carry, for the benefit of the holders of the Bonds, insurance on all physical properties of the System of the kind and in the amounts normally carried by municipalities engaged in the operation of municipal sewage collection systems. All monies received from losses under such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purposes of calling Bonds.
- E. Any extensions to or improvements of the System shall be made according to sound engineering principles and plans.
- F. The Issuer will periodically review the System's rates and charges for services to ensure that same are adequate to pay the costs of operating and maintaining the System and to provide sufficient revenue for the payment of principal and interest on the Bonds, debt service, replacement and improvement requirements, and any other necessary and reasonable expenses and charges. If the System's rates and charges are found to be insufficient to pay the aforementioned expenses and costs, the Issuer shall adjust the System's rates and charges as necessary to comply with this provision. Said review of the System's rates and charges shall be conducted at least annually.

Section 17. Additional Bonds. The Issuer may issue additional bonds of equal standing with the Bonds only for the purposes and on the conditions for the following purposes and on the following conditions:

- A. To complete the construction of the Project as described herein, bonds in the amount necessary may be issued.
- B. For the purposes of making reasonable repair, replacement, or extension to the System, additional bonds of equal standing may be issued if, together with projected net revenues, Net Revenues will equal or exceed one hundred percent

(100%) of proposed new debt service on all bonds, including the additional bonds proposed to be issued.

The funds herein established shall be applied to all additional bonds issued pursuant to this Section as if said bonds were part of the original issuance of the Bonds, and all revenues from any such extension or replacement constructed with the proceeds of an additional bond issue shall be paid to the Receiving Account described in this Ordinance.

Section 18. Ordinance Shall Constitute Contract. The provisions of this Ordinance shall constitute a contract between the Issuer and the bondholders, and after the issuance of the Bonds this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights and interests of the holders nor shall the Issuer adopt any law, ordinance or resolution in any way adversely affecting the rights of the holders so long as the Bonds or interest thereon remains unpaid.

Section 19. Refunding of Bonds. If at any time it shall appear to the Government that the Issuer is able to refund upon call for redemption or with consent of the Government the then outstanding Bonds by obtaining a loan for such purposes from responsible cooperative or private credit sources at reasonable rates and terms for loans for similar purposes and periods of time, the Issuer will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government and will take all such actions as may be required in connection with such loans.

Section 20. Ordinance Subject to Michigan Law and Governmental Regulations. The provisions of this Ordinance are subject to the laws of the State of Michigan and to the present and future regulations of the Government not inconsistent with the express provisions hereof and Michigan law.

Section 21. Fiscal Year of System. The fiscal year for operating the System shall be the Fiscal Year.

Section 22. Issuer Subject to Loan Resolution. As long as the Government is holder of any of the Bonds, the Issuer shall be subject to the loan resolution (RUS Bulletin 1780-27) and shall comply with all provisions thereof.

Section 23. Covenant Not to Defease. As long as the Government is the holder of any of the Bonds, the Issuer covenants that it will not defease any of the Bonds held by the Government.

Section 24. Approval of Bond Details. Each Authorized Officer is hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing each is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights,

the place of delivery and payment, and other matters and to so modify the terms of this Ordinance, provided that the principal amount of Bonds issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Bonds shall not exceed 1.25%, and the Bonds shall mature in not more than forty (40) annual installments.

Section 25. Application to Department of Treasury and Other Governmental Agencies. The Authorized Officers, City Commission members, staff, counsel and bond counsel for the Issuer, or any of them, are authorized on behalf of the Issuer to apply for such rulings, order and approvals and file or submit such elections or other documents to any governmental agency and execute all necessary documents on behalf of the Issuer in order that the Bonds may be validly issued and the interest thereon be exempt from federal income taxation and are further hereby authorized to execute, date and deliver such other certificates, documents, instruments, and opinions and other papers as may be required or as may be necessary or convenient to effectuate the sale and delivery of the Bonds.

Section 26. Advance Payment of Project Costs. The advance payment for the Project is hereby approved, and the monies are authorized to be advanced from the Issuer's funds on hand, which monies will be repaid with a like amount, plus interest from the date of withdrawal, from the proceeds of the Bonds when received. The Issuer shall reimburse itself not earlier than the date on which the costs and expenses are paid and not later than the later of:

- A. the date that is eighteen (18) months after the costs and expenses are paid; or
- B. the date the Project placed in service or abandoned, but in no event more than three (3) years after the costs and expenses are paid.

Section 27. Bond Counsel. Thrun Law Firm, P.C., is hereby appointed as bond counsel for the Issuer with reference to the issuance of the Bonds. Further, Thrun Law Firm, P.C., has informed the City Commission that it represents no other party in the issuance of the Bonds.

Section 28. Conflict and Severability. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed, and each Section of this Ordinance and each subdivision of any Section hereof is hereby declared to be independent, and the finding or holding of any Section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other Section or subdivision of this Ordinance.

Section 29. Headings. The paragraph/section headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of this Ordinance.

Section 30. Publication and Recordation. This Ordinance shall be published once in full in a newspaper of general circulation within the corporate limits of the Issuer, qualified under Michigan law to publish the legal notice, promptly after its adoption, and the same shall be recorded in the ordinance book of the Issuer and such recording authenticated by the signatures of the Mayor and City Clerk.

Section 31. Effective Date. This Ordinance is hereby determined by the City Commission to be immediately necessary for the preservation of the peace, health and safety of the Issuer and shall be in full force and effect from and after its passage and publication as required by law.

APPROVED AND ENACTED by the City Commission of the City of Parchment, County of Kalamazoo, State of Michigan, on February 5, 2024.

Robert D. Britigan III, Mayor
City of Parchment

I, Shannon Stutz, City Clerk of the City of Parchment, hereby certify that the foregoing is a true copy of the original of Ordinance No. __, enacted by the City of Parchment City Commission at a regular meeting on February 5, 2024.

Shannon Stutz, City Clerk
City of Parchment

EXHIBIT A

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF KALAMAZOO
CITY OF PARCHMENT
2024 SEWAGE COLLECTION SYSTEM REVENUE BOND**

<u>RATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>
1.25%	\$2,571,000	April 1 of each year per "Schedule A" attached hereto	April 1, 2024

REGISTERED OWNER: UNITED STATES OF AMERICA

CITY OF PARCHMENT, COUNTY OF KALAMAZOO, STATE OF MICHIGAN (the "Issuer"), promises to pay to the Registered Owner specified above, or registered assigns, out of the net revenues of the Issuer's sewage collection system, including all appurtenances, additions, extensions and improvements thereto (the "System"), the Principal Amount specified above, in lawful money of the United States of America on the Maturity Date specified above, with interest thereon from the Date of Original Issue specified above, or subsequent dates of installment deliveries, until paid at the Rate specified above payable on October 1, 2024, and semiannually thereafter on April 1 and October 1 of each year (the "Bond" or "Bonds"); provided that the principal repayments required herein to be paid to the Registered Owner shall not exceed the total of the principal installments set forth on the registration grid attached hereto as "Schedule B" as from time to time hereafter updated by an Authorized Officer of the Issuer (the "Bond Registrar") to acknowledge receipt of the principal installments of this Bond up to a total of \$2,571,000. Principal on this Bond is payable at the office of the Bond Registrar pursuant to "Schedule A", and upon final principal payment, upon presentation and surrender hereof.

Both principal of and interest on this Bond are payable in lawful money of the United States of America to the Registered Owner by check or draft mailed to the Registered Owner at the registered address shown on the registration books of the Bond Registrar. The Issuer may hereafter designate a successor Bond Registrar upon the conditions specified in Ordinance No. __, enacted by the Issuer's City Commission on February 5, 2024 (the "Ordinance"), authorizing the issuance of this Bond. For the prompt payment thereof, the revenues of the System, after provision has been made for reasonable and necessary expenses of operation, administration and maintenance thereof (the "Net Revenues"), are hereby irrevocably pledged and a statutory lien thereon is hereby recognized and created.

This Bond is a single, fully-registered instrument evidencing multiple annual maturities delivered in installments and registered as of the date of each installment as set forth in "Schedule B", aggregating the principal sum of \$2,571,000, issued pursuant to the Ordinance, and under and

in full compliance with the constitution and statutes of the State of Michigan, including specifically Act 34, Public Acts of Michigan, 2001, as amended, and Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of defraying a portion of the cost of improving the System. For a complete statement of the revenues from which, and the conditions under which, this Bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued, and the general covenants and provisions pursuant to which this Bond is issued, reference is made to the Ordinance.

This Bond is a self-liquidating bond and is payable, both as to principal and interest, solely from the Net Revenues of the System. This Bond is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional, statutory or charter limitation. The principal of and interest on this Bond are secured by the statutory lien hereinbefore mentioned.

Principal installments of this Bond are subject to prepayment prior to maturity, in any order and at any time, at par and accrued interest to the date fixed for prepayment. Thirty (30) days' notice of the call of any principal installment for prepayment shall be given by mail to the Registered Owner at the registered address shown on the registration books kept by the Bond Registrar. The principal installments so called for prepayment shall not bear interest after the date fixed for prepayment, provided funds are on hand with the Bond Registrar to prepay said installments.

This Bond is registered as to principal and interest and is transferable, as provided in the Ordinance, only upon the books of the Issuer kept for that purpose by the Bond Registrar, by the Registered Owner hereof in person or by an agent of the Registered Owner duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or agent thereof and thereupon a new Bond or Bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges, if any, therein provided.

The Issuer has covenanted and agreed and does hereby covenant and agree to fix and maintain at all times while any bonds, including any installments of this Bond, payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of this Bond and any additional bonds of equal standing payable from the Net Revenues of the System as and when the same become due and payable, and to create a bond and interest redemption account (including bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this Bond have been done, have happened and have been performed in regular and due time and form as required by law.

This Bond shall not be deemed a valid and binding obligation of the Issuer in the absence of authentication by manual execution hereof by the authorized signatory of the Bond Registrar.

IN WITNESS WHEREOF, City of Parchment, County of Kalamazoo, State of Michigan, by its City Commission, has caused this Bond to be signed in its name by its Mayor and to be countersigned by its City Clerk, and its corporate seal or a facsimile thereof to be hereunto affixed or impressed, all as of April 1, 2024, and to be manually signed by the authorized signatory of the Bond Registrar as of the date set forth below.

CITY OF PARCHMENT
COUNTY OF KALAMAZOO
STATE OF MICHIGAN

(Seal)

By: _____
Mayor

Countersigned:

City Clerk

CERTIFICATE OF AUTHENTICATION

Dated:

This Bond is the Bond described
in the within mentioned Ordinance.

By: _____
Bond Registrar

LOAN RESOLUTION
(Public Bodies)A RESOLUTION OF THE City CommissionOF THE City of ParchmentAUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
sanitary sewer system

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

WHEREAS, it is necessary for the City of Parchment*(Public Body)*(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of
Two Million Five Hundred Seventy-One Thousand & 00 100 (\$2,571,000.00)pursuant to the provisions of Michigan Public Act 94 of 1933, as amended; and**WHEREAS**, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

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

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

- 11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
- 12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
- 13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
- 14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
- 15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17. To accept a grant in an amount not to exceed \$ 1,179,000.00

under the terms offered by the Government; that the Mayor

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

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

The vote was: Yeas _____ Nays _____ Absent _____

IN WITNESS WHEREOF, the _____ of the

City of Parchment has duly adopted this resolution and caused it

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

(SEAL)

By Robert Britigan III

Attest:

Title Mayor

Shannon Stutz
Title Clerk

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Clerk of the City of Parchment
 hereby certify that the City Commission of such Association is composed of
 _____ members, of whom, _____ constituting a quorum, were present at a meeting thereof duly called and
 held on the _____ day of _____ ; and that the foregoing resolution was adopted at such meeting
 by the vote shown above, I further certify that as of _____
 the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been
 rescinded or amended in any way.

Dated, this _____ day of _____

 Shannon Stutz
 Title Clerk

CITY OF PARCHMENT
PROPERTY TAX POVERTY EXEMPTION GUIDELINES

Pursuant to Public Act 390 of 1994. Adopted by the Parchment City Commission on February 5, 2024
Adjusted to Federal Poverty Standards of 12-31-23 for 2024 Assessments

Filing Requirements

In order to file and qualify for the property tax poverty exemption, the claimant must do all of the following and meet each of the following requirements annually:

1. Own and occupy the homestead property for which the exemption is requested.
2. File a claim with the supervisor or board of review after January 1st but before the day prior to the last day of the board of review on a form provided by the local assessing unit. Note: The filing of this claim constitutes an appearance before the March board of review for the purpose of preserving the right to appeal to the Michigan Tax Tribunal.
3. Provide federal and state income tax returns for all persons residing in the home. These income tax returns may be those filed in the current year or in the immediate preceding year.
4. Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.
5. Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is being requested if required by the supervisor or board of review.
6. Meet the federal poverty income standards as defined and determined annually by the United States Office of Management and Budget which will be discussed later in this bulletin under the heading "Federal Poverty Income Standards".
7. Report divestment of assets on the required application form.
8. Meet the asset levels set by the Parchment City Commission.
9. Meet any other tests that may be set by the Parchment City Commission

Income Standards

The following are current poverty threshold Income Standards provided by the United States Office of Management and Budget and issued to Michigan assessors by the Michigan State Tax Commission in Bulletin No. 5 of 1995.

In order to meet the requirement of the Income Standards the claimant's annual gross household income cannot exceed the amounts stated below.

Number of Persons Residing in Household	Yearly Income
1	\$14,580.00
2	\$19,720.00
3	\$24,860.00
4	\$30,000.00
5	\$35,140.00
6	\$40,280.00
7	\$45,420.00
8	\$50,560

For each additional person, add \$5,140.00

Ordinary income includes:

1. Money wages and salaries before any deductions.
2. Net receipts from non-farm self-employment. These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expenses.
3. Net receipts from farm self-employment. These are receipts from a farm which one operates as an owner, renter, or share cropper, after deductions for farm operating expenses.
4. Regular payments from Social Security, Railroad Retirement, unemployment compensation, strike benefits from union funds, workers compensation, veteran's payments, and public assistance.
5. Alimony, child support, and military family allotments or other regular support from an absent family member for someone not living in the household.
6. Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.
7. College or university scholarships, grants, fellowships, and assistant ships.
8. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Ordinary income does not include the following, except as provided in number 6 above:

1. Money received from the sale of property, such as stocks, bonds, a house, or a car, unless the claimant is in the business of selling such property.
2. Withdrawals of bank deposits and borrowed money.
3. Income tax refunds and one-time insurance payments.
4. Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
5. Federal non-cash benefit programs such as Medicare, Medicaid, food stamps and school lunches.
6. Gifts and lump-sum inheritances are not considered as ordinary income; however dividends, interest, rental proceeds, royalties, inheritances, and other similar receipts received on a period basis, which may be in the form of a gift or other form, including receipts resulting from divestment of assets, and which may have the appearance of income, shall be considered as unearned income and shall be included in the determination of income eligibility.

Asset Standards

In order to meet the requirements for assets, the total current fair market value of the claimant's household assets cannot exceed \$4,500.

Definition of Assets (Non-Inclusive)

Assets include, but are not limited to the cash value of savings accounts and shares, certificates of deposit, investments such as stocks, bonds, mutual funds, deferred compensation accounts, equity in real estate other than the homestead for which the exemption is claimed, motor vehicles other than one primary transportation vehicle, jewelry, coins and other collectibles, precious metals and other similar possessions which are not essential to the subsistence or health and well-being of the claimant, gifts lump-sum inheritances, dividends, interest, rental proceeds, royalties and other receipts received in the form of a gift or as a result of asset divestment shall be considered an asset if received on a one-time lump-sum basis and shall be included in the determination of asset eligibility.

Divestment of Assets

Divestment means a transfer of a resource. Transfer of a resource means giving up all or partial ownership in, or rights to, a resource. Examples include, but are not limited to, selling an asset, giving an asset away, refusing an inheritance, giving up the right to receive income, and other similar divestment actions.

If an application for property tax exemption has divested any assets during the period of 36 months preceding the date of the application, then such divestment shall be considered in the determination of eligibility.

Additional Standards

Full or Partial Poverty Exemptions

PA 253 of 2020 made changes related to granting full or partial poverty exemptions. MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the Board of Review shall grant the poverty exemption, in whole or in part, as follows:

1. A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or
2. A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or
3. A partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

Partial Poverty Exemptions will be granted as follows:

- A. 100% Exemption will be granted to property owners who meet the federal poverty income guidelines in this resolution and the asset level test in this resolution.
- B. 50% Exemption for owners who exceed the guidelines by no greater than 15%
- C. 25% Exemption for owners who exceed the guidelines by no greater than 30%

Appeal

A property owner may appeal the March Board of Review's decision on a poverty exemption claim to the Michigan Tax Tribunal by June 30 of that year. An appeal of a July or December board of review poverty exemption decision may be made to the Michigan Tax Tribunal within 30 days of the decision. Appeals are to be made in writing to Michigan Tax Tribunal, P.O. Box 30232, Lansing, MI 48909.