

Revenue Sharing Pledge Agreement

This Revenue Sharing Pledge Agreement is dated August 28, 2024, by and between the Michigan Finance Authority (the "Authority") and Township of Standish (the "Governmental Unit").

WHEREAS, the Authority is purchasing the Governmental Unit's Water Supply System Junior Lien Revenue Bonds, Series 2024 (the "Municipal Obligation") on the date hereof; and

WHEREAS, the Authority, in connection with its purchase of the Municipal Obligation, requires the Governmental Unit to provide additional security for the repayment of the Municipal Obligation.

1. Pledge. As authorized by Act 227 PA 1985, as amended ("Act 227") and Act 140 PA 1971, as amended, ("Act 140") the Governmental Unit hereby pledges and assigns to the full extent permitted by Act 227 and Act 140 (as hereafter provided) to the Authority as purchaser and holder of the Municipal Obligation all of the payments that the Governmental Unit is eligible to receive under Act 140 ("Distributable Aid") as additional security for the Governmental Unit's obligations to pay principal of, premium, if any, and interest on the Municipal Obligation, as the same become due (the "Payment Obligation").

2. Payment of Distributable Aid. If for any reason the Governmental Unit fails to have on deposit with the Authority (or with any depository designated by the Authority) sufficient moneys to pay the Payment Obligation not less than five (5) business days before the same is due under the Municipal Obligation, the State Treasurer is hereby authorized and directed by the Governmental Unit, upon written notice by the Authority or its depository to the State Treasurer, to pay on such date sufficient Distributable Aid to the Authority (or to any depository designated by the Authority) from the amounts of Distributable Aid payable thereafter to the Governmental Unit so that the Authority (or its depository) has on hand from Distributable Aid or moneys provided by the Governmental Unit sufficient moneys to pay such Payment Obligation up to the full amount of Distributable Aid allowable to the Governmental Unit lawfully available on such date to the State Treasurer. The Authority shall cause a copy of any notice given by it or by its depository pursuant to this paragraph to be promptly given to the Governmental Unit.

3. Continuing Payments. In the event the amount paid pursuant to the foregoing provisions is not sufficient to pay the Payment Obligation on the Municipal Obligation, then, the Governmental Unit hereby authorizes and directs the State Treasurer to continue to transmit to the Authority (or any depository designated by the Authority) all Distributable Aid which the Governmental Unit is entitled to receive pursuant to the provisions of Act 140 until the Authority (or its depository) has on deposit from moneys representing Distributable Aid or from other funds supplied by the Governmental Unit an amount sufficient to satisfy the Payment Obligation on the Municipal Obligation which has not previously been paid. Until the foregoing requirements are met the Governmental Unit agrees that Distributable Aid for any year shall not be paid by the State Treasurer to the Governmental Unit.

4. Right To Pledge Distributable Aid. The Governmental Unit reserves the right to pledge Distributable Aid to secure any additional bonds or notes or other obligations provided that (1) the amount of Distributable Aid received by the Governmental Unit in the fiscal year of the State preceding the issuance of such bonds or notes or other obligations equals or exceeds the amount required in each year to pay the sum of (i) an amount equal to two times the principal and interest for the Municipal Obligation, and (ii) the principal and interest on any additional bonds or notes or other obligations for which Distributable Aid has been pledged, and (2) the amount of Distributable Aid composed of sales tax revenues received by the Governmental Unit in the fiscal year of the State preceding the issuance of such bonds or notes or other obligations equals or exceeds the amount required in each year to pay the sum of (i) an amount equal to 1.5 times the principal and interest for the Municipal Obligations and (ii) the principal and interest on any additional bonds or notes or other obligations for which Distributable Aid has been pledged.

5. The Pledge made herein does not constitute or create any indebtedness of the State of Michigan and does not require the State of Michigan to make an appropriation for any City, Village, County or Township.

6. The Governmental Unit hereby warrants and represents that this Revenue Sharing Pledge Agreement has been duly authorized, executed and delivered by the Governmental Unit and is the valid and legally binding agreement and obligation of the Governmental Unit enforceable against the Governmental Unit in accordance with its terms.

7. The Governmental Unit hereby represents and warrants that except as disclosed in writing to the Authority before the date hereof and as set forth in Exhibit A hereto it has not pledged its Distributable Aid for the payment of any obligation other than the Municipal Obligation.

8. This Revenue Sharing Pledge Agreement shall (a) terminate upon payment in full of the Municipal Obligation or (b) shall terminate in whole or in part upon written release in whole or in part by the Authority.