

**1998-20**  
RESOLUTION APPROVING BUILDING  
AUTHORITY CONTRACT AND NOTICE

COUNTY OF CLINTON  
State of Michigan

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WHEREAS, there exists in and for the County of Clinton State of Michigan (the "County"), an imperative need to acquire, construct, furnish and equip a County courthouse and administrative facilities to serve residents of the County more particularly as described in Exhibit A attached hereto (the "Improvements"); and

WHEREAS, the County Board of Commissioners (the "Board") has determined, and does hereby reaffirm, that it is necessary and appropriate to the welfare of the County to undertake the Improvements; and

WHEREAS, Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), provides through the procedures of building authority financing a means for financing of the Improvements; and

WHEREAS, the County, in accordance with the provisions of Act 31, has previously adopted Articles of Incorporation providing for the establishment of the Clinton County Building Authority (the "Authority"), with full powers to finance the improvements; and

WHEREAS, the Board determines it to be in the best interest of the County to finance the Improvements through the Authority in accordance with the provisions of Act 31; and

WHEREAS, the Limited Tax Full Faith and Credit General Obligation Contract of Lease (the "Contract") between the County and the Authority providing for the acquisition, construction, furnishing and equipping of the Improvements and such matters as are deemed necessary thereto has been prepared; and

WHEREAS, the Board is desirous of publishing a notice of its intention to enter into the Contract in order to begin the statutory referendum period.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board hereby determines it to be necessary for the welfare of the County to undertake the Improvements for the use of the County.

2. The Board deems it to be in the best interest of the County to finance the cost of the Improvements through the Authority in accordance with the provisions of Act 31, which cost is not expected to exceed Fourteen Million Five Hundred Thousand Dollars (\$14,500,000).

3. The Board hereby approves the Contract as hereto attached.

4. The Notice of Intention of Entering into Limited Tax Supported Contract of Lease as hereto attached (the "Notice") shall be published in the Clinton County News, Grand Ledge Independent and DeWitt-Bath Review, a newspaper of general circulation in the County, promptly upon adoption of this resolution. The Notice shall appear as a display advertisement at least one quarter (1/4) page in size.

5. The Board does hereby determine that the designated newspaper is a newspaper circulating in the County which reaches the persons to whom the Notice is directed and that publication of the Notice in the designated newspaper represents the most practical and feasible means of informing the taxpayers and electors of the County of the Improvements and the financing thereof. A copy of the Contract shall be placed on file in the office of the County Clerk and shall be available for public examination.

6. The Chairman of the Board and the County Clerk of the County are authorized to execute immediately and deliver to the Authority the Contract approved by this resolution. The Contract shall become effective upon the expiration of sixty (60) days following the date of publication of the Notice, unless, under the provisions of Section 8b(3) of Act 31, the effectiveness of the Contract is stayed by reason of the filing of a petition for referendum thereon, in which event the Contract will not be effective without an approving vote by a majority of the qualified electors of the County voting on the question.

7. The County does hereby ratify and confirm its covenant in the Contract to levy ad valorem taxes against all taxable property in the County to the extent necessary to meet the obligations of the County thereunder in the event revenues from other sources, are insufficient for any reason whatsoever. Any such taxes levied to pay the Cash Rentals under the Contract shall be limited as to rate or amount in the manner provided by law.

8. The County hereby covenants to take all action within its control to the extent permitted by law necessary to maintain the exclusion of the interest on the bonds described in the Contract from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of proceeds of the bonds and moneys deemed to be proceeds of the bonds.

9. The County Administrator is hereby authorized to request the Michigan Department of Treasury for an exception from prior approval to issue the Bonds and to pay the required fee, or to apply to the Michigan Department of Treasury for an Order of Approval to issue the Bonds and for any waivers which may be required to market the Bonds.

10. The County Administrator, the County Clerk and the Treasurer are or each of them is hereby authorized and directed to execute and deliver such documents, instruments and certificates, including without limitation documents, instruments and certificates necessary or desirable to satisfy the requirements of the Code in relation to arbitrage, rebate and the qualification of interest expense for deduction by financial institutions, and any necessary undertakings required to be taken regarding continuing disclosure under Section 15c2(12) of the Rules of the Security and Exchange Commission.

11. All resolutions and parts of resolutions insofar as the same conflict with the provisions of this resolution be and the same hereby are rescinded.

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of County Commissioners of the County of Clinton, at a regular meeting held on June 9, 1998, at 2:50 o'clock p.m., prevailing Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

I further certify that the following Members were present at said meeting: John Arehart, Lois Bracey, Clifford Flood, Richard Hawks, Larry Martin, Sara Clark Pierson and Mary Rademacher and that the following Members were absent: none

I further certify that Commissioner Pierson moved for adoption of said resolution and that Commissioner Arehart supported said motion. I further certify that the following Members voted for adoption of said resolution: and that the following Members voted against adoption of said resolution: none.

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County Clerk, County of Clinton  
State of Michigan

NOTICE OF INTENTION OF ENTERING INTO LIMITED  
TAX-SUPPORTED CONTRACT OF LEASE AND OF  
RIGHT TO PETITION FOR REFERENDUM THEREON

TO THE TAXPAYERS AND ELECTORS  
OF THE COUNTY OF CLINTON, MICHIGAN:

PLEASE TAKE NOTICE that the County of Clinton has approved a Limited Tax Full Faith and Credit General Obligation Contract of Lease with the Clinton County Building Authority pursuant to Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended. The Contract provides, among other things, that the Building Authority will acquire, construct, furnish and equip a County courthouse and administration building (the "Project") to serve the County, together with equipment, appurtenances and attachments thereto, and the site and site improvements related thereto and the BUILDING AUTHORITY WILL ISSUE ITS BONDS TO FINANCE THE ESTIMATED COST OF THE SAME IN A PRINCIPAL AMOUNT NOT TO EXCEED \$14,500,000. When issued the bonds will mature in not to exceed 30 annual installments, and will bear interest at rates not exceeding the maximum rate permitted by law.

The Contract will further provide that the County will lease the Project from the Building Authority and WILL PAY AS RENTAL TO THE BUILDING AUTHORITY ALL SUMS NECESSARY TO RETIRE THE PRINCIPAL OF AND INTEREST ON THE BONDS, and all costs of the Building Authority in connection therewith regardless of whether the Project is tenantable. The principal amount to be borrowed by the Building Authority will be indebtedness of the County for purposes of statutory and constitutional debt limitations, and the principal amount, together with the County's rental obligation for payment thereof, may be increased to cover increased costs of acquisition and construction of the Courthouse and Administration building.

COUNTY'S CONTRACT OBLIGATION

UNDER THE PROPOSED CONTRACT AND ACT NO. 31, PUBLIC ACTS OF MICHIGAN, 1948 (FIRST EXTRA SESSION), AS AMENDED, THE COUNTY'S REQUIRED PAYMENTS TO THE BUILDING AUTHORITY WILL BE A LIMITED TAX FULL FAITH AND CREDIT GENERAL OBLIGATION OF THE COUNTY PAYABLE FROM ANY AVAILABLE FUNDS OF THE COUNTY AND, IF OTHER FUNDS FOR THAT PURPOSE ARE NOT AVAILABLE, THE COUNTY WILL BE REQUIRED TO LEVY AD VALOREM TAXES ON ALL TAXABLE PROPERTY WITHIN ITS BOUNDARIES TO THE EXTENT NECESSARY TO PAY THE BONDS AND INTEREST THEREON. THE OBLIGATION TO LEVY TAXES IS LIMITED BY APPLICABLE CONSTITUTIONAL AND STATUTORY TAX RATE LIMITATIONS.

IN THE EVENT THAT A VALID PETITION IS FILED REQUIRING AN ELECTION ON ENTERING INTO THE CONTRACT, AS DESCRIBED BELOW, AND THE

CONTRACT IS APPROVED BY VOTE OF THE ELECTORS, THE OBLIGATION TO LEVY AD VALOREM TAXES TO PAY THE PART OF THE COUNTY'S RENTAL OBLIGATION NECESSARY FOR PAYMENT OF DEBT SERVICE ON THE BUILDING AUTHORITY'S BONDS SHALL BE WITHOUT LIMITATION AS TO RATE OR AMOUNT.

THE PROPOSED CONTRACT SHALL BECOME EFFECTIVE WITHOUT VOTE OF THE ELECTORS OF THE COUNTY, AS PERMITTED BY LAW, UPON THE EXPIRATION OF SIXTY (60) DAYS FOLLOWING THE DATE OF PUBLICATION OF THIS NOTICE, UNLESS A PETITION REQUESTING AN ELECTION ON THE QUESTION OF WHETHER SUCH CONTRACT SHOULD BE EFFECTIVE, SIGNED BY NOT LESS THAN 10% OR 15,000, WHICHEVER IS LESS, OF THE REGISTERED ELECTORS OF THE COUNTY, IS FILED WITH THE COUNTY CLERK WITHIN FORTY-FIVE (45) DAYS FOLLOWING THE DATE OF PUBLICATION OF THIS NOTICE. If such petition is so filed, the Contract described in such petition shall not be effective without an approving vote by a majority of electors of the County voting on the question.

This Notice is given pursuant to the requirements of **Section 8b(3)** of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended. Further information concerning the details of the Contract, the acquisition and construction of the facilities being financed and the matters set out in this Notice may be secured from the County Clerk's office. A copy of the Contract will be on file in the office of the County Clerk for public inspection.

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County Clerk

## **EXHIBIT A**

The Improvements include the acquisition, construction, furnishing and equipping of a County courthouse and administration building and the related site improvements therefor.

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