

STATE OF MICHIGAN
MIDLAND AND GLADWIN COUNTIES

In the matter of:

Four Lakes Special Assessment District (“Four Lakes SAD”)

**Four Lakes Task Force, as Delegated Authority for the
Counties of Midland and Gladwin, Michigan, on behalf of the Four Lakes Special
Assessment District, Pursuant to Part 307 of the
Michigan Natural Resources and Environmental Protection Act**

**RESOLUTION DECLARING OFFICIAL INTENT
AND APPROVAL OF THE PLAN OF FINANCING**

At a regular meeting of the Board of the Four Lakes Task Force, in its capacity as the Gladwin and Midland Counties’ Delegated Authority, on behalf of the Four Lakes Special Assessment District, held at the **Beaverton Activity Center, 106 Tonkin Street, Beaverton, Michigan 48612**, held at 4:00 p.m., prevailing Eastern Time, on January 15, 2024.

PRESENT: Dave Kepler, Adam Beebe, Dave Rothman, Don Zakett, Mark Mudge, Karen Moore, Mark Bone, Phil Dast, Chuck Sikora

ABSENT:

The following preamble and resolution were offered by Adam Beebe and supported by Dave Rothman;

WHEREAS, pursuant to Part 307 of the Michigan Natural Resources and Environmental Protection Act, Act 451, Public Acts of Michigan, 1994, as amended (“Part 307”), the Midland County Board of Commissioners and the Gladwin County Board of Commissioners (the “Counties”) each appointed the Four Lakes Task Force, a Michigan nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), as the “Delegated Authority” of the Counties to perform the duties of the Counties with respect to maintaining the normal lake levels for Wixom Lake, Sanford Lake, Smallwood Lake and Secord Lake (collectively, the “Four Lakes”) and duties on behalf of the Four Lakes Special Assessment District (the “District”) ; and

WHEREAS, the District intends to issue of one or more series of bonds to be issued by the Four Lakes Task Force (the “Bonds”) and/or loans from the United States Army Corps of Engineers Water Infrastructure Financing Program (the “Loans”), in the aggregate principal amount of not to exceed \$217,700,000 to provide the long-term financing of the costs to design, acquire and construct improvements necessary to establish and maintain the normal lake levels for Wixom Lake located in Midland and Gladwin Counties, Sanford Lake located in Midland

County, Smallwood Lake located in Gladwin County, and Secord Lake located in Gladwin County (collectively, the "Project").

WHEREAS, The principal user and operator of the Project will be the Four Lakes Task Force (i.e., the Delegated Authority); and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of the proceeds of tax-exempt obligations, and the Delegated Authority intends by this resolution to qualify amounts advanced by the Delegated Authority to the cost of the Project for reimbursement from proceeds of either the Notes, Loans or the Bonds, respectively, in accordance with the requirements of the Reimbursement Regulations; and

WHEREAS, the Bonds or Loans will be issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended and will be secured by and payable from the proceeds of Grants, Bonds or combination thereof. The Bonds or Loans will be issued pursuant to Part 307 and will be secured by and payable from the collection of special assessments against properties in the District. In addition, the District intends to request each of the Counties to pledge its full faith and credit as additional security for the payment of the principal of and interest on the Notes, and on the Loans and Bonds. If each of the Counties adopts a resolution approving such full faith and credit pledge, in the event and to the extent that the collection of special assessments pledged for payment of the Notes, Loans and Bonds are not sufficient to pay the principal of and interest on the Notes, Loans or Bonds as the same become due, each of the Counties will be obligated to pay as a first budget obligation from taxes or general funds an amount sufficient to make such payment to the extent of the special assessments assessed against property in such county. Each of the Counties' ability to levy taxes to make such payment is subject to constitutional and statutory limitations on the taxing power of each of the Counties; and

WHEREAS, inasmuch as the Bonds or Loans may be considered private activity bonds for purposes of the Code, Section 147(f) of the Code (commonly referred to as the Tax Equity and Fiscal Responsibility Act or "TEFRA" Regulations) provides that the District may not issue the Bonds or Loans on a tax-exempt basis until it has first conducted a public hearing on a plan of financing (the "Plan of Financing") to issue the Bonds or Loans, after notice thereof, and, following such hearing, submitted the Plan of Financing to, and received the approval of the Plan of Financing from, the Board of Commissioners of each of the Counties in accordance with the requirements of said Section 147(f); and

WHEREAS, prior to consideration of this resolution, this Board on behalf of the District, held a public hearing with respect to the Financing Project after notice was published by posting or causing to be posted electronically on the primary public website of the Counties and the website of the Delegated Authority in which the respective hearing is being held at least 7 days before the date of such hearing as provided in, and in satisfaction of the applicable public hearing requirements of, the Internal Revenue Code of 1986, as amended (the "Code") and posting requirements as required by Michigan Open Meetings' Act, Act 267, Public Acts of Michigan, 1976, as amended.; and

WHEREAS, a record of public hearing will be filed with the Board Secretary; and

WHEREAS, the Delegated Authority desires declare its official intent in connection with reimbursements of the Delegated Authority's advances to the Project and to express its approval of the Plan of Financing by the District.

IT IS HEREBY RESOLVED BY THE BOARD OF THE FOUR LAKES TASK FORCE ON BEHALF OF THE FOUR LAKES SPECIAL ASSESSMENT DISTRICT, AS FOLLOWS:

1. The District anticipates the maximum principal amount of expenditures that will be expended prior to the issuance of a long-term financing with Bonds or Loans that will be reimbursed from proceeds of a tax-exempt note or bond is \$10,000,000.
2. The District declares its official intent to issue the Notes, Loans and/or Bonds to finance the costs of the Project, and hereby declares that it reasonably expects to reimburse the District's advances to the Project as anticipated by this resolution. This Resolution and the expression of intent to seek reimbursement from future proceeds of the Bonds or Loans is intended to satisfy the requirements of Section 1.150-2 of the Treasury Regulations on Income Tax (the "Reimbursement Regulations") and the District intends by this order to qualify amounts advanced to the Project for reimbursement from proceeds of the Bonds or Loans in accordance with the requirements of the Reimbursement Regulations.
3. Solely for the purpose of fulfilling the public approval requirements of the Code, the Board of the Delegated Authority on behalf of the District, hereby approves the Plan of Financing in connection with the issuance, sale and delivery of not to exceed \$217,700,000 in aggregate principal amount of the Bonds or Loans.
4. The issuance and sale of the Bonds or Loans shall not be authorized except by subsequent action of the Board of the Delegated Authority on behalf of the District.
5. The Board Secretary is hereby directed to provide certified copies of this resolution and record of the TEFRA hearing to the Board of Commissioners for Gladwin and Midland counties for approval.
6. All previous resolutions of the Board of the Four Lakes Task Force, in its capacity as the Counties' Delegated Authority on behalf of the Four Lakes Special Assessment District, or parts thereof, that are inconsistent with this resolution, are hereby rescinded.

A vote was thereupon taken on the foregoing resolution and the vote for each such resolution was as follows:

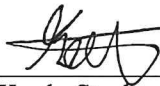
- a. Ayes: Dave Kepler, Adam Beebe, Dave Rothman, Don Zakett, Mark Mudge, Phil Dast, Chuck Sikora
- b. Nays:
- c. Abstain: Karen Moore, Mark Bone

A sufficient majority having voted therefor, the resolutions appearing above was adopted.

CERTIFICATION

STATE OF MICHIGAN)
)ss
COUNTY OF MIDLAND)

I, the undersigned, the Secretary of the Board of Four Lakes Task Force, acting as Delegated Authority for the Counties of Midland and Gladwin, Michigan pursuant to Part 307 of Act 451, Public Acts of Michigan, 1994, as amended, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Four Lakes Task Force at a meeting held on January 15, 2024, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with TEFRA and the provisions of Michigan’s Open Meetings Act, Act 267, Public Acts of Michigan, 1976, as amended.



Kayla Stryker
Secretary of the Board
Four Lakes Task Force