

**RESOLUTION AUTHORIZING NOTICE OF INTENT TO ISSUE
CAPITAL IMPROVEMENT BONDS AND DECLARING
INTENT TO REIMBURSE**

**COUNTY OF ALGER
STATE OF MICHIGAN**

Minutes of a regular meeting of the Board of Commissioners of the County of Alger, State of Michigan, held on the 16th day of May, 2011, at 4:00 o'clock p.m. prevailing Eastern Time.

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

ABSENT: Commissioner VanLandschoot.

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

WHEREAS, the County of Alger (the "County"), intends to issue general obligation limited tax bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), in an aggregate principal amount of not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Bonds"), in one or more series, for the purpose of paying the cost of acquiring and constructing 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, a notice of intent to issue the Bonds must be published before the issuance of the Bonds in order to comply with the requirements of Section 517 of Act 34; and

WHEREAS, the County intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the County for the Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The County Clerk is hereby authorized and directed to publish a notice of intent to issue bonds in the Munising News and Alger Shopper, a newspaper of general circulation in the County.
2. Said notice of intent shall be published as a one-quarter (¼) page display advertisement in substantially the following form:

**NOTICE TO TAXPAYERS AND ELECTORS
OF THE COUNTY OF ALGER OF INTENT
TO ISSUE BONDS SECURED BY THE TAXING POWER
POWER OF THE COUNTY AND RIGHT OF REFERENDUM THEREON**

PLEASE TAKE NOTICE that the County of Alger, State of Michigan, intends to issue and sell general obligation capital improvement bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) in one or more series, for the purpose of paying the cost of acquiring and constructing certain capital improvements, consisting generally of energy conservation improvements and upgrades to County-owned facilities including the County Building, County Jail facilities and ambulance building, together with all appurtenances and attachments thereto in the County.

BOND DETAILS

SAID BONDS shall mature in annual installments not to exceed fifteen (15) in number, with interest rates to be determined at a public or private sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL AND INTEREST OF THE BONDS shall be payable from the general funds of the County lawfully available for such purposes including property taxes levied within applicable constitutional and statutory tax rate limitations.

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE COUNTY IS FILED WITH THE COUNTY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE COUNTY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 517, Act 34, Public Acts of Michigan, 2001, as amended.

County Clerk
County of Alger

3. The Board of Commissioners does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give notice to the County taxpayers and electors of the County's intent to issue the bonds, the purpose of the bonds, the security for the bonds, and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. The County makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the County reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of debt to be incurred by the County.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, does not exceed \$1,500,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the County's use of the proceeds of the debt to be issued for the Project to reimburse the County for a capital expenditure made pursuant to this resolution.
- (e) The expenditures described in (b) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).
- (f) No proceeds of the borrowing paid to the County in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

- (g) Expenditures for the Project to be reimbursed from the proceeds of the borrowing for purposes of this resolution do not include (i) costs for the issuance of the debt, (ii) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the borrowing, or (iii) preliminary expenditures not exceeding twenty percent (20%) of the issue price of the borrowing, within the meaning of Treas. Reg. § 1.150-2(f) (such preliminary expenditures include architectural, engineering, surveying, soil testing and similar costs incurred prior to construction of the Project, but do not include land acquisition, site preparation and similar costs incidental to commencement of construction).

5. The law firm of Miller, Canfield, Paddock and Stone, P.L.C., is retained as bond counsel in connection with the Project and the financing thereof.

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

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

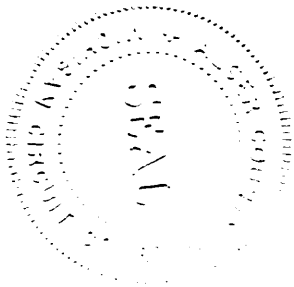
NAYS: None.

RESOLUTION DECLARED ADOPTED.


County Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the County of Alger, State of Michigan, at a regular meeting held on May 16, 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 Michigan, 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



19,070,655.1088888-00161