

STATE OF MICHIGAN
MIDLAND AND GLADWIN COUNTIES

In the matter of:

Four Lakes Special Assessment District

Four Lakes Task Force, as Delegated Authority for the
Counties of Midland and Gladwin, Michigan under Part 307 of the
Michigan Natural Resources and Environmental Protection Act

Resolution Authorizing Issuance of Bond Anticipation Notes

At a meeting of the Board of the 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, and on behalf of the Four Lakes Special Assessment District, held on April 16, 2020.

PRESENT: Dave Kepler, Chairperson; Dave Rothman; Don Zakett; Adam Beebe; Carl Kerr; Phil Dast; Joel Vernier; Mark Mudge, and Jeanette Snyder

ABSENT: None.

The following resolution was moved for adoption by David Rothman, and the motion was supported by Adam Beebe.

WHEREAS, the Board of Commissioners of the County of Gladwin (“Gladwin”) and the Board of Commissioners of the County of Midland (“Midland”) (Gladwin and Midland each, a “County” and collectively, the “Counties”) have each by resolution adopted, respectively, on October 9, 2018 and October 16, 2018 (i) indicated its desire to initiate proceedings under Part 307 of the Michigan Natural Resources and Environmental Protection Act, Act 451, Public Acts of Michigan, 1994, as amended (“Part 307”), to determine the normal lake level 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 “Four Lakes”); (ii) appointed the Four Lakes Task Force (formerly the Sanford Lake

Preservation Association), 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 (hereinafter referred to as the “Delegated Authority”) to perform the duties of the Counties with respect to maintaining the normal lake levels for the Four Lakes under Part 307; and (iii) determined that the cost of all proceedings and any improvements to establish and maintain the normal lake level for the Four Lakes shall be defrayed by special assessments against property in a special assessment district to be established by the Delegated Authority in accordance with the procedures set forth in Part 307; and

WHEREAS, at the request of the Counties, the Midland County Circuit Court, by order dated May 28, 2019, determined and established the normal lake levels for the Four Lakes, and revised and confirmed the boundaries of the special assessment district; and

WHEREAS, at the request of the Counties, the Delegated Authority has prepared a special assessment district, designated the “Four Lakes Special Assessment District” and hereinafter referred to as the “District”, for the purpose of paying the costs of a project to establish and maintain the normal lake levels for the Four Lakes (the “Project”); and

WHEREAS, the Delegated Authority has indicated its desire to issue one or more series of tax-exempt bond anticipation notes of the District (the “Notes”), pursuant to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”) to provide interim financing for part of the costs of the Project, such Notes to be issued in anticipation of and payable from the proceeds of bonds (the “Bonds”) to be issued by the District, the Bonds to be secured by and payable from the collection of special assessments against property in the District to provide the permanent financing for the Project; and

WHEREAS, it is expected that 20% of the cost of the Project will be assessed against property in the County of Midland and 80% of the cost of the Project will be assessed against property in the County of Gladwin; and

WHEREAS, the Board of Commissioners of the Gladwin and the Board of Commissioners of Midland have each by resolution adopted, respectively, on February 11, 2020

and January 21, 2020 (i) approved a plan of financing the Project with the Notes and the Bonds (the “Plan of Financing”), pursuant to Section 147(f) of the Code, following a public hearing held on January 17, 2020 in Midland and a public hearing held on January 30, 2020 in Gladwin, each with respect to the Plan of Financing; and (ii) pledged its full faith and credit for the prompt payment of the principal of and interest on the Notes, provided that the Notes are authorized by the Delegated Authority in a principal amount not to exceed \$8,000,000, bears interest at a rate not to exceed 4% per annum, and matures on or before June 1, 2022.

THEREFORE, BE IT ORDERED ON BEHALF OF THE FOUR LAKES SPECIAL ASSESSMENT DISTRICT, as follows:

1. AUTHORIZATION OF NOTES-PURPOSE. Notes of the District, aggregating the principal sum of not to exceed Eight Million Dollars (\$8,000,000), shall be issued and sold pursuant to Section 413 of Act 34, and other applicable statutory provisions, for the purpose of paying part of the costs of the Project. The cost of the Project is presently estimated to be \$37,900,000, and the amount of Bonds to be issued therefor is presently estimated to be \$32,000,000.

2. NOTE DETAILS. The Notes shall be designated “Four Lakes Special Assessment District Bond Anticipation Notes, Series 2020;” shall be dated as of the date of delivery thereof; shall be issued as a single, fully registered note; shall be in the denomination of the principal amount thereof; shall bear interest at a rate not to exceed 4% per annum, payable at maturity; and shall mature on June 1, 2022 in the principal amount of not to exceed \$8,000,000.

3. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Notes shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the Notes to the note registrar and paying agent upon maturity or prior redemption. Interest shall be paid to the registered owner of the Notes as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by wire transfer or

check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address.

4. PRIOR REDEMPTION. The Notes shall be subject to redemption prior to maturity as provided in the form of Notes in Section 8 hereof.

5. NOTE REGISTRAR AND PAYING AGENT. The Midland County Treasurer is hereby appointed note registrar and paying agent for the Notes. The Chairman of the Delegated Authority, from time to time may designate, and may enter into an agreement with, a new note registrar and paying agent for the Notes, which shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan.

6. EXECUTION AND DELIVERY OF NOTES. The Notes shall be executed in the name of the District by the manual or facsimile signatures of the Chairman and the Secretary of the Four Lakes Task Force, as Delegated Authority. After the Notes have been executed for delivery to the original purchaser thereof, they shall be delivered by the Chairman to the purchaser upon receipt of the purchase price.

7. EXCHANGE AND TRANSFER OF NOTES. The Notes shall be issued in fully registered form and shall be transferable only upon the books of the District, which shall be kept for that purpose by the note registrar and paying agent, upon the surrender of the Notes, together with a written instrument of transfer satisfactory to the note registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any note, the note registrar and paying agent on behalf of the District shall cancel the surrendered note and shall deliver to the transferee a new note of the same series, principal amount and maturity date and bearing the same rate of interest as the surrendered note. If, at the time the note registrar and paying agent delivers a new note pursuant to this section, payment of interest on the note is in default, the note registrar and paying agent shall endorse upon the new note the following: "Payment of interest on this note is in default. The last date to which interest has been paid is _____."

The District and the note registrar and paying agent may deem and treat the person in whose name any note shall be registered upon the books of the District as the absolute owner of such note, whether such note shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such note and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of Section 3 of this resolution shall be valid and effectual to satisfy and discharge the liability upon such note to the extent of the sum or sums so paid, and neither the District nor the note registrar and paying agent shall be affected by any notice to the contrary. The District agrees to indemnify and save the note registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

8. FORM OF NOTES. The Notes shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTIES OF MIDLAND AND GLADWIN
FOUR LAKES SPECIAL ASSESSMENT DISTRICT
FOUR LAKES SPECIAL ASSESSMENT BOND ANTICIPATION NOTE
SERIES 2020

The Four Lakes Special Assessment District, Counties of Midland and Gladwin, Michigan (the "District"), acknowledges itself indebted to, and for value received, hereby promises to pay to _____, or registered assigns, the principal amount of _____ Dollars (\$_____) on June 1, 20__, together with interest on such principal amount at the rate of _____% per annum, payable on June 1, 20__[and _____ 1, 20__], unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this note at the office of the Midland County Treasurer, Midland, Michigan. Principal and interest are payable in lawful money of the United States of America.

This note is the single note of a series aggregating the principal sum of _____ Dollars (\$_____) issued by the District under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Section 413 of Act No. 34, Public Acts of 2001, as amended) and a resolution of the Board of the Four Lakes Task Force, acting as the "delegated authority" of the Counties of Midland and Gladwin pursuant to Part 307 of Act 451, Public Acts of Michigan, 1994, as amended, for the purpose of paying part of the preliminary costs of improvements necessary to establish and maintain normal 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. This note is issued in anticipation of bonds to be issued by the District to provide the permanent financing for the costs of such improvements and is payable from the proceeds of such bonds. The Counties of Midland and Gladwin each has pledged its full faith and credit for the prompt payment of the principal of and interest on this note when due. In the event and to the extent that the aforementioned bonds are not issued on or before the maturity date hereof and there are not sufficient moneys legally available to the District to pay the principal of and interest on this note, the Counties of Midland and Gladwin each will advance from its general fund moneys sufficient to pay its respective share of such principal and interest. Taxes levied by the Counties of Midland and Gladwin to pay the principal of and interest on this note are subject to constitutional tax limitations.

This note is subject to redemption prior to maturity at any time, in whole or in part, at the option of the District, upon at least fifteen (15) days' notice to the holder hereof, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

This note is hereby designated as a "qualified tax exempt obligation" as described in Section 265(b)(3)(B) of the Internal Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note, existed, have

happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the District, including this note, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Four Lakes Special Assessment District, Counties of Midland and Gladwin, Michigan, has caused this note to be executed in its name by the manual or facsimile signatures of the Chairman and the Secretary of the Four Lakes Task Force, as Delegated Authority of the Counties of Midland and Gladwin as of this _____ day of _____, 2020.

FOUR LAKES SPECIAL ASSESSMENT DISTRICT

By: _____
Chairman, Four Lakes Task Force,
as Delegated Authority

By: _____
Secretary, Four Lakes Task Force,
as Delegated Authority

END OF NOTE FORM

9. SECURITY. The principal of and interest on the Notes shall be payable solely out of the proceeds of the Bonds or from other moneys legally available to the District. The Counties of Midland and Gladwin each has pledged its full faith and credit as additional and secondary security for the payment of principal of and interest on the Notes to the extent of each County's share of the principal of and interest on the Notes.

10. APPROVAL OF DEPARTMENT OF TREASURY. The issuance and sale of the Notes shall be subject to permission being granted therefor by the Michigan Department of Treasury of the State of Michigan pursuant to Act 34. The District has been granted qualified status by the Department of Treasury as provided in Act 34. The Chairman of the Delegated Authority is authorized to pay any filing fees required by the Michigan Department of Treasury in connection with the issuance of the Notes, and is further authorized to request such other waivers, exemptions or exceptions from any requirements of the Department of Treasury or Act 34 as the Chairman of the Delegated Authority shall determine to be necessary or desirable in connection with the sale of the Notes after consultation with the District's registered municipal advisor and bond counsel.

11. SALE, ISSUANCE, DELIVERY, AND USE OF PROCEEDS OF NOTES. The Chairman of the Delegated Authority, on behalf of the District, shall sell the Notes at 100% of their par value at a negotiated sale by means of sending a Request for Bids or similar document to potential purchasers to be determined by the Chairman of the Delegated Authority. The Delegated Authority hereby determines that the sale of the Notes pursuant to such a negotiated sale is the most cost effective and efficient way to sell the Notes and to borrow fund to pay part of the preliminary costs of the Project. The form of the Request for Bids or similar document shall set forth the terms of the Notes as set forth in this resolution and shall be determined by the Chairman of the Delegated Authority after consultation with the District's registered municipal advisor and bond counsel. Following the receipt of bids as provided for in the Request for Bids or similar document, the Notes shall be awarded to the bidder whose bid provides the lowest true interest cost to the District pursuant to a sale order to be executed by the Chairman of the

Delegated Authority. The Chairman and any member of the Board of the Delegated Authority are each hereby authorized to do all things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Notes in accordance with the provisions of this resolution and to take any actions on behalf of the District, including the making of covenants of the District, deemed necessary and appropriate to assure that interest on the Notes is and remains excluded from gross income for federal income tax purposes.

12. CONSTRUCTION FUND. The proceeds of the sale of the Notes shall be deposited in a Construction Fund for the Project and used to pay part of the costs of the Project, including any legal expenses incidental thereto.

13. TAX COVENANT. The District hereby covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, necessary to assure that interest on the Note will be and will remain excluded from gross income for federal income tax purposes.

14. QUALIFIED TAX EXEMPT OBLIGATION. The Notes are hereby designated as Qualified Tax Exempt Obligations as described in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

15. CONFLICTING ORDERS. All orders and parts of orders insofar as they may be in conflict herewith are hereby rescinded.

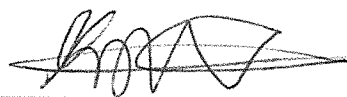
A roll-call vote on the foregoing resolution was taken and was as follows:

YEAS: Kepler; Rothman; Zakett; Beebe; Kerr; Dast; Vernier; Mudge, and Snyder

NAYS: None

ABSTAIN: None.

THE RESOLUTION WAS DECLARED ADOPTED.

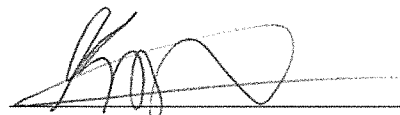


Kayla Stryker, Secretary of the Board,
Four Lakes Task Force

Dated: April 16, 2020

STATE OF MICHIGAN)
)ss
COUNTY OF MIDLAND)

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of the Four Lakes Task Force, acting as delegated authority for the Counties of Midland and Gladwin, Michigan, pursuant at a meeting held on **April 16, 2020**, the original of which resolution is on file in my office. I further certify that notice of said meeting was given and the meeting was conducted in accordance with the provisions of the Open Meetings Act and the Governor’s Executive Order No. 2020-48, as the same may be or has been expanded, extended, supplemented or replaced from time to time.



Kayla Stryker, Secretary
Four Lakes Task Force

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