

**RESOLUTION AUTHORIZING ISSUANCE OF
2011 CAPITAL IMPROVEMENT AND REFUNDING BONDS
(LIMITED TAX GENERAL OBLIGATION)**

COUNTY OF ALGER
State of Michigan

Minutes of a regular meeting of the County Board of Commissioners of the County of Alger, State of Michigan, held in the County Building in the County on June 20, 2011.

PRESENT: Members: Commissioners Doucette, Mattson, Rondeau, VanLandschoot, and Pullen.

ABSENT: Members: None

The following preamble and resolution were offered by Commissioner Doucette and supported by Commissioner Mattson.

WHEREAS, the Board of County Commissioners of the County of Alger, State of Michigan (the "County") does hereby determine that it is necessary to acquire and construct certain capital improvements, consisting generally of energy conservation improvements to County-owned facilities including the County Building, County Jail facilities and ambulance building, together with all appurtenances and attachments thereto in the County (the "Project"); and

WHEREAS, to finance the cost of the Project, the County deems it necessary to borrow the principal sum of approximately One Million Five Hundred Thousand Dollars (\$1,500,000) and issue capital improvement bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), to pay all or part of the cost of the Project; and

WHEREAS, the County of Alger Building Authority, County of Alger, State of Michigan (the "Authority") previously issued its Building Authority Bonds, Series 1999 (General Obligation Limited Tax), dated June 8, 1999, in the original principal amount of \$1,220,000 (the "1999 Bonds"); and

WHEREAS, the County and the Authority entered into a certain Limited Tax Full Faith and Credit General Obligation Contract of Lease dated March 9, 1998, as amended (the "Contract") by which the County agreed to pay cash rentals to the Authority in amounts sufficient to pay the debt service on the 1999 Bonds when due, and pledged the County's limited tax full faith and credit therefor; and

WHEREAS, the 1999 Bonds and the Contract are "outstanding securities" within the meaning of Act 34; and

WHEREAS, Part VI of Act 34 permits the County to refund all or part of the funded indebtedness of the County; and

WHEREAS, in order to achieve savings on the County's cash rental debt service payments for the outstanding 1999 Bonds, the County determines that it is in the best interest of the County to refund the Contract and thereby effect the redemption of the 1999 Bonds (the "Prior Bonds"); and

WHEREAS, the County determines that it is in the best interest of the County to issue refunding bonds in an aggregate principal amount of not to exceed \$850,000 for the purpose of refunding the Contract and thereby effect the redemption of the Prior Bonds if it achieves interest cost savings for the benefit of the County and its taxpayers; and

WHEREAS, because the source of payment will be the same and to reduce the cost of issuance and administration, the County determines that it may make practical and economic sense to combine the above referenced two bond issues into a single series of bonds; and

AND WHEREAS, in light of current market conditions, the County desires to provide for a negotiated sale alternative as a means of achieving the most efficient bond transaction at the lowest possible rate;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the County designated 2011 CAPITAL IMPROVEMENT AND REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION) or 2011 CAPITAL IMPROVEMENT BONDS (LIMITED TAX GENERAL OBLIGATION), as the case may be (the "Bonds"), are authorized to be issued in the aggregate principal sum of not to exceed Two Million Three Hundred and Fifty Thousand Dollars (\$2,350,000) for the purpose of (a) paying all or a part of the cost of the Project, (b) refunding the Prior Bonds, and (c) paying costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the aggregate principal amount of such maturity. The Bonds shall be dated as of the date of delivery or such other date as may be finally identified in a resolution of the County Board of Commissioners or an order executed by the Chair of the County Board of Commissioners, the County Treasurer or the County Clerk (each an "Authorized Officer") at the time of sale of the Bonds (the "Sale Order"), finally designated, numbered as determined by the Transfer Agent (as hereinafter defined), and maturing or being subject to mandatory redemption annually on April 1 in each of the years 2012 through 2026, inclusive, or on such other dates as shall be finally identified in the Sale Order; provided, however, that such Bonds shall not have a maturity occurring later than December 1, 2026.

If it is determined at the time of sale of the Bonds that the refunding of the Contract (which will result in the redemption of the Prior Bonds) will not result in interest savings to the County, then the County Board of Commissioners or an Authorized Officer shall make such determination in the Sale Order and the Bonds shall then be issued solely for the purposes of payment of the costs of the Project and the costs of issuance of the Bonds.

The Bonds shall be subject to redemption as set forth in the Sale Order.

The Bonds shall bear interest at a rate or rates to be determined upon sale, but in any event not exceeding six percent (6%) per annum, first payable on the date as shall be finally identified in the Sale Order and semi-annually thereafter.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. Interest shall be paid by electronic means or check drawn on the Transfer Agent transmitted or mailed to the registered owner of the Bonds at the registered address, as shown on the registration books of the County maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the County to conform to market practice in the future. The principal of the Bonds shall be payable at a bank or trust company as shall be finally identified in the Sale Order as registrar, paying agent and transfer agent for the Bonds (the "Transfer Agent"). The Sale Order may provide that the County Treasurer act as the Transfer Agent.

The Bonds shall be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the Authorized Officers are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the bond form within the parameters of this resolution as may be required to accomplish the foregoing.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the County with the manual or facsimile signatures of the Chair of the County Board of Commissioners and the County Clerk and shall have the seal of the County, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Authorized Officers upon payment of the purchase price for the Bonds in accordance with the bond purchase agreement.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for the Bonds on behalf of the County. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the County shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the County. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof

called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

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 the debt service coming due in the next fiscal year on 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 Treasurer is authorized and directed to open a depository account with a bank or trust company designated by the County Board or create a separate account on the books of the County, to be designated 2011 CAPITAL IMPROVEMENT AND REFUNDING BONDS DEBT RETIREMENT FUND or 2011 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND, as the case may be (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. Construction Fund; Redemption of Prior Bonds. The Treasurer is authorized and directed to open a separate depository account on the books of the County or with a bank or trust company, to be designated 2011 CAPITAL IMPROVEMENT BONDS CONSTRUCTION FUND (the "Construction Fund"), and to deposit into said Construction Fund that portion of the proceeds of the Bonds issued for the purpose of paying the costs of the Project less the accrued interest, if any, which shall be deposited in the Debt Retirement Fund for the Bonds. Any net original issue premium received on sale and delivery of the Bonds shall be deposited in the appropriate account consistent with State and federal law, and if required by State or federal law, may be used to reduce the principal amount of Bonds issued, as determined in the Authorized Officers. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

The balance, if any, of the proceeds of the Bonds, together with other available funds of

the County, if any, shall be paid to the United States of America to the account specified by the United States Department of Agriculture's Rural Development agency, to pay the outstanding principal of and interest on the Prior Bonds. The County Treasurer is authorized to take the actions necessary to accomplish the redemption of the Prior Bonds.

6. Bond Form. The Bonds shall be in substantially the following form with such changes as may be approved by an Authorized Officer and Bond Counsel, including changes to the name or designation of the Bonds:

[Reserved for mandatory redemption provisions, if applicable.]

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 provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the County kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the County, and the County is required, if necessary, to levy ad valorem taxes on all taxable property in the County for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the County, including this bond and the series of bonds of which this is one, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

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

COUNTY OF ALGER
County of Alger
State of Michigan

By: _____ /s/ facsimile
Its: Chairman

(SEAL)

By: _____ /s/ facsimile
Its: County Clerk

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described herein.

_____, Michigan
Transfer Agent

By: _____
Authorized Signature

Date of Authentication: _____

8. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than fifteen (15) years.

9. Negotiated Sale. The County has considered the option of selling the Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements of Act 34, based on the advice of the County's financial advisor, determines that a negotiated sale of the Bonds will provide the County with greater flexibility in structuring bond maturities and the timing of the sale of the Bonds and will result in the lowest interest cost to the County.

10. Tax Covenant; Qualified Tax Exempt Obligations. 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, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds. The County hereby designates the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

11. Continuing Disclosure. The County hereby agrees to enter into a continuing disclosure undertaking if requested by the purchaser of the Bonds. The County Treasurer is authorized to execute and deliver a continuing disclosure undertaking on behalf of the County.

12. Authorization of Other Actions. The Authorized Officers are each hereby authorized to adjust the final Bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, Public Acts of Michigan, 2001, as amended, including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, 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 6% per annum, and the Bonds shall mature in not more than fifteen (15) principal installments. The Authorized Officers are authorized to determine the portion or portions of the Prior Bonds to be refunded within the parameters established by this resolution, *provided* that if there is no present value savings at the time the Bonds are to be sold, the Authorized Officers may proceed to issue Bonds only for purposes of financing the Project. The Authorized Officers are each authorized and directed to take all other actions necessary or advisable, and to make such other filings with any parties, including the Michigan Department of Treasury, to enable the sale and delivery of the Bonds as contemplated herein.

13. Authorization of Financial Advisor and Authorized Officers to Take Certain Actions to Accomplish Sale of the Bonds. Leonard & Co., as financial advisor to the County in connection with the Bonds, is hereby authorized and directed, if necessary or advisable, to arrange for the negotiated sale of the Bonds. Each Authorized Officer is authorized to select a purchaser of the Bonds and take all other necessary actions required to effectuate the sale, issuance and delivery of the Bonds. Each Authorized Officer is authorized to negotiate,

execute and deliver a bond purchase agreement, if necessary or advisable, with the purchaser on behalf of the County within the parameters set forth in this resolution and to make such filings with the Michigan Department of Treasury or with other parties, to enable the issuance, sale and delivery of the Bonds as contemplated herein.


14. Bond Counsel. The appointment of Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel is hereby approved and ratified, notwithstanding periodic representation in unrelated matters of parties or potential parties to the transaction contemplated by this resolution, including possible purchasers of the Bonds.

15. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded to the extent of such conflict.

AYES: Commissioners: Doucette, Mattson, Rondeau, VanLandschoot, and Pullen


NAYS: Commissioners: None

RESOLUTION DECLARED ADOPTED.



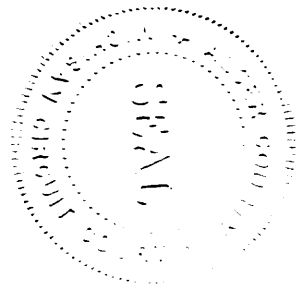
County Clerk

I HEREBY CERTIFY that the foregoing constitutes a true and complete copy of a resolution adopted by the County Board of Commissioners of the County of Alger, County of Alger, State of Michigan, at a regular meeting held on June 20, 2011, 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 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



County Clerk

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MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.