

CLINTON COUNTY BOARD OF COMMISSIONERS

Chairperson
Larry Martin
Vice-Chairperson
Robert Showers

Members
John Arehart
David Pohl
Mary L. Rademacher
Claude A. Vail
Virginia Zeeb

COURTHOUSE
100 E. STATE STREET
ST. JOHNS, MICHIGAN 48879-1571
989-224-5120



Administrator
Ryan L. Wood
Clerk of the Board
Diane Zuker

CLINTON COUNTY BOARD OF COMMISSIONERS

RESOLUTION 2006-2

APPROVING FIRST SUPPLEMENT TO CONTRACT
TO PERMIT REFUNDING OF CLINTON COUNTY BUILDING AUTHORITY BONDS

A RESOLUTION TO:

- Approve First Supplement to Contract to permit refunding of the 1999 Clinton County Building Authority Bonds.
- Authorize Building Authority to issue Refunding Bonds without further approval by County Board of Commissioners.

PREAMBLE

WHEREAS, the Clinton County Building Authority (the "Authority") has been incorporated by Clinton County (the "County") under and in pursuance of the provisions of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31") for the purpose of acquiring, furnishing, constructing, equipping, owning, improving, enlarging, operating and maintaining buildings and the necessary site or sites therefor, together with appurtenant properties and facilities necessary or convenient for the effective use thereof, and for any and all other legitimate public purpose of the County which are authorized and permitted by Act 31 as it may be amended from time to time; and

WHEREAS, the Authority has previously acquired, constructed, furnished, and equipped a County Courthouse and administration facility (the "Project") for use by the County under the provisions of Act 31 and a Limited Tax Full Faith and Credit General Obligation Contract of Lease dated as of June 9, 1998 between the Authority and the County (the "Contract"), and under the Contract the Authority leases the Project to the County; and

WHEREAS, the Authority financed costs of the Project through issuance of its 1999 Building Authority (Government Center) Bonds (General Obligation Limited Tax), dated as of January 1, 1999 (the "Bonds"); and

WHEREAS, the Authority is authorized under Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”) to issue bonds to refund outstanding bonds; and

WHEREAS, the Bonds have not previously been refunded, and the parties hereto have been advised that conditions in the municipal bond market are now at a point that a portion of the Bonds could be refunded to produce considerable interest savings; and

WHEREAS, it is the determination and judgment of the County and the Authority that at any time conditions in the municipal bond market would permit the Authority to accomplish a net savings of debt service costs by refunding the Bonds through the issuance of building authority refunding bonds, the Authority shall be authorized, on its own motion, to issue such refunding bonds and thereby permit the operation of the Project in a more economical fashion for the benefit of the citizens and the taxpayers of the County; and

WHEREAS, as a prerequisite to financing the refunding of all or a portion of the Bonds through the authorization and issuance of Refunding Bonds in one or more series (the “Refunding Bonds”) it is necessary for the parties hereto to enter into a Supplement to Contract; and

WHEREAS, a First Supplement to Contract to provide for such refunding has been prepared and is attached to this resolution and incorporated herein by reference (the “First Supplement to Contract”).

NOW, THEREFORE, BE IT RESOLVED THAT:

The First Supplement to Contract as attached hereto is hereby approved for the purpose of refunding all or a portion of the Bonds. The Chairman of the County Board of Commissioners and County Clerk are authorized and directed to execute the First Supplement to Contract for and on behalf of the County in substantially the form presented herewith with such additions or deletions as they shall determine to be appropriate.

If the Authority issues Refunding Bonds as authorized by the First Supplement to Contract then any officers, administrators, agents and attorneys of the County are authorized and directed to execute and deliver all agreements, documents and certificates and to take all other actions necessary or convenient to complete the issuance, sale, and delivery of the Refunding Bonds including preparation of preliminary and final official statements, application for bond ratings and municipal bond insurance, applications to or filings with the State Department of Treasury, and annual continuing disclosure undertakings.

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

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the County Board of Commissioners of the County of Clinton, State of Michigan, at the regular organizational meeting held on January 12, 2006 at 1:30 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.

If the above meeting was a Special meeting, I further certify that notice of said Special meeting was give to each member of the Board in accordance with the rules of procedure of the Board.

I further certify that the following Members were present at said meeting: John Arehart, Larry Martin, David Pohl, Mary L. Rademacher, Robert Showers, Virginia Zeeb and Claude A. Vail nd that the following Members were absent: None.

I further certify that Member Arehart moved for adoption of said resolution and that Member Pohl supported said motion.

I further certify that the following Members voted for adoption of said resolution: Rademacher, Pohl, Showers, Vail, Zeeb, Arehart and Martin and that the following Members voted against adoption of said resolution: None.

Diane Zuker, County Clerk

FIRST SUPPLEMENT TO LIMITED TAX FULL FAITH AND CREDIT
GENERAL OBLIGATION CONTRACT OF LEASE

MADE AND EXECUTED as of _____, 2006 by and between the CLINTON COUNTY BUILDING AUTHORITY (the "Authority") and CLINTON COUNTY, Michigan (the "County") as a supplement to the Limited Tax Full Faith and Credit General Obligation Contract of Lease dated as of June 9, 1998 between the Authority and the County (the "Contract").

WITNESSETH:

WHEREAS, the Clinton County Building Authority (the "Authority") has been incorporated by Clinton County (the "County") under and in pursuance of the provisions of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31") for the purpose of acquiring, furnishing, constructing, equipping, owning, improving, enlarging, operating and maintaining buildings and the necessary site or sites therefor, together with appurtenant properties and facilities necessary or convenient for the effective use thereof, and for any and all other legitimate public purpose of the County which are authorized and permitted by Act 31 as it may be amended from time to time; and

WHEREAS, the Authority has previously acquired, constructed, furnished, and equipped a County Courthouse and administration facility (the "Project") for use by the County under the provisions of Act 31 and a Limited Tax Full Faith and Credit General Obligation Contract of Lease dated as of June 9, 1998 between the Authority and the County (the "Contract"), and under the Contract the Authority leases the Project to the County; and

WHEREAS, the Authority financed costs of the Project through issuance of its 1999 Building Authority (Government Center) Bonds (General Obligation Limited Tax), dated as of January 1, 1999 (the "Bonds"); and

WHEREAS, the Authority is authorized under Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") to issue bonds to refund outstanding bonds; and

WHEREAS, the Bonds have not previously been refunded, and the parties hereto have been advised that conditions in the municipal bond market are now at a point that a portion of the Bonds could be refunded to produce considerable interest savings; and

WHEREAS, it is the determination and judgment of the County and the Authority that at any time conditions in the municipal bond market would permit the Authority to accomplish a net savings of debt service costs by refunding the Bonds through the issuance of building authority refunding bonds, the Authority shall be authorized, on its own motion, to issue such refunding bonds and thereby permit the operation of the Project in a more economical fashion for the benefit of the citizens and the taxpayers of the County; and

WHEREAS, as a prerequisite to financing the refunding of all or a portion of the Bonds through the authorization and issuance of Refunding Bonds in one or more series (the "Refunding Bonds") it is necessary for the parties hereto to enter into this First Supplement to Contract.

IT IS, THEREFORE, AGREED BY AND BETWEEN THE PARTIES HERETO, in consideration of the premises and the covenants of each other, that the Contract be supplemented as follows:

1. In the event that it becomes possible to accomplish a net savings of debt service costs and consequently the payments payable by the County for lease of the Project through the issuance of Refunding Bonds, the Authority shall be authorized, on its own motion, to issue such Refunding Bonds, and the aggregate Cash Rentals to be paid by the County under the Contract shall automatically be decreased to equal an amount sufficient to pay all principal of and interest on the Bonds and such Refunding Bonds when due. Refunding Bonds can be issued in one or more series for the purpose of refunding the Bonds and any Refunding Bonds. In the event any Refunding Bonds are issued, the duties and obligations of the Authority and the County as expressed and set forth in this Contract shall be applicable to such Refunding Bonds as well as the Bonds, it being at all times fully recognized and agreed that the Cash Rentals to be paid by the County, as specified in Section 3 of the Contract, shall be based upon the total amount of bonds issued to finance or refinance the costs of the Project. Any such Refunding Bonds shall mature on such dates as may be provided by the resolutions authorizing issuance and sale of the Refunding Bonds, and the Cash Rentals shall be adjusted as necessary to pay the principal of such Refunding Bonds plus the interest thereon. All of the provisions of this Contract shall be applicable to the adjusted amounts. Immediately upon the issuance of such Refunding Bonds, the Authority shall furnish and supply to the County documentation specifying the new schedule of Bond payments and Cash Rentals, decreased as authorized in this section, which shall be substituted and take the place of the schedules previously furnished under this Contract. In the event Refunding Bonds are issued, all references herein to the Bonds shall be deemed to include the Refunding Bonds.

The County hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exemption of interest on the Refunding Bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds, all as more fully set forth in the Non-Arbitrage and Tax Compliance Certificate to be delivered on the date of delivery of the Refunding Bonds.

In consultation with the County Administrator, the Authority may, on behalf of the County, designate the Refunding Bonds as “qualified tax exempt obligations” for the purpose of deduction of interest expense by financial institutions.

The County hereby agrees to co-operate with the Authority in preparation of preliminary and final official statements describing the Refunding Bonds, and in any application for bond ratings and municipal bond insurance. The County hereby agrees to enter into a Continuing Disclosure Undertaking Agreement (the “Continuing Disclosure Undertaking Agreement”) in order to enable the underwriters of the Refunding Bonds to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission. In the Continuing Disclosure Undertaking Agreement, the County shall agree to provide or cause to be provided, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, (ii) timely notice of the occurrence of certain material events with respect to the Refunding Bonds, and (iii) timely notice of their failure to provide the required annual financial information on or before the date required.

The County hereby agrees to co-operate with the Authority in filing any application or other request with the Michigan Department of Treasury which may be necessary in connection with the issuance of Refunding Bonds, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient to complete the issuance, sale, and delivery of the Refunding Bonds in accordance with this First Supplement to Contract.

2. Except as specifically supplemented by the terms of this First Supplement to Contract, the terms and provisions of the Contract shall remain in full force and effect. Any rights and remedies granted to the holders of bonds issued pursuant to the Contract are also granted to the holders of the Refunding Bonds issued pursuant to this First Supplement to Contract.

3. This First Supplement to Contract shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

4. This First Supplement to Contract shall become effective upon approval by the County Board of Commissioners of the County, and the Board of Commissioners of the Authority, and when duly executed by each party. This First Supplement to Contract may be executed in several counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date and year first above written.

CLINTON COUNTY

By _____
Chairman, County Board of Commissioners

By _____
County Clerk

CLINTON COUNTY BUILDING AUTHORITY

By _____
Chairperson

By _____
Secretary