

**2021 TRUNK LINE REFUNDING**

RESOLUTION OF STATE TRANSPORTATION COMMISSION  
AUTHORIZING THE ISSUANCE AND SALE OF STATE OF MICHIGAN  
STATE TRUNK LINE FUND REFUNDING BONDS 2021 SERIES

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**ARTICLE I**

**PREMISES**

1. Under Mich Const 1963, art 9, §9, not less than 90 percent of the specific taxes (except general sales and use taxes and regulatory fees) imposed directly or indirectly on fuels sold or used to propel motor vehicles upon highways and on registered motor vehicles, after payment of necessary collection expenses, are to be used exclusively for the transportation purposes of planning, administering, constructing, reconstructing, financing and maintaining state, county, city and village roads, streets and bridges designed primarily for the use of motor vehicles using tires and reasonable appurtenances to those state, county, city and village roads, streets and bridges.

2. Under 1951 PA 51, as amended (“Act 51”), all of the above-referenced taxes are required to be deposited into the Michigan Department of Treasury (the “State Treasury”) to the credit of the Michigan Transportation Fund, except that, beginning in fiscal year 2016-2017 and annually until released to the Michigan Transportation Fund by the Legislature pursuant to Section 1j of Act 51, the first \$100,000,000 received and collected pursuant to Section 8(1) of the Motor Fuel Tax Act, 2000 PA 403, shall be annually deposited into the Roads Innovation Fund.

3. Under Section 10 of Act 51, a portion of the above-referenced taxes deposited in the Michigan Transportation Fund are required to be allocated and transferred each year to the State Trunk Line Fund in the State Treasury and used for the purposes described in Section 11 of Act 51.

4. Section 18b of Act 51 authorizes the State Transportation Commission (the “Commission”) to borrow money and issue bonds and notes for the purposes described in Mich

Const 1963, art 9, §9; for the purposes of refunding bonds and notes previously issued for such purposes payable from and secured by money which is restricted as to use by Mich Const 1963, art 9, §9, as amended, and which is deposited or to be deposited in the State Trunk Line Fund; or for a combination of such purposes; and to pay costs relating to the issuance of the bonds.

5. Section 18b of Act 51 further provides that bonds or notes issued pursuant to Section 18b may be issued as separate issues or series with different dates of issuance, but the aggregate principal amount of the bonds is subject to the limitations provided in Section 18b.

6. Any series of the bonds authorized hereby (the “Bonds”) may be sold at public or negotiated sale, and issued with interest on such series excluded from gross income of the holders thereof for federal income tax purpose (“Federally Tax-Exempt”) or not so excluded (“Federally Taxable”), as shall be determined by the Director of the Michigan Department of Transportation (the “Director,” as further defined in Section 20 of this Resolution).

7. Section 18b(11)(d) of Act 51 provides that the Commission may authorize or provide for a person designated by the Commission to do one or more of the following within the limitations of the Commission’s authorizing resolution:

- (i) Sell and deliver and receive payment for bonds or notes;
- (ii) Refund bonds or notes by the delivery of new bonds or notes, whether or not the bonds or notes to be refunded have matured or are subject to redemption prior to maturity on the date of delivery of the refunding bonds or notes;
- (iii) Deliver bonds or notes partly to refund bonds and partly for any other authorized purposes;
- (iv) Buy, hold without cancellation, or sell bonds or notes so issued; and

(v) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, optional or mandatory redemption or tender rights and obligations to be exercised by the state transportation commission or the holder, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

8. Section 18b(11)(e) of Act 51 provides that in connection with the proposed issuance of bonds the Commission may authorize by resolution the execution and delivery of agreements providing for interest rate exchanges or swaps, hedges, or similar agreements, under which the payment obligations of the State, including termination payments may be made payable from and secured by a pledge of the same sources of funds as the bonds or from any other sources of funds available as a payment source of bonds and the payment obligation under the bonds and such agreement (without regard to termination payments) shall be aggregated and treated as a single obligation.

9. Section 18b(11)(a) of Act 51 provides the Commission may authorize and enter into insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase obligations, remarketing agreements, reimbursement agreements, and any other transactions to provide security to assure timely payment of bond or notes.

10. The total amount of bonds and notes payable from funds deposited or to be deposited in the State Trunk Line Fund that may be issued under Section 18b of Act 51 for transportation purposes described in the second paragraph of Mich Const 1963, art 9, §9 shall not exceed an amount as will be serviced as to the maximum annual principal and interest requirements (including the annual contractual payments of the Commission pledged for the payment of debt service on bonds issued pursuant to Section 18d of Act 51, but excluding the principal and interest

requirements on bonds refunded or for the refunding of which refunding bonds have been sold), by an amount equal to 50% of the total amount of money received from taxes, the use of which money is restricted by Mich Const 1963, art 9, §9, and which money is deposited in the State Treasury to the credit of the State Trunk Line Fund during the State fiscal year immediately preceding the issuance of the bonds or notes.

11. The Director has advised the Commission that it is appropriate, and in the best interests of the State of Michigan (the “State”), subject to favorable market conditions, to refund and pay the principal or principal and interest, and premium, if any, on all or any portion of the previously issued and outstanding State of Michigan bonds and notes issued for purposes described in the second paragraph of the Mich Const 1963, art 9, §9 (herein the “Prior Bonds”) and to fund all or part of the costs of such refunding from the proceeds of the Bonds authorized hereby.

## **ARTICLE II**

### **RESOLUTIONS OF THE COMMISSION**

The Commission resolves:

- Section 1. Findings and Determinations. The Commission finds and determines that:
- a. It is necessary, expedient and desirable to refund all or a portion of the Prior Bonds, which were previously issued for State Trunk Line Fund purposes, and to pay all or a part of the costs thereof from the proceeds of the Bonds.
  - b. To accomplish the purposes set forth above and to pay costs of issuance of the Bonds, it is necessary to borrow the sum of not to exceed the amount specified on Appendix C and to issue Bonds in an amount not to exceed the same aggregate original principal amount in accordance with Section 18b of Act 51.

Section 2. Authorization of Bonds. The Bonds shall be issued in accordance with the authorization set forth in Section 18b of Act 51 and pursuant to this Resolution, for the purposes of paying all or part of the costs of refunding the Bonds To Be Refunded, if any, and costs related to the issuance of the Bonds and the refunding, paying capitalized interest on the Bonds through a date not later than three (3) years after their date of issuance or such earlier date as determined by the Director. The Bonds may be issued in one or more series, designated “State of Michigan State Trunk Line Fund Refunding Bonds, Series 2021” with appropriate completions and alternative or additional series designations, if deemed necessary by the Director. The Bonds may be issued as Federally Tax-Exempt or Federally Taxable, as determined by the Director. The Bonds, and the principal of and interest and premiums, if any, thereon, are not general obligations of the State, but are payable solely from and secured by the funds and sources of funds specified herein pursuant to Act 51.

Section 3. Bonds To Be Refunded. The Director and the Chairperson (the “Chairperson” as further defined in Section 20 of this Resolution), acting jointly (collectively, the “Designated Person”) shall determine which outstanding Prior Bonds shall be refunded (the “Bonds To Be Refunded”) based on which of those Prior Bonds are necessary or appropriate for refunding to achieve debt service savings or a more favorable debt structure. The Director shall give instructions to the transfer agent(s) for the Bonds To Be Refunded to pay such bonds at maturity or upon prior redemption. If an Escrow Deposit Agreement (as defined below) has been executed and delivered pursuant to Section 13 of this Resolution, the Director’s instructions to the transfer agent(s) for the Bonds To Be Refunded shall be in accordance with the Escrow Deposit Agreement. If a Forward Delivery Agreement (as defined below) has been executed and delivered

pursuant to Section 13 of this Resolution, the Director's instructions to the transfer agent(s) for the Bonds To Be Refunded shall be in accordance with the Forward Delivery Agreement.

The Director is directed to provide, pursuant to Section 18k of Act 51, a letter on behalf of the Commission to the appropriations committees of the State Senate and House of Representatives, setting forth the purposes or projects for which the Bonds described herein are to be issued.

Section 4. Terms of Bonds and Insurance. The Bonds may consist of interest bearing bonds (the "Current Interest Bonds") or bonds which do not bear interest, but appreciate in principal amount over time (the "Capital Appreciation Bonds"), or a combination thereof. The Bonds may also consist of serial Bonds, and term Bonds with mandatory redemption requirements, or a combination thereof. For each series of Bonds, the Designated Person shall determine the principal amounts, original principal amounts per \$5,000 Maturity Amounts (as defined below), Maturity Amounts, maturity dates, character as Current Interest Bonds or Capital Appreciation Bonds, and character as serial Bonds or term Bonds, interest rates, interest payment dates, prices, record date or dates to be used in determining the bondholder entitled to receive interest ("Record Dates"), capital appreciation schedules with approximate rates, and optional and mandatory redemption schedules and requirements, all subject to the limitations contained in Appendix C to this Resolution, provided the certification contained in Section 12 is not thereby made incorrect. The designation of principal amounts payable as serial maturities or mandatory redemption requirements on term bonds may be determined as part of the sale process. The Designated Person is hereby authorized and directed on behalf of the Commission to negotiate with possible bond insurers with respect to the acquisition of one or more separate Policies (as defined below) of insurance guaranteeing the payment when due of principal, including mandatory redemption



requirements and interest on all or a portion of the Bonds generally consistent (except with respect to the amount of premium and other provisions specific to the issue of the Bonds) with the terms of prior commitments or standard terms provided by such possible bond insurers and on file with the Commission on the date hereof. The Designated Person shall designate which maturities of the Bonds, if any, shall be insured based on a determination that the cost of insurance is less than the debt service estimated to be saved on insured Bonds. “Bond Insurer” means, as the context requires, the specific issuer of the Policy which insures payment of all or any portion of the principal and interest on the Bonds when due, selected as provided in this Section 4 and any successor insurer. “Policy” means, as the context requires, the policy of bond insurance issued by a Bond Insurer which insures payment of all or any portion of the principal of and interest on the Bonds when due. The Director is authorized to execute and deliver an agreement (the “Insurance Agreement”) with the Bond Insurer providing for the terms and conditions of the Bond Insurance, including without limitation, provisions for payment, notices and reporting requirements. The Insurance Agreement shall be in form and substance acceptable to the Director in consultation with the Michigan Department of Attorney General and shall not require changes in the transaction as presented to the Commission which substantially alter the transaction or which are materially adverse to the State. Except as otherwise provided in the Insurance Agreement, requirements set forth in this Resolution or the Insurance Agreement with respect to consents or approvals of a Bond Insurer or notices to a Bond Insurer shall not be effective during such time as (i) there are no outstanding Bonds insured by the related Policy; (ii) the Bond Insurer fails to make payments at the times and in the manner provided for in the related Policy; (iii) the related Policy is for any reason unavailable for the benefit of the Bonds insured by such Policy; or (iv) there is an act of bankruptcy by the Bond Insurer. In the event the Designated Person determines not to obtain a

Policy for any of the Bonds, the provisions of this Resolution relating to bond insurance, including specifically references to the Policy and the Bond Insurer, shall be null and void, provided however in any event the Bonds may be prequalified by the State for bond insurance to be obtained by and at the cost of the purchasers of the Bonds.

Each series of the Bonds shall bear as their original issue date, the date the series of the Bonds is initially delivered, or such other date not more than sixty (60) days prior to the anticipated delivery date of the series of Bonds, as the Designated Person shall determine.

The Current Interest Bonds shall bear interest from their original issue date, or such later date to which interest has been paid, payable on the dates and at the rates determined as provided in this Section 4, computed on the basis of a 360 day year with twelve 30 day months.

The Capital Appreciation Bonds shall not bear interest, but shall appreciate in principal amount over time from their original issue date in accordance with the Capital Appreciation Schedule approved by the Designated Person and filed with the records of the Commission and the State Treasurer (as defined in Section 20 of this Resolution), which schedule shall be based on the approximate rates set forth therein, compounded semiannually and which shall state the semiannual compounding dates (the "Semiannual Dates").

As used in this Resolution, the term "Appreciated Amount" means with respect to any Capital Appreciation Bond of any maturity, on each Semiannual Date as set forth in the capital appreciation schedule of each year (until scheduled maturity or redemption) the corresponding principal amount for each \$5,000 principal amount of such Bond if held to maturity (as shown on the face of the Bond). The Appreciated Amount with respect to any date other than a Semiannual Date is the Appreciated Amount on the immediately preceding Semiannual Date plus an amount equal to the fraction of the difference between the Appreciated Amount on the immediately

preceding Semiannual Date and the next succeeding Semiannual Date that equals the ratio of (a) the number of days from such immediately preceding Semiannual Date to the date of calculation, to (b) 180, computed on the basis of a 360 day year with twelve 30 day months. As used in this Resolution, the term “Maturity Amount” means with respect to any Capital Appreciation Bond of any maturity the Appreciated Amount of such Bond on its date of maturity.

Section 5. Redemption of Bonds. The specific provisions with respect to optional and mandatory redemptions of each series of the Bonds shall be determined as provided in Section 4 above. Procedures described below for redemption of Bonds apply only to those Bonds that are made subject to redemption as specified in Section 4, and nothing in this Section 5 shall be construed to require optional or mandatory redemption for all or any part of any series of Bonds. Bonds shall be selected for redemption between series and maturities, and between Current Interest Bonds and Capital Appreciation Bonds as the Director shall direct and within any one maturity of the same series and nature as to payment of interest, by the Transfer Agent (as defined in Section 7) by lot. Within allowable call periods, Bonds may be selected for redemption in whole or in part on any date.

The principal amount of term Bonds required to be redeemed on any date shall be reduced, in the order determined by the Director, by the principal amount of any term Bond of like series, maturity and nature as to payment of interest which has been previously redeemed (otherwise than as a result of a previous mandatory redemption requirement) or purchased or acquired by the State and delivered to the Transfer Agent for cancellation; provided that each such term Bond had not theretofore been applied as a credit against any mandatory redemption obligation. The Director shall give written notice to the Transfer Agent at least forty-five (45) days prior to any mandatory

redemption date of the State's exercise of its option to reduce the amount of the mandatory redemption requirement on such date and the amount of such reduction.

Notice of redemption of any Bond will be given by the Transfer Agent upon direction of the Director at least thirty (30) days prior to the date fixed for redemption by mail to the registered holder or holders at the registered address, as of the date of mailing, of the Bonds to be redeemed. Failure of a holder to receive any such notice shall not affect the validity of the proceedings for redemption. Bonds so called for redemption will not bear interest, and principal will no longer appreciate from and after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem those Bonds. Current Interest Bonds shall be called for redemption in integral multiples of \$5,000, and such Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000, and those Bonds may be selected for redemption in part. Capital Appreciation Bonds shall be called for redemption in Appreciated Amounts appreciating to Maturity Amounts of \$5,000 or integral multiples thereof and those bonds with Maturity Amounts greater than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the Maturity Amount by \$5,000 and may be selected for redemption in part. The notice of redemption of any Bond in a denomination, or Maturity Amount, of more than \$5,000, selected for redemption in part shall state that the holder of the Bond, upon surrender of the Bond for redemption, shall receive, without cost, a new Bond of like tenor, series, interest or appreciation rate and nature as to payment of interest and maturity, in the amount of the unredeemed portion of the Bond being surrendered.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption with the Transfer Agent no later than the redemption date, or (ii) that the Director retains the right to

rescind such notice at any time on or before the immediately preceding business day prior to the redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded and such Bonds shall remain outstanding hereunder.

The Transfer Agent at the same time as it gives notice of redemption to the registered holders of any Bonds shall give notice of such redemption to the Bond Insurer if the Bonds to be redeemed are insured by the Bond Insurer.

Notwithstanding anything to the contrary in this section, but subject to the limitations set forth in Appendix C, the Designated Person, as part of the sale process for any Bonds that are Federally Taxable, may determine the manner of selection of those Bonds to be redeemed in the case that less than all of the Bonds of a maturity are redeemed, including providing for the pro rata redemption of such Bonds.

Section 6. Denominations, Registration and Execution of the Bonds. The Bonds shall be issued substantially in the forms set forth in Appendices A and B, with such changes, including clarifying additions or modifications in the designations of the Bonds, as the Director shall approve. The Current Interest Bonds shall be issued in fully registered form in the denominations of \$5,000 or integral multiples thereof, not exceeding the amount of the Current Interest Bonds of that series maturing on the date that the Bond matures. The Capital Appreciation Bonds shall be issued as fully registered Bonds in original principal amounts which appreciate to Maturity Amounts of Five Thousand Dollars (\$5,000) or any integral multiple of \$5,000 not exceeding the aggregate Maturity Amount of all Capital Appreciation Bonds of that series maturing on the date the Bond matures. Capital Appreciation Bonds shall be issued with the original principal amount per \$5,000 Maturity Amount determined as provided in Section 4.

Principal, premium, if any, and interest on the Bonds shall be payable by the Transfer Agent to the registered holders of the Bonds. Interest on the Current Interest Bonds shall be payable by check or bank draft mailed by the Transfer Agent to the registered holders at the registered addresses, as shown on the registration books for the Bonds maintained by the Transfer Agent; provided, however, the registered holder of Bonds of \$1,000,000 or more in principal amount shall have the option of being paid by wire transfer to a wire transfer address designated in writing to the Transfer Agent not less than ten (10) business days prior to a payment date which designation shall remain effective until rescinded. Interest shall be payable when due to the person or entity who is, as of the applicable Record Date (determined as provided in Section 4), the registered holder of record. Principal of, and premium, if any, on, the Bonds shall be payable when due by maturity or redemption, upon surrender of the Bond at the designated office of the Transfer Agent. Notwithstanding the foregoing, so long as all Bonds of any series are held by a nominee of The Depository Trust Company (“DTC”), the State Treasurer, the Transfer Agent, and DTC may agree upon alternate methods of paying such Bonds.

Payments on the Bonds by the Bond Insurer shall be made in accordance with the Insurance Agreement and the Policy. To the extent the Bond Insurer makes payment of principal of or interest on the Bonds, it shall become the owner of such Bonds, shall have the right to receive payment of principal of and/or interest on such Bonds and shall be fully subrogated to all of the rights of the registered holder of such Bonds thereunder and hereunder including the right to receive payment thereof. Evidence of such subrogation shall be made in accordance with the Insurance Agreement.

Section 7. The Transfer Agent. So long as all of the Bonds of any series are registered in the name of Cede & Co., as nominee of DTC, the State Treasurer (or a qualified bank or trust

company appointed by the State Treasurer) shall be the Transfer Agent under this Resolution for such series. Upon notification to the State Treasurer from DTC or the Director that the book-entry system for the Bonds referenced below is being discontinued, the State Treasurer shall appoint a qualified bank or trust company as successor Transfer Agent. The Transfer Agent shall also act as registrar and paying agent for the Bonds.

The Transfer Agent shall keep at its principal office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection at reasonable times by the State Treasurer, the Auditor General of the State, the Attorney General and the Department of Transportation (the "Department") or their representatives. Upon presentation of Bonds for such purposes, the Transfer Agent shall, under such reasonable regulations as it may prescribe, exchange or transfer, on those books, Bonds as provided below.

Any Transfer Agent, other than the State Treasurer, may resign by giving not less than ninety (90) days prior written notice to the State Treasurer, and the State Treasurer may remove the Transfer Agent by giving not less than ninety (90) days prior written notice to the Transfer Agent, but no such resignation shall be effective until the appointment of a successor Transfer Agent, as described herein. The State Treasurer shall designate a successor Transfer Agent and shall mail notice of the appointment of the successor Transfer Agent to each registered holder of the Bonds not less than sixty (60) days prior to the date for which the appointment is effective. Upon the appointment of a successor Transfer Agent, the predecessor Transfer Agent shall transfer all moneys and funds, the registration books, and all other documents and instruments relating to the Bonds held by it as Transfer Agent to the successor Transfer Agent.

In addition to the other requirements of this Section, the substitution or removal of the Transfer Agent as provided in this Section may be conditioned upon the additional consent of the Bond Insurer, if any.

Section 8. Execution and Authentication of Bonds. The Bonds shall be signed in the name of the State of Michigan by the manual or facsimile signatures of the Chairperson and the Director, and not any designee of either person. No Bond shall be valid until authenticated by an authorized officer of the Transfer Agent. The Bonds, when executed and authenticated, shall be delivered by the Transfer Agent as directed by the State Treasurer to the registered holders of the Bonds upon payment of the purchase price therefor by the purchasers or Underwriters (as defined below). Blank bonds for registration of transfer, executed with the manual or facsimile signatures of the Chairperson and the Director may, concurrently with the delivery of the Bonds, and thereafter as necessary, shall be delivered to the Transfer Agent for safekeeping.

In case any officer whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, either as part of the initial delivery of the Bonds or in connection with a transfer or exchange, such signature shall nevertheless be valid for all purposes, as if such officer had remained in office until such delivery. The Transfer Agent's certificate of authentication of any Bond shall be deemed to have been executed by it if signed by a person or persons authorized as signatory of the Transfer Agent, but it shall not be necessary the same person sign the certificate of authentication on all of the Bonds.

Section 9. Transfer or Exchange of Bonds. Any Bond may be exchanged for Bonds of other authorized denominations or transferred upon the books maintained by the Transfer Agent upon application by the registered holder, in person or by his or her duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written



instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond shall be surrendered for transfer or exchange, the Transfer Agent shall authenticate and deliver a new Bond or Bonds, in like aggregate principal amount or Maturity Amount, and of like tenor, series, interest or principal appreciation rate and maturity. The Transfer Agent shall, prior to transfer or exchange, require the payment by the holder requesting the transfer or exchange of any tax or other governmental charge required to be paid with respect to the transfer or exchange. The Director shall give at least ten (10) days (or such lesser number of days or none as shall be acceptable to the Transfer Agent) prior notice to the Transfer Agent of the mailing of any notice of redemption of any Bonds. The Transfer Agent shall not be required to (i) register the transfer of or exchange any Bond during a period beginning at the opening of business five days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of mailing, or (ii) register the transfer of or exchange any Bond so selected for redemption in whole or in part within thirty (30) days of the redemption date, except the unredeemed portion of Bonds being redeemed in part.

The initial ownership of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. In the event DTC discontinues the book-entry-only system, or the Director determines the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of the Bonds or of the State, the Director shall notify the Transfer Agent, whereupon the Transfer Agent shall notify DTC of the Director's determination and shall direct DTC to make bond certificates available to the beneficial owners through DTC. In such event, the State shall provide and the Transfer Agent shall transfer and exchange Bonds as requested by DTC of like tenor, principal amount, series, maturity, interest or principal appreciation rate and nature as to payment of interest,

in authorized denominations or Maturity Amounts to the identifiable beneficial owners in replacement of the beneficial interests of such beneficial owners in the Bonds.

Section 10. Replacement of Lost, Stolen, Destroyed or Mutilated Bonds. If any Bond shall become mutilated, the Designated Person, at the expense of the holder of the Bond, shall execute, in the manner specified in Section 8 hereof, and the Transfer Agent shall authenticate and deliver, a new Bond of like tenor in substitution for the mutilated Bond. In accordance with 1972 PA 354 (“Act 354”), if any Bond shall be lost, destroyed or stolen, evidence of the loss, destruction or theft shall be submitted to the Transfer Agent and, if this evidence is satisfactory to both the Transfer Agent and the Director and indemnity satisfactory to the Transfer Agent and the Director is provided by the holder, the Designated Person, at the expense of the holder, shall execute in the manner specified in Section 8 hereof and the Transfer Agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or any applicable Michigan law hereafter enacted, in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or, shall be about to mature, instead of issuing a substitute Bond the Transfer Agent may pay the Bond without surrender thereof.

Section 11. Establishment and Uses of Funds and Accounts. Upon the order of the Director, with respect to each series of Bonds a separate fund shall be established by the Department of Technology, Management and Budget (“DTMB”) in the State Treasury, to be designated the State Trunk Line Refunding Bond Proceeds Fund (each a “Bond Proceeds Fund”) and with respect to each series of Bonds one separate account shall be established by DTMB in the Combined State Trunk Line Bond and Interest Redemption Fund in the State Treasury to be designated as the Bond Payment Account (each a “Bond Payment Account”). Each such fund or account may have appropriate alternative series designations as deemed necessary by the Director.

The Director may direct the establishment of, and DTMB may, on its own action or in response to direction, establish additional accounts or subaccounts in the Combined State Trunk Line Bond and Interest Redemption Fund, the Bond Payment Account or the Bond Proceeds Fund as may be necessary, convenient or appropriate. The net proceeds of each series of the Bonds shall be deposited and used as follows:

- a. Any portion of the net proceeds of the Bonds to be used to pay accrued interest on Bonds To Be Refunded, or any interest on each series of Bonds shall be deposited in the applicable Bond Payment Account and used to pay interest on the Bonds To Be Refunded or the Bonds of such series.
- b. If an Escrow Deposit Agreement has been executed and delivered pursuant to Section 13 below, from the proceeds of any series of Bonds and from other available funds in the State Trunk Line Fund as may be specified by the Director, the sum determined by the Director to be necessary to purchase investments sufficient (including investment earnings thereon), with any uninvested cash, to pay all principal of, and premium and interest on the Bonds To Be Refunded from the proceeds of such series, to and including the date fixed for payment or redemption thereof, as shall be specified by the Director, shall be deposited in the Escrow Fund established pursuant to the Escrow Deposit Agreement (as defined in Section 13 below) and used as provided therein. Otherwise, such sum as specified by the Director to pay all principal of, premium, if any, and interest on the Bonds To Be Refunded to and including the date fixed for payment or redemption thereof shall be deposited the applicable Bond Payment Account.

- c. The balance of the net proceeds of each series of Bonds shall be deposited in the Bond Proceeds Fund, together with investment earnings thereon, and used to pay costs related to the issuance of that series of the Bonds, the costs related to the refunding, and interest, if any, on the Bonds or a portion thereof for a period not beyond three years after the date of issuance of such series as determined by the Director.

Except as hereinafter provided, the moneys deposited in the Bond Proceeds Fund shall be expended solely for the purposes set forth above, in accordance with the accounting and disbursement procedures of the State and the Department; provided, however, periodically, as the Director may direct, investment earnings on such funds may be set aside and used to pay rebate obligations related to the Bonds to the United States government.

Subject to Section 19 and the Insurance Agreement, if any, moneys deposited in the Bond Proceeds Fund until disbursed, shall, as nearly as may be practicable, be continuously invested and reinvested by the State Treasurer in investments permitted by law. Investments of moneys in the Bond Proceeds Fund and any earnings, gains and losses resulting from such investment shall be applied to that Bond Proceeds Fund.

At such time as all the costs of issuance of the Bonds and costs related to the refunding of the Bonds To Be Refunded have been paid, the Director shall certify that fact in writing to the State Treasurer. After the certification has been made, any moneys or securities remaining in the Bond Proceeds Fund (other than amounts held to pay rebate requirements) shall at the written direction of the Director, be transferred to the Bond Payment Account and shall be used to pay current debt service on the Bonds.

Money from the State Trunk Line Fund shall be deposited into the Bond Payment Account in amounts sufficient (together with funds then on deposit in the account) to pay, when due, whether by maturity, redemption prior to maturity, or otherwise, the principal, redemption premium, if any, and interest on the Bonds, and the fees and expenses of the Transfer Agent. On or before each date specified for the payment of principal, premium, if any, and/or interest on the Bonds, the State Treasurer shall transfer from the Bond Payment Account to the Transfer Agent sufficient immediately available funds to pay when due the principal, premium, if any, and/or interest, respectively, whether due by maturity, redemption prior to maturity, or otherwise. Periodically, the State Treasurer shall pay the fees and expenses of the Transfer Agent from the Bond Payment Account.

Subject to Section 19 and the Insurance Agreement, if any, moneys in the Bond Payment Account until disbursed shall, as nearly as may be practicable, be continuously invested and reinvested by the State Treasurer in investments permitted by law. Investments of moneys in the Bond Payment Account shall be deemed at all times to be a part of the Bond Payment Account, and any earnings, gains and losses resulting from such investment shall be applied to the Bond Payment Account.

Section 12. Pledge of Funds and Limitations. In accordance with Act 51, there is irrevocably pledged for the payment of the principal of and interest on the Bonds as they become due, sufficient moneys restricted as to use by Mich Const 1963, art 9, §9, and which is deposited or to be deposited by law in the State Trunk Line Fund. This pledge of moneys for the payment of the Bonds and any pledge of such moneys already or subsequently appropriated or pledged for the payment of bonds or notes already or subsequently issued under Section 18b of Act 51, or for the payment of contract obligations incurred under Section 18d of Act 51 and, in each case, payable

from funds in the State Trunk Line Fund, or other obligations payable from funds in the State Trunk Line Fund, within the limitations set forth in Act 51, on a parity with the Bonds, shall be a first charge or lien, without preference of one over the other, against the moneys so deposited or to be deposited.

The Commission certifies to the State Treasurer that the average annual debt service requirements payable from and secured by a lien on the State Trunk Line Fund for all bonds, notes, or other obligations, or portions of bonds, notes, or other obligations issued after July 1, 1983 for purposes other than the preservation of highways, roads, streets, and bridges and other than for the purposes specified in Section 11(2)(b), (c), (d), (g), (h) and (i) of Act 51, including the prorated portion of debt service on the portion of the Bonds to be used for other than such purposes as set forth above, does not exceed 10% of the State revenue appropriated to the State Trunk Line Fund, less the amounts described in Section 11(2) (a) to (i) of Act 51 during the last completed State fiscal year. If the purposes for which the Bonds are issued are changed hereafter, such changes shall be made in a manner to maintain compliance with the certification contained in the preceding sentence, to the extent then required by law, but, pursuant to Act 51, no change, whether in compliance or not, shall affect the validity of the Bonds or the obligation to pay debt service thereon. The Director is authorized, for and on behalf of the Commission, to execute and deliver a certificate addressed to the State Treasurer as of the date of delivery of the Bonds certifying the matters set forth herein, with such changes as shall have occurred on or before the date of delivery of the Bonds but subject to the limitations provided above. For purpose of this paragraph the term “preservation” shall be defined as specified in Section 10c of Act 51.

Section 13. Sale of the Bonds, Approval of and Execution of Documents, Bond Purchase Agreement, Forward Delivery Agreement, Escrow Deposit Agreement, Hedge

Agreement, and Continuing Disclosure Agreement. The Bonds of each series shall be sold at public sale following publication or posting of a notice of sale or on a negotiated sale basis, as shall be determined by the Director. With respect to Bonds sold at public sale, the Director is authorized to cause to be prepared and published the notice of sale at least seven days before the bids are to be received, and the Designated Person is authorized to award the Bonds so sold to the bidder with the lowest qualifying bid, or to reject all bids. The notice of sale may provide for a purchase price not less than the amount described in Appendix C, for the designation by the bidder of principal amounts to be paid as serial maturities or mandatory redemption requirements of term Bonds and for the adjustment of maturity amounts (within ranges) in order to properly size the issue or to maintain the required debt service structure. With respect to each series of Bonds sold on a negotiated basis, the Designated Person is authorized to select the investment banking firm or firms to act as underwriters (the “Underwriters”) and to accept an offer by the Underwriters to purchase the Bonds at a purchase price and with an original issue discount, if any, approved by the Designated Person subject to the limitations contained on Appendix C attached hereto. The Director is authorized to execute and deliver a bond purchase agreement or a forward delivery agreement with the Underwriters in a form approved by the Michigan Department of Attorney General. For purposes of this Resolution, “Forward Delivery Agreement” means an agreement (i) specifying the terms of Bonds and (ii) providing for the issuance and delivery of such Bonds by the Commission and purchase of the Bonds by the Underwriters on a specified date in the future, for the purposes authorized by this Resolution including effecting the refunding of the Bonds To Be Refunded.

The Director and the State Treasurer are authorized to execute and deliver an Escrow Deposit Agreement (the “Escrow Deposit Agreement”) with an Escrow Agent (the “Escrow

Agent”) selected by the Director and approved by the State Treasurer in a form approved by the Michigan Department of Attorney General. Each of the Escrow Agent, the Financial Advisor to the Department (“Financial Advisor”), the Director, the Transfer Agent at the direction of the Director, and the Underwriter, if any, for the Bonds is authorized to subscribe for the issuance of United States Treasury obligations as attorney-in-fact for the State, as may be required by the Escrow Deposit Agreement. Upon the direction, and subject to the approval, of the Director, the Escrow Agent is authorized to enter into a forward float agreement or similar agreement relating to the investment of certain monies held under the Escrow Deposit Agreement. The Director may also authorize and direct the Escrow Agent to sell, redeem, purchase, subscribe for, cancel subscriptions for and re-subscribe for securities deposited or to be deposited in the Escrow Fund established under the Escrow Deposit Agreement, and in connection therewith, the Director may cause to be deposited in the Escrow Fund moneys from the State Trunk Line Fund as temporary collateral for the payment of the principal of and interest and premium on the Bonds To Be Refunded.

The Director is authorized to execute and deliver one or more interest rate swap agreement(s) or similar agreement(s), including hedging agreements which provide for payments on a notional amount corresponding to all or a portion of the Bonds or the Prior Bonds, based on changes in a bond or other security pricing index or indices (individually and collectively herein, the “Hedge Agreement”) in connection with the proposed issuance of any series of the Bonds, in the form and with terms approved by the Director and with one or more provider(s) or counterparties selected by the Director on a negotiated or competitive bid basis as determined by the Director. It is intended the Hedge Agreement, if entered into, will be terminated in connection with the delivery of the Bonds in a manner that will provide for a lock in of the effective interest



rates on the Bonds prior to the date the Bonds can be sold. Any termination or other payments to the State under the Hedge Agreement shall be deposited into the Bond Payment Account, the Escrow Fund or the Bond Proceeds Fund as determined by the Director. Any termination payments or other payments required to be made by the State during the term of or upon termination of the Hedge Agreement may be paid initially from the proceeds of the related Bonds, and in the case of insufficiency of such proceeds for such purpose, from moneys on deposit in the State Trunk Line Fund.

The Commission approves the distribution in accordance with law of a preliminary official statement (the “Preliminary Official Statement”) with respect to each series of the Bonds in a form approved by the Director. The Director is further authorized to deem the Preliminary Official Statement final, in consultation with the Michigan Department of Attorney General and Bond Counsel (as defined in Section 17), for purposes of Securities and Exchange Commission Rule 15c2-12. The Director is authorized to have prepared a final official statement (the “Official Statement”) substantially in the form of the Preliminary Official Statement, with such changes as are necessary and appropriate to reflect the final terms of each series of the Bonds or are otherwise deemed appropriate by the Director. The distribution and use of the Official Statement in accordance with applicable law by the Underwriters or purchasers at public sale of the Bonds in connection with the marketing of the Bonds is authorized. The Director is authorized to execute the Official Statement on behalf of the State of Michigan.

The Chairperson, the Director and the State Treasurer, and all other appropriate officers of the State, the Department and the Commission are authorized on behalf of the Commission, to take any actions, and execute any documents, including, if appropriate, but not limited to, obtaining ratings on the Bonds from nationally recognized bond rating agencies and the execution of a

direction letter and issuer's acknowledgment agreement relating to any forward float agreement determined by the Director to be necessary or desirable to implement this Resolution and the delivery of the Bonds. The Director may select Bond Counsel or a Financial Advisor for the transaction, or the prior selection of Bond Counsel and Financial Advisor with respect to the Bonds is ratified and confirmed. The Director, the State Treasurer, and the Transfer Agent, or any of them are authorized to execute and deliver a Letter of Representation, if necessary, to The Depository Trust Company in connection with the issuance of the Bonds.

The Director and the State Treasurer are authorized to execute and deliver an agreement of the State (the agreement and any amendments thereto are collectively, the "Continuing Disclosure Agreement") in a form approved by the Michigan Department of Attorney General, to assist in compliance with the continuing disclosure undertaking requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. The State, acting through the Commission and the Director, covenants to comply with and carry out all of the provisions of the Continuing Disclosure Agreement which are applicable to the State. Any failure of the State to comply with and carry out the provisions of this Section or of the Continuing Disclosure Agreement shall not be an event of default with respect to the Bonds.

Section 14. Cancellation. All Bonds surrendered to the Transfer Agent for payment upon redemption or maturity, or for transfer or exchange, shall be canceled by the Transfer Agent by perforation and notice of such cancellation shall be given by the Transfer Agent to the Director and the State Treasurer. Upon the direction of the State Treasurer, all such canceled Bonds shall be destroyed, and a certificate of destruction with respect thereto shall be delivered by the Transfer Agent to the State Treasurer and the Director.

Section 15. Amendments. This Resolution may be amended by the Commission and the Director without the consent of the holders of any Bonds (i) to increase or decrease the amount of Bonds which may be issued hereunder, (ii) to provide for the issuance of Bonds hereunder to refund any Bonds then outstanding, (iii) to cure any ambiguity or defect in the form of this Resolution, (iv) to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, or (v) to make any other changes determined in good faith by the Commission to be not to the detriment of the holders of outstanding Bonds. In determining whether such changes are to the detriment of the holders of outstanding Bonds, the Commission shall consider the effect of such changes as if no Policy from the Bond Insurer were then in effect. No amendments shall be made pursuant to this paragraph which would materially and adversely affect the rights of the Bond Insurer without the consent of the Bond Insurer.

Exclusive of amendments undertaken pursuant to the preceding paragraph, the holders of not less than 51% in the aggregate principal amount of the Bonds outstanding shall have the right to consent to the adoption by the Commission and the Director of such amendments to this Resolution as shall be deemed necessary and desirable by the Commission and the Director and as are approved in writing by the Bond Insurer, if any; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, without the consent of all of the affected holders of Bonds outstanding, (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest or principal appreciation thereon, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to an amendment to this Resolution. With respect to any Bond which is insured by a Policy, the consent of the Bond Insurer shall constitute the consent of the holder of such Bond for the purposes

of this paragraph, except with respect to amendments described in (i), (ii), (iii), or (iv) of the proviso of the preceding paragraph.

If the Commission and the Director shall propose to adopt an amendment to this Resolution requiring consent of the Bondholders, the Director shall have notice of the proposed amendment mailed to the Bond Insurer, if any, and to each registered holder at the registered address shown on the registration books kept by the Transfer Agent. The notice shall briefly set forth the nature of the proposed amendment and shall state copies thereof are on file at the principal office of the Transfer Agent for inspection by all registered holders of Bonds. If within six months following the mailing of such notice, the Bond Insurer, if any, and the holders of not less than 51% in aggregate principal amount of the Bonds outstanding (determined as provided in this Section 15) at the time of the mailing of the notice consents in writing to the adoption thereof, this Resolution shall be so amended.

Solely for determining the principal amount of Bonds outstanding at any time for the purposes of this Section 15, the outstanding principal amount of a Capital Appreciation Bond shall be deemed to be the Appreciated Amount of such Bond as of the immediately preceding Semiannual Date.

Nothing contained in this Resolution shall in any way be construed to prevent the issuance of Bonds for any purpose authorized by law, subject to Act 51.

Section 16. Covenants of Commission. All covenants, agreements and obligations of the Commission contained in this Resolution are those of the Commission solely and not of any member, officer or employee of the Commission or the Department in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds, for any payments owing under any agreement related to the Bonds, or for

any claim based on the Bonds or under this Resolution against any member, officer or employee of the Commission or the Department or any person executing or attesting to the Bonds and any agreement related thereto.

Section 17. Legal Opinions. The Bonds shall be issued subject to the approving legal opinion of the Attorney General of the State of Michigan and the approving legal opinion of reputable, knowledgeable and experienced Bond Counsel, as such may be determined by the Director (“Bond Counsel”). The expense of Bond Counsel’s opinions shall be paid out of the proceeds of the sale of the Bonds.

Section 18. Defeasance; Provision for Payment. If all the Bonds (i) shall have become due and payable in accordance with their terms, (ii) are to be paid at their maturity or maturities, or (iii) if to be redeemed prior to maturity shall have been duly called for redemption or irrevocable instructions to call the Bonds for redemption shall have been given to the Transfer Agent by the Director, and the whole amount of the principal of and the interest and the premium, if any, so due and payable upon all of the Bonds then outstanding shall be paid or sufficient cash, or cash and non-callable Government Obligations (as defined in this Section 18), or specifically maturing interests in a fund composed entirely of Government Obligations, the principal of and the interest on which without reinvestment, when due and payable, will provide sufficient moneys for such payment, shall be segregated and held by the State Treasurer in the Bond Payment Account or by the Transfer Agent or other escrow agent in trust for the benefit of the holders of the Bonds, then this Resolution shall be defeased and terminated and all obligations of the State, the Director and the Commission hereunder, and under Act 51 with respect to the Bonds, shall thereupon cease, provided, the applicable provisions of this Resolution pertaining to the payment of the principal of and interest and redemption premium, if any, on the Bonds, to redemption of Bonds, and to the

replacement, registration, transfer and exchange of the Bonds and the tax covenant contained in Section 19 hereof, shall be continued in force until the Bonds have been fully paid. On demand of the Director, any surplus in the Bond Payment Account other than money held for the redemption or payment of the Bonds shall be transferred to the State Trunk Line Fund.

Bonds or portions of Bonds for which cash or cash and Government Obligations, or specifically maturing interests in a fund composed entirely of Government Obligations (including principal of and interest thereon) shall be segregated and held by the State Treasurer, Transfer Agent or other escrow agent in trust for the holders of those Bonds or portions of Bonds sufficient to pay all principal, premium, if any, and interest through maturity or earlier specified redemption date for which notice shall have been duly given, or irrevocable instructions to give such notice shall have been given by the Director to the Transfer Agent, shall no longer be outstanding hereunder, and shall be deemed to be refunded, and the holders thereof shall have no further rights hereunder or under the Bonds except the right to receive payment from the cash or cash and Government Obligations held in trust as specified in this Section 18 and to effect the replacement, transfer and exchange of the Bonds as herein provided. Bonds and interest payments on Bonds which have become due, and for the payment of which funds shall be held in trust by the Transfer Agent, or segregated and held in the Bond Payment Account by the State Treasurer, in trust for the holders of those Bonds or the persons entitled to receive said interest payments shall, on the date of maturity thereof, be deemed to be paid, and the holders of such Bonds and the persons entitled to receive such interest shall have no further rights hereunder or under said Bonds except the rights to receive payment from the funds held in trust as specified above.

All moneys and Government Obligations held by the State Treasurer, other Transfer Agent or other escrow agent pursuant to this Section 18 shall be segregated and held in trust and applied

to the payment, when due, of the Bonds payable therewith. If funds are held for the payment of Bonds, as described in the preceding two paragraphs, by the State Treasurer, this Resolution shall only be defeased, or the lien of this Resolution only be released with respect to such Bonds, if (i) such money and Government Obligations are held in trust for the sole and exclusive benefit of the registered owner of the Bonds (subject to the right of the State to require release of moneys therefrom to the extent such moneys are not required for the payment of the applicable Bonds) and (ii) the registered owners of such Bonds have a valid and binding first lien and security interest in such money and Government Obligations held by the State Treasurer.

In the event the principal of and/or interest on any Bonds shall be paid by the Bond Insurer pursuant to the terms of the Policy, the pledge of this Resolution and all covenants, agreements and other obligations to the registered holders of such Bonds shall continue to exist with respect to such Bonds and the Bond Insurer shall be fully subrogated to the rights of such registered holders.

For purposes of this Section 18, Government Obligations shall mean (i) noncallable direct obligations of the United States of America (including obligations issued or held in book-entry form), (ii) noncallable obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, (iii) noncallable, nonprepayable obligations of agencies of the United States of America, or any other agency or corporation which is hereafter created pursuant to an act of Congress of the United States as an agency or instrumentality of the United States of America (provided that the agencies referenced in this clause (iii) retain ratings equivalent to or higher than the ratings held by direct obligations of the United States of America by Moody's, S&P or Fitch or any successor entities performing a similar function from which the State has requested a rating for the Bonds, as of the date the

obligations are acquired); and (iv) certificates which evidence ownership of the right to payment of the principal of and interest on obligations described in clauses (i), (ii) and (iii) hereof; provided such obligations are held in the custody of a bank or trust company satisfactory to the State Treasurer in a special account separate from the general assets of the custodian; provided, however, Government Obligations shall not include any investment which is prohibited or not permitted by the Act 51 or other applicable law.

Section 19. Tax Covenant. In the event future legislation allows the economic and efficient use of financing structures for the obligations authorized hereby which are different from or alternative to traditional tax-exempt bond structures, through related tax credits available to the State or the holders of such bonds, or assignees thereof, all or any portion of the obligations may, subject to the parameters set forth herein, be issued as obligations for which federal tax credits are payable to the State or obligations for which the federal income tax credits are allowed to the holder of such obligations, if the Designated Person determines such issuance is economic and in the best interests of the State, and in connection therewith, the Director is authorized to make, for and on behalf of and as the act of the State, any and all designations or elections (revocable or irrevocable), to make any tax covenants in connection with the issuance of such obligations, to execute and deliver any agreements, certificates or other instruments to or with the federal government or any agency thereof, and to take any other actions necessary for such obligations and the State to receive any benefits, funds or federal subsidies available to the State.

For Bonds that are Federally Tax-Exempt, the State, acting through the Commission and the Director, covenants that it will, to the extent permitted by law, comply with all requirements of the Internal Revenue Code of 1986, as amended, and all applicable regulations thereunder that must be satisfied in order to maintain the exclusion of the interest on the Bonds from gross income



for federal income tax purposes, including but not limited to, requirements relating to the rebate of arbitrage earnings, if required, and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

Section 20. The Director, Treasurer and Chairperson. (i) For all purposes of this Resolution, and as permitted by Act 51 allowing the Commission to authorize a person to take various actions to complete the issuance of the Bonds, except as specifically otherwise provided herein, the term “Director” shall mean the Director of the Michigan Department of Transportation, or, in the case the Director is not reasonably available to take any action required or permitted hereunder, the Chief Administrative Officer of the Michigan Department of Transportation or Bureau Director so authorized by the Director; (ii) for all purposes of this Resolution, and as permitted by Act 51 allowing the Commission to authorize a person to take various actions to complete the issuance of the Bonds, except as specifically otherwise provided herein, the term “State Treasurer” shall mean the Treasurer of the State of Michigan, or any Deputy Treasurer or the Director of the Bureau of State and Authority Finance so authorized by the State Treasurer; and (iii) for all purposes of this Resolution, and as permitted by Act 51 allowing the Commission to authorize a person to take various actions to complete the issuance of the Bonds, except as specifically otherwise provided herein, the term “Chairperson” shall mean the Chairperson of the State Transportation Commission, or any other member of the Commission so authorized by the Chairperson.

Section 21. Immediate Effect. This Resolution shall be immediately effective. No delivery of Bonds authorized hereunder shall occur on or prior to the thirtieth day after the filing of the notification pursuant to Section 3 of this Resolution. Any Bonds authorized by this Resolution shall be sold and delivered on or before December 31, 2021.

I hereby certify the foregoing is a true and complete copy of a Resolution duly adopted by the State Transportation Commission, State of Michigan, at a Commission meeting held on July 22, 2021, the original of which is on file with the official records of the Commission and the meeting was conducted and public notice of the meeting was given in full compliance with all relevant rules and regulations of the Commission and the Open Meetings Act, 1976 PA 267, as amended, and the minutes of the meeting were kept and will be made available as required by the Open Meetings Act.

I further certify the following Commissioners were present at the meeting \_\_\_\_\_ and the following Commissioners were absent \_\_\_\_\_.

I further certify Commissioner \_\_\_\_\_ moved for adoption of the Resolution, and Commissioner \_\_\_\_\_ supported the motion. I further certify the following Commissioners voted for adoption of the Resolution:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, the following Commissioners voted against adoption of the Resolution: \_\_\_\_\_  
\_\_\_\_\_, and the following Commissioners abstained: \_\_\_\_\_.

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
\_\_\_\_\_  
Commission Advisor  
State Transportation Commission  
State of Michigan

ORDER

DEPARTMENT OF TRANSPORTATION

I, Paul C. Ajegba, P.E., Director of the Department of Transportation of the State of Michigan, adopt the attached RESOLUTION OF STATE TRANSPORTATION COMMISSION AUTHORIZING THE ISSUANCE OF STATE OF MICHIGAN STATE TRUNK LINE FUND REFUNDING BONDS as my act and deed for the Michigan Department of Transportation.

Signed and Dated: July 22, 2021

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Paul C. Ajegba, P.E., Director  
Department of Transportation

APPENDIX A

[Form of Current Interest Bond]

UNITED STATES OF AMERICA  
STATE OF MICHIGAN

STATE TRUNK LINE FUND REFUNDING BOND,  
SERIES \_\_\_\_\_ [ ]  
[CURRENT INTEREST BOND]

CUSIP No. \_\_\_\_\_

No. \_\_\_\_\_

Principal Amount: \$ \_\_\_\_\_

Maturity Date: \_\_\_\_\_

Interest Rate: \_\_\_\_\_

Date of Original Issue: \_\_\_\_\_, \_\_\_\_\_

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_ Dollars

THE STATE OF MICHIGAN (the "State"), for value received, promises to pay the Principal Amount shown above to the Registered Owner specified above, or registered assigns, in lawful money of the United States of America on the Maturity Date shown above, unless redeemed prior thereto as hereinafter provided, with interest thereon until maturity or prior redemption date, from the date hereof or such later date through which interest on the Bond in exchange for which this Bond is issued shall have been paid, at the Interest Rate shown above, computed on the basis of a 360 day year with twelve 30 day months, payable on \_\_\_\_\_, 20\_\_, and semiannually thereafter on each \_\_\_\_\_ and \_\_\_\_\_. Principal of this Bond is payable when due upon surrender of this Bond at the principal office of the State Treasurer of the State of Michigan, Lansing, Michigan, or such other transfer agent as the State may hereafter designate (the "Transfer Agent"). Interest on this Bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is, as of the \_\_\_\_\_ of the month [prior to the month] in which each interest payment date occurs, the Registered Owner, at the registered address or by wire transfer subject to the requirements of the Resolution.

This Bond is not a general obligation of the State, but is payable solely from the funds irrevocably pledged by law which are restricted as to use by Mich Const 1963, art 9, §9, and deposited or to be deposited in the State Trunk Line Fund. The issuance of the bonds of this issue has been authorized under 1951 PA 51, as amended ("Act 51"), by resolutions and orders

(collectively, the "Resolution") duly adopted by the State Transportation Commission (the "Commission") of the State and by the Director (the "Director") of the Michigan Department of Transportation (the "Department") for the purpose of providing funds to pay all or part of the costs of refunding certain bonds of the State previously issued for transportation purposes as are authorized in the Resolution and paying costs incidental to the issuance of the Bonds and the refunding.

This Bond is one of a series of bonds (the "Bonds"), [which include Current Interest Bonds, such as this Bond and Capital Appreciation Bonds which bear no interest but appreciate in principal amount over time,] of [even date and] like tenor, except as to denomination, [date of issue,] rate of interest, [if any, principal appreciation rate, if any,] redemption provisions, and date of maturity, aggregating the original principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_). The Bonds are of equal standing and priority of lien as to the moneys in the State Trunk Line Fund, with certain outstanding bonds previously issued by the State (the "Outstanding Bonds").

The State has the right to issue additional bonds and incur other obligations secured on a parity with and payable from the same sources as the Bonds and the Outstanding Bonds within the limitations of Act 51.

For a complete statement of the funds from which this Bond is payable and the conditions on which additional bonds or notes of equal standing and priority of lien with the Bonds and the Outstanding Bonds with respect to the constitutionally restricted moneys deposited or to be deposited in the State Trunk Line Fund may be issued, reference is hereby made to the Resolution and Act 51.

[Capital Appreciation Bonds shall [not] be subject to redemption {as provided therein.}]  
[Current Interest] Bonds maturing on or after \_\_\_\_\_, will be redeemable prior to maturity at the option of the Director on or after \_\_\_\_\_, as a whole or in part at any time in such order of maturity as the Director may determine and by lot within a maturity at the following respective redemption prices, applicable to optional redemption only and not to mandatory redemption or payments on maturity, (expressed as a percentage of principal amount) plus interest accrued to the redemption date:

<u>Period</u>	<u>Redemption Price</u>
---------------	-------------------------

In addition, the [Current Interest] Bonds maturing on \_\_\_\_\_ and \_\_\_\_\_ (the "Term Bonds") are subject to mandatory redemption prior to maturity in part by lot at a price equal to 100% of the principal amount to be redeemed, plus accrued and unpaid interest to the redemption date, but without premium, on the dates commencing \_\_\_\_\_, and \_\_\_\_\_, respectively and in the respective mandatory redemption amounts provided pursuant to the Resolution, but subject to reduction for previously redeemed or purchased Term Bonds of the same maturity, as provided in the Resolution.

Notice of redemption of any Bond shall be given at least thirty (30) days prior to the date fixed for redemption by mail to the registered holder or holders of the Bonds to be redeemed at the registered addresses shown on the registration books as of the date of mailing kept by the Transfer Agent. Failure of the holder to receive any such notice shall not affect the validity of the proceedings for redemption. Bonds shall be called for redemption in integral multiples of \$5,000, and Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denominations of the Bond by \$5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds of the same series in aggregate principal amount, equal to the unredeemed portion of the Bond surrendered and of like series, interest rate, nature as to payment of interest and maturity shall be issued to the registered holder thereof, without cost to the holder. No further interest on the Bonds or portions of the Bonds called for redemption shall accrue from and after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem those Bonds or portions of Bonds.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption with the Transfer Agent no later than the redemption date, or (ii) that the Director retains the right to rescind such notice at any time on or before the immediately preceding business day prior to the redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded and such Bonds shall remain outstanding hereunder.

Any Bond may be exchanged for Bonds of other authorized denominations or transferred upon the books maintained by the Transfer Agent, upon application by the person in whose name it is registered, in person or by duly authorized attorney or legal representative, upon surrender of the Bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond is surrendered for transfer or exchange, the Transfer Agent shall authenticate and deliver a new Bond or Bonds of the same series, in like aggregate principal amount, and of like tenor, [with like nature as to payment of interest], interest [or principal appreciation] rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer or exchange to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required to (i) issue, register the transfer of or exchange any Bond during a period beginning at the opening of business five days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of that mailing, or (ii) register the transfer of or exchange any Bond selected for redemption in whole or in part within thirty days of the redemption date, except the unredeemed portion of Bonds being redeemed in part.

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

This Bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this Bond has been duly executed by the authorized signatory of the Transfer Agent.

IN WITNESS WHEREOF, this Bond has been executed with the manual or facsimile signatures of the Chairperson of the State Transportation Commission and the Director of the Michigan Department of Transportation, all as of the Date of Original Issue.

\_\_\_\_\_  
Director  
Michigan Department of Transportation  
State of Michigan

\_\_\_\_\_  
Chairperson  
State Transportation Commission

Certificate of Authentication

This Bond is one of the Bonds described in the within-mentioned Resolution.

State Treasurer of the  
State of Michigan

By: \_\_\_\_\_

Date of Authentication: \_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

[\_\_\_\_\_]

Please insert Social Security No. or other  
Identifying Number of Assignee

\_\_\_\_\_  
[please print or type name and address of transferee]

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint  
\_\_\_\_\_ attorney to transfer the within bond on the books kept for  
registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of his authority to act must accompany the bond.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program. The Transfer Agent will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

PLEASE INSERT SOCIAL SECURITY  
NUMBER OR OTHER IDENTIFYING  
NUMBER OF TRANSFEREE

Name and Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(Include information for all joint owners if the bond is held by joint account.)

(Insert number for first named transferee if held by joint account)



APPENDIX B

[(Form of Capital Appreciation Bond)]

UNITED STATES OF AMERICA  
STATE OF MICHIGAN

STATE TRUNK LINE FUND REFUNDING BOND,  
SERIES \_\_\_\_\_ [ ]  
[CAPITAL APPRECIATION BOND]

No. \_\_\_\_\_ CUSIP No. \_\_\_\_\_

Maturity Date: \_\_\_\_\_

Date of Original Issue: \_\_\_\_\_, \_\_\_\_\_

Original Principal Amount Per \$5,000 Maturity Amount: \_\_\_\_\_

Registered Owner: \_\_\_\_\_

Maturity Amount \_\_\_\_\_ Dollars

The STATE OF MICHIGAN (the "State"), for value received promises to pay to the Registered Owner, or registered assigns, in lawful money of the United States of America, on the Maturity Date the Maturity Amount shown above upon presentation and surrender of this Bond at the principal office of the State Treasurer of the State of Michigan, Lansing, Michigan or such other transfer agent as the State may hereafter designate (the "Transfer Agent"). Interest shall not be paid on this Bond.

This Bond is not a general obligation of the State, but is payable solely from the funds irrevocably pledged by law which are restricted as to use by Mich Const 1963, art 9, §9 and deposited or to be deposited in the State Trunk Line Fund. The issuance of the bonds of this issue has been authorized under 1951 PA 51 ("Act 51"), by resolutions and orders (collectively, the "Resolution") duly adopted by the State Transportation Commission (the "Commission") of the State and by the Director (the "Director") of the Michigan Department of Transportation (the "Department") for the purpose of providing funds to pay all or part of the costs of refunding certain bonds of the State previously issued for transportation purposes as authorized by the Resolution and paying costs incidental to the issuance of the Bonds and the refunding.

This Bond is one of a series of bonds (the "Bonds") [which include Capital Appreciation Bonds such as this Bond, and bonds which bear interest ("Current Interest Bonds")] of like tenor, except as to denomination, date of issue, rate of interest, if any, principal appreciation rate, if any, redemption provisions, and date of maturity, aggregating the original principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_). The Bonds are of equal

standing and priority of lien, as to the moneys in the State Trunk Line Fund, with certain outstanding bonds previously issued by the State (the “Outstanding Bonds”).

The State has the right to issue additional bonds and incur other obligations secured on a parity with and payable from the same sources as the Bonds and Outstanding Bonds within the limitations of Act 51.

Appreciated Amount means on each \_\_\_\_\_ and \_\_\_\_\_ (each a “Semiannual Date”) the corresponding principal amount shown on the Capital Appreciation Schedule on file with the Commission and the State Treasurer of the State for each \$5,000 principal amount if held to the Maturity Date shown above. The Appreciated Amount with respect to any date other than a Semiannual Date is the Appreciated Amount on the immediately preceding Semiannual Date plus an amount equal to the fraction of the difference between the Appreciated Amount on the immediately preceding Semiannual Date and the next succeeding Semiannual Date that equals the ratio of (a) the number of days from such immediately preceding Semiannual Date to the date of calculation to (b) 180, computed on the basis of a 360 day year with twelve 30 day months.

For a complete statement of the funds from which this Bond is payable and the conditions on which additional bonds or notes of equal standing and priority of lien with the Bonds and the Outstanding Bonds with respect to the constitutionally restricted moneys deposited or to be deposited in the State Trunk Line Fund may be issued, reference is hereby made to the Resolutions and Act 51.

Bonds which are Capital Appreciation Bonds will [not] be subject to redemption prior to maturity [as follows:].

[Redemption provisions, if any to be added]

Any Bond may be exchanged for Bonds of other authorized denominations or transferred upon the books maintained by the Transfer Agent, upon application by the person in whose name it is registered, in person or by duly authorized attorney or legal representative, upon surrender of the Bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond is surrendered for transfer or exchange, the Transfer Agent shall authenticate and deliver a new Bond or Bonds of the same series, in like aggregate Maturity Amount, and of like tenor, with like nature as to payment of interest, interest or principal appreciation rate and maturity. The Transfer Agent shall require the bondholder requesting the transfer or exchange to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent shall not be required to (i) issue, register the transfer of or exchange any Bond during a period beginning at the opening of business five days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of that mailing, or (ii) register the transfer of or exchange any Bond selected for redemption in whole or in part within thirty days of the redemption date, except the unredeemed portion of Bonds being redeemed in part.

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

This Bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this Bond has been duly executed by the authorized signatory of the Transfer Agent.

IN WITNESS WHEREOF, this Bond has been executed with the manual or facsimile signatures of the Chairperson of the State Transportation Commission and the Director of the Michigan Department of Transportation, all as of the Date of Original Issue.

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Director  
Michigan Department of Transportation

---

Chairperson  
State Transportation Commission  
State of Michigan

Certificate of Authentication

This Bond is one of the Bonds described in the within-mentioned Resolution.

State Treasurer of the  
State of Michigan

By: \_\_\_\_\_

Date of Authentication: \_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

[\_\_\_\_\_]

Please insert Social Security No. or other  
Identifying Number of Assignee

\_\_\_\_\_  
[please print or type name and address of transferee]

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of his authority to act must accompany the bond.

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program. The Transfer Agent will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

PLEASE INSERT SOCIAL SECURITY  
NUMBER OR OTHER IDENTIFYING  
NUMBER OF TRANSFEREE

\_\_\_\_\_  
\_\_\_\_\_

(Insert number for first named transferee if  
held by joint account)

Name and Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Include information for all joint owners if the  
bond is held by joint account.)

APPENDIX C

BOND TERMS

1. The aggregate principal amount of Bonds, including initial principal amounts of capital appreciation bonds, shall not exceed \$200 million.
2. The purchase price of any series of the Bonds shall be not less than (a) 98% of the original principal amount of that series of the Bonds, plus (b) accrued interest on that series of the Bonds, less (c) net original issue discount on that series of Bonds, if any, sold at negotiated sale.
3. The interest rate per annum on any series of Current Interest Bonds shall not exceed 10%.
4. The appreciation rate per annum on Capital Appreciation Bonds shall not exceed 10%.
5. The first principal or mandatory redemption payment on any series of the Bonds shall be due not later than five years after the original issue date of that series.
6. The last principal or mandatory redemption payment on any series of the Bonds shall be due not later than thirty years from the original issue date of that series of the Bonds.
7. The Bonds may be subject to optional redemption not earlier than five years from the Date of Original Issue at redemption premiums not to exceed 5%, unless the redemption price is based on a “make whole” formula, in which case the redemption premium shall not exceed 12%.
8. Original issue discount on any Current Interest Bonds sold at negotiated sale shall not exceed 10% of the original principal amount of such Bonds.
9. The maximum annual principal and interest requirements on (i) the Bonds, (ii) all outstanding bonds and notes issued under Section 18b for the transportation purposes described in the second paragraph of Mich Const 1963, art 9, §9 and (iii) the share of the State of outstanding bonds issued under Section 18d of Act 51 (excluding in each case principal and interest requirements of the Bonds To Be Refunded (as defined in Section 3) and other bonds which have been refunded) shall not exceed the limit provided under Section 18b(6) of Act 51, which is 50% of the total amount of money received from taxes (exclusive of interest earnings thereon), the use of which is restricted by Mich Const 1963, art 9, §9, and which was deposited in the State Treasury to the credit of the State Trunk Line Fund in the fiscal year ended September 30, 2020.
10. Unless waived or an exception is available, the issuance of the Bonds shall comply with any additional restrictions contained in the Department's Capital Financing Guidelines

related to the ratio of restricted revenue to the average annual debt service in effect when any series of Bonds is issued.

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