RESOLUTION 16-26

COUNTY OF ST. CLAIR
STATE OF MICHIGAN

RESOLUTION AUTHORIZING
2016 GENERAL OBLIGATION
LIMITED TAX REFUNDING BONDS

Minutes of a regular meeting of the Board of Commissioners of the County of St. Clair, State of Michigan, held on the 20th day of October, 2016 at 6:00 o'clock p.m., prevailing Eastern Time.

PRESENT: Members Jeff Bohm, Bill Gratopp, Duke Dunn, Dave Rushing & Greg McConnell

ABSENT: Members Karl Tomion & Howard Heidemann

The following preamble and resolution were offered by Member Dave Rushing and supported by Member Duke Dunn.

WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), authorizes the County of St. Clair, State of Michigan (the "County"), to refund all or any part of its outstanding securities; and

WHEREAS, the County has previously issued it 2009 General Obligation Limited Tax Bonds (Communication System), dated September 1, 2009, in the original principal amount of $3,000,000 (the "Prior Bonds"), and

WHEREAS, the Prior Bonds are "outstanding securities" of the County within the meaning of Act 34; and

WHEREAS, in order to achieve savings on the County’s debt service payments for the outstanding Prior Bonds, the County determines that it is in the best interest of the County to refund all or a portion of the Prior Bonds; and

WHEREAS, to finance the cost of refunding all or any portion of the Prior Bonds, the County deems it necessary to borrow the principal sum of not to exceed One Million Nine Hundred Thousand Dollars ($1,900,000), and issue its refunding bonds therefor (the "Bonds").

WHEREAS, the County expects to receive an offer from Fifth Third Securities, Inc. (the "Underwriter"), to purchase the refunding bonds pursuant to a negotiated sale.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Details. Bonds of the County shall be issued in the aggregate principal amount of not to exceed One Million Nine Hundred Thousand Dollars ($1,900,000), as finally determined upon sale thereof, to be designated 2016 General Obligation Limited Tax Refunding Bonds (the "Bonds"), for the purpose of paying the cost of refunding all or a portion of the Prior Bonds and issuance costs of the Bonds.
The Transfer Agent shall be paid, for the performance of its duties under this Section 2,

the fee or remuneration specified herein, which fee or remuneration shall be paid to the Transfer Agent at the time or times as may be determined by the Company and by the Authorized Officers.

The Transfer Agent shall, upon written notice from the Company, transfer the principal and interest of the Bond to any person in accordance with the instructions of the Company, and shall execute and deliver such other instruments or documents as may be required to evidence such transfer.

The Transfer Agent shall, upon the written request of the Company, execute and deliver to the Company such instruments or documents as may be required to evidence the transfer of the principal and interest of the Bond to the Company.

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3. **Execution of Bonds.** The Bonds shall be signed with the manual or the facsimile signatures of the Chairperson of the Board of the Commissioners of the County and the County Clerk and shall have the seal of the County impressed or imprinted on the Bonds. No Bond shall be valid until authenticated by an authorized representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication within 45 days from the date of sale of the Bonds. The Transfer Agent shall deliver the Bonds to the purchaser in accordance with instructions from the County Treasurer of the County upon payment of the purchase price for the Bonds. Executed blank certificates for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

4. **Limited Tax Pledge; Debt Retirement Fund; defeasance of Bonds.** The County hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The County shall each year budget the amount of debt service coming due in the next fiscal year the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the County subject to applicable constitutional and statutory tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The County Treasurer is hereby authorized to open a separate depositary account with a bank or trust company designated 2016 GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, DEBT RETIREMENT FUND (the “Debt Retirement Fund”), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. **Use of Proceeds.** The proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds and to secure payment of the Prior Bonds as provided in this paragraph. From the proceeds of the Bonds, there shall be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2016 LIMITED TAX GENERAL OBLIGATION BOND ISSUANCE FUND (the “Issuance Fund”), which may be established by the County or the Escrow Agent (as hereinafter defined). Moneys in the Issuance Fund shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Bonds.

The balance of the proceeds of the Bonds together with any moneys transferred by the County at the time of sale of the Bonds from the debt retirement funds for the Prior Bonds and any other available funds of the County, shall be held as cash or invested in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the “Escrow Fund”) and used to pay principal, interest and redemption premiums, if any, on the Prior Bonds. The Escrow Fund shall be held by a bank or trust company to be selected by an Authorized
Bond Fund. The Bonds shall be in substantially the following form:

Refundment funds for the Prior Bonds shall be transferred to the Debt Refundment Fund for the Bonds.

Paragraph 8. Following establishment of the Escrow Fund, any amounts remaining in the debt refundment funds as they become due pursuant to the terms of the debt refundment agreements, if any, on the Prior Bonds shall be gradually transferred to the Debt Refundment Fund for the Bonds and used to pay the principal, interest and redemption premiums of the Prior Bonds, if any, on the Prior Bonds.

Any Prior Bonds specified by the Company upon sale of the Bonds, including publication and refundment of any Prior Bonds specified by the Company, shall be in accordance with the provisions of this indemnification agreement (the "Escrow Agreement").
UNITED STATES OF AMERICA
STATE OF MICHIGAN

COUNTY OF ST. CLAIR

GENERAL OBLIGATION LIMITED TAX
REFUNDING BOND, SERIES 2016

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Date of Original Issue</th>
<th>CUSIP</th>
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<tbody>
<tr>
<td>___%</td>
<td>April 1, ___</td>
<td>__________, 2016</td>
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Registered Owner: ____________ Dollars

The County of St. Clair, State of Michigan (the "County"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, payable on April 1, 2017 and semiannually each April 1 and October 1 thereafter. Principal of this bond is payable upon presentation and surrender of this bond at the corporate trust office of ____________, Michigan, or such other transfer agent as the County may hereafter designate (the "Transfer Agent") by notice mailed to the registered owner not less than sixty (60) days prior to an interest payment date. Interest on this bond is payable to the person or entity who or which is the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the County kept by the Transfer Agent, by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of $__________, issued for the purpose of defraying the costs of refunding all or part of the County’s outstanding 2009 General Obligation Limited Tax Bonds (Communication System).

Bonds of this issue maturing in the years 20__ to 20__, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of $5,000 maturing in the year 20__ and thereafter shall be subject to redemption prior to maturity, at the option of the County, in any order of maturity and by lot within any maturity, on any date on or after April 1, 20__, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.
This bond is transferable only upon the surrender of this bond to the Transfer Agent and the endorsement of the same upon this bond, with the certificate of the Transfer Agent, countersigned by the Chairperson of the Board of Commissioners and the County Clerk.

IN WITNESS WHEREOF, the County, by its Board of Commissioners, has caused this bond to be signed in its name with the facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

By ________________________
Chairperson, Board of Commissioners

By ________________________
County Clerk

By ________________________
Transfer Agent

[SEAL]

Certificate of Authentication

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

[SEAL]

Date of Authentication: ________________________
7. **Negotiated Sale.** The Board of Commissioners has considered the option of selling the Bonds through a competitive sale and a negotiated sale, and, pursuant to the requirements of Act 34, hereby determines that a negotiated sale of the Bonds will result in the most efficient and expeditious means of selling the Bonds and will result in the lowest interest cost to the County.

8. **Delegation to Authorized Officer; Bond Purchase Agreement; Sale Order.** The Authorized Officers are hereby authorized to negotiate the sale of the Bonds with the Underwriter, negotiate and execute a bond purchase agreement with the Underwriter, execute a Sale Order specifying the final terms of the Bonds and take all other necessary actions required to effectuate the sale, issuance and delivery of the Bonds within the parameters authorized in this resolution. The maximum Underwriter's discount shall not exceed 80% of the par amount of the Bonds, and the Bonds shall be sold at a price not less than 98.00% of the par amount of the Bonds.

9. **Adjustment of Bond Terms.** The Authorized Officers are hereby authorized to adjust the final bond details as set forth herein to complete the sale of the Bonds and in pursuance of the foregoing are authorized to exercise the authority and make the determinations pursuant to Sections 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, date of issuance, interest payment dates, series designation, redemption rights, the portion or portions of the Prior Bonds to be refunded, and other matters within the parameters established by this resolution, provided that the principal amount of Bonds issued shall not exceed the principal amount authorized in this resolution, the interest rate per annum on the Bonds shall not exceed six percent (6.00%), and a net present value savings on the Prior Bonds to be refunded shall exist upon the sale of the Bonds and said refunding.

10. **Tax Covenant.** The County shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"), as amended, including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds. The Bonds are hereby designated as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to Section 265(b)(3) of the Code.

11. **Continuing Disclosure Undertaking.** The County agrees to enter into an undertaking for the benefit of the holders and beneficial owners of the Bonds pursuant to Rule 15c2-12, paragraph (b)(5), regarding continuing disclosure, of the U.S. Securities and Exchange Commission and the County Administrator is hereby authorized to execute such undertaking prior to delivery of the Bonds.

12. **Appointment of Bond Counsel.** The appointment of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby confirmed, notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C. in unrelated matters of the Underwriter or the parties or potential parties to the transaction contemplated by this resolution.


14. **Authorization of other Actions.** The Authorized Officers are hereby authorized and directed to cause the preparation and circulation of a preliminary and final official statement with
The minutes of said meeting were kept and will be or have been made available as required by law.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Board of Commissioners of the County of St. Clair, State of Michigan, at a regular meeting held on October 20, 2016.

[Signature]
County Clerk

ABSTAIN:

[Signature]

NAY:

[Signature]
Dave Rushing, Greg McLennan

Aye:

Jeff Romm, Bill Eastapp, Duke Dunn

Resolution adopted.

The provisions of this Resolution be and the same hereby are rescinded.

15. Conflict: Resolution. All resolutions and parts of resolutions herein as they conflict with parties, to enable the issuance, sale and delivery of the Bonds as contemplated hereinafter, or advisable and make such other things with the Michigan Department of Treasury or with other economic beneficial to the County, to obtain certain on the Bonds, and to take all such actions necessary to cause the acquisition of the Bonds hereafter, if the acquisition of such insurance would be of respect to the Bonds, to proceed a policy of municipal bond insurance with respect to the Bonds or