



PATRICK A. TAMBLYN  
YPSILANTI DISTRICT PRESIDENT

November 5, 2013

Mr. Matthew V. Horning  
Treasurer  
City of Ann Arbor  
100 North Fifth Avenue  
P.O. Box 8647  
Ann Arbor, Michigan 48107-8647

Subject: Extension of Maturity Date on Existing Installment Purchase Agreement

Dear Mr. Horning:

In response to our conversations, Bank of Ann Arbor is pleased to consider up to a one year extension of the existing IPA at the existing fixed interest rate of 3.89%. This proposal is subject to Bank approval on November 20, 2013, and does not represent a commitment to lend.

The proposed terms are summarized below:

- Amount:** \$3,500,000.
- Maturity:** Up to 1 year from closing.
- Interest Rate:** 3.89% fixed.
- Payments:** Interest only payments due quarterly, with principal due in full at maturity.
- Prepayment:** The IPA may be prepaid in whole or in part without premium or penalty, provided that BOAA is given 30 days prior notice and such payments are made on a regularly scheduled interest payment date.
- Security:** Unsecured. As with the existing IPA, BOAA will require the legal opinion of bond counsel stating that the issuance of this debt meets with all legal statutes governing the City and that it has the full financial support of the City.
- Legal Opinion:** The City's bond counsel shall prepare the closing documentation and provide its legal opinion (at City's expense) regarding the tax-exempt status of interest income on the IPA. BOAA understands that the IPA is not "bank qualified" for purposes of deducting interest expense by financial institutions under Internal Revenue Code section 265(b)(3)(B).

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Bank of Ann Arbor appreciates the opportunity to continue its relationship with the City of Ann Arbor and to assist with its financial needs. Please call me at (734) 327-0087, or e mail me at [ptamblyn@boaa.com](mailto:ptamblyn@boaa.com), if you have any questions with this proposal.

I look forward to receiving your response and working with you on this IPA refinancing.

Respectfully,

A handwritten signature in cursive script that reads "Patricia Tamblyn". The signature is written in black ink and is positioned above the typed name.

Ypsilanti District President

cc: Mr. Tom Crawford, CFO, City of Ann Arbor  
Mr. Tim Marshall, CEO, Bank of Ann Arbor  
Mr. Charlie Crone, First Vice President, Bank of Ann Arbor