

LEELANAU COUNTY

At a **Regular** meeting of the County Board of Commissioners of the County of Leelanau, Michigan, held electronically and in conformance with Governor Gretchen Whitmer’s Executive Order No. 2021-48, on **February 16**, 2021, beginning at **7:00 p.m.**, Eastern Time, there were

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and seconded by _____:

**BOND RESOLUTION
BONDS NOT TO EXCEED \$2,650,000
Leelanau County
Capital Improvement Refunding Bond, Series 2021**

WHEREAS, pursuant to the provisions of Act No. 34, Public Acts of Michigan, as amended (“Act 34”) the County of Leelanau issued its Limited Tax General Obligation Refunding Bonds, Series 2012 (Law Enforcement Center), dated as of March 6, 2012, in the original principal amount of \$5,360,000 (the “2012 Prior Bonds”) which 2012 Prior Bonds were issued to refund the Law Enforcement Center Bonds (Limited Tax General Obligation), dated December 1, 2002 maturing in the years 2013 through 2027 (the “2002 Prior Bonds”) which 2002 Prior Bonds were issued to defray part of the cost of construction and equipping of the improvements to the Leelanau County Law Enforcement Center serving Leelanau County, Michigan (the “County”); and

WHEREAS, the 2012 Prior Bonds remain outstanding in the aggregate principal amount of \$2,905,000 maturing in various principal amounts on June 1 in the years 2021 through 2027 and bear interest at rates of 3.00% to 4.00%; and

WHEREAS, pursuant to Act 34 of the Public Acts of Michigan of 2001 (“Act 34”) the County is authorized to refund all or any part of its funded indebtedness; and

WHEREAS, the County has determined that it is necessary and appropriate at this time to issue a series of Bonds pursuant to Act 34 to refund the 2012 Prior Bonds maturing in the years 2022 through 2027; and

WHEREAS, the County may call the outstanding 2012 Prior Bonds maturing in the years 2022 through 2027 on June 1, 2021 in the amount of \$2,535,000 by issuing its Refunding Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY BOARD COMMISSIONERS OF THE COUNTY OF LEELANAU as follows:

1. **Issuance of Bonds.** Bonds of the County aggregating in the principal amount not to exceed Two Million Six Hundred Fifty Thousand Dollars (\$2,650,000) (the “Bonds”) shall be

issued and sold pursuant to the provisions of Act 34, and other applicable statutory provisions, for the purpose of refunding the 2012 Prior Bonds maturing in the years 2022 through 2027 (the “Refunded Bonds”).

2. **Bond Details.** The Bonds shall be known as “Leelanau County Capital Improvement Refunding Bonds, Series 2021” (Limited Tax General Obligation) (Law Enforcement Center) and shall be dated on the date of issuance. The Bonds shall be fully registered Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000 numbered from 1 upwards as determined by the County Treasurer, regardless of rate and maturity date. The total amount of Bonds to be issued shall not exceed \$2,650,000. Subject, however, to adjustment as described under “INCREASE OR DECREASE IN AGGREGATE AMOUNT OF BONDS”, Section 7, if \$2,620,000 in Bonds are to be issued, the Bonds may mature on June 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2021	\$30,000.00	2025	\$445,000.00
2022	415,000.00	2026	455,000.00
2023	400,000.00	2027	435,000.00
2024	440,000.00		

The Bonds shall be in substantially the form attached hereto as APPENDIX A with such changes, additions or deletions as are not inconsistent with this resolution.

3. **Interest Rate.** The Bonds shall bear interest at the rate of 1.38% per annum.

4. **Prior Redemption.** The Bonds shall not be subject to redemption prior to maturity.

5. **Payment of Interest and Date of Record.** The Bonds shall bear interest payable June 1, 2021, and semi-annually thereafter on each December 1 and June 1, until maturity. Interest shall be mailed by first class mail to the registered owner of each Bond as of the applicable date of record.

The date of record shall be May 15 with respect to payments to be made on June 1 and November 15 with respect to payments to be made on December 1.

6. **Adjustment of Bond Maturities.** The County Treasurer is authorized by order in the form attached as EXHIBIT A to adjust the amounts of the maturities of the Bonds, as set forth in Paragraph 7.

7. **Increase or Decrease in Aggregate Amount of Bonds.** In the event the amount necessary to refund the Refunded Bonds shall be more or less than currently estimated or it shall be necessary to adjust any maturity or maturities, the County Treasurer shall increase or decrease the estimated principal amount of the Bonds by any amount to the extent required to avoid the issuance of more or less Bonds than will be required in light of the amount of Bonds to be issued and proposals received, which increase or decrease may be applied to any one or more of the maturities. In the event the County determines to contribute additional amounts toward the refunding of the bonds, the Bonds shall further be reduced by the amount of such contribution.

8.(A) **Bond Registrar and Paying Agent/Book Entry Depository Trust.** The County Treasurer (the “County Treasurer”) shall enter into an agreement with The Huntington National

Bank, Grand Rapids, Michigan, bond registrar and paying agent for the Bonds. The County Treasurer from time to time as required may designate a similarly qualified successor bond registrar and paying agent. If so designated the Bonds shall be deposited with a depository trustee designated by the County Treasurer who shall transfer ownership of interests in the Bonds by book entry and who shall issue depository trust receipts or acknowledgments to owners of interests in the Bonds. Such book entry depository trust arrangement, and the form of depository trust receipts or acknowledgments, shall be as determined by the County Treasurer after consultation with the depository trustee. The County Treasurer is authorized to enter into any depository trust agreement on behalf of the County upon such terms and conditions as the County Treasurer shall deem appropriate and not otherwise prohibited by the terms of this Resolution, which Contract shall be executed by the County Treasurer. The depository trustee may be the same as the Registrar otherwise named by the County Treasurer, and the Bonds may be transferred in part by depository trust and in part by transfer of physical certificates as the County Treasurer may determine.

(B) **Exchange and Transfer of Bonds.**

(i) The Bonds, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for Bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Bonds.

(ii) The Bonds shall be transferable upon the books of the County, which shall be kept for that purpose by the bond registrar and paying agent, only upon surrender of such Bonds together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

(iii) Upon the exchange or transfer of the Bonds, the bond registrar and paying agent on behalf of the County shall cancel the surrendered Bonds and shall authenticate and deliver to the transferee new Bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Bonds. If, at the time the bond registrar and paying agent authenticates and delivers new Bonds pursuant to this Section, payment of interest on the Bonds is in default, the bond registrar and paying agent shall endorse upon the new Bonds the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is _____, _____."

(iv) The County and the bond registrar and paying agent may deem and treat the person in whose name the Bonds shall be registered upon the books of the County as the absolute owner of such Bonds, whether such Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bonds and for all other purposes, and all payments made to any such registered owner, or upon his or her order, in accordance with the provisions of Section 5 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid, and neither the County nor the bond registrar and paying agent shall be affected by any notice to the contrary. The County agrees to indemnify and save the bond 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.

(v) For every exchange or transfer of the Bonds, the County or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other

governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(vi) The bond registrar and paying agent shall not be required to transfer or exchange the Bonds or portion of the Bonds which has been selected for redemption.

9. **Mutilated, Lost, Stolen or Destroyed Bonds.** In the event any Bond is mutilated, lost, stolen, or destroyed, the Chairperson of the Board of Commissioners and the County Clerk may, on behalf of the County, execute and deliver, or order the Bond Registrar to authenticate and deliver, a new Bond having a number not then outstanding, of like date, maturity and denomination as mutilated, lost, stolen, or destroyed.

In the case of a mutilated Bond, a replacement Bond shall not be delivered unless and until such mutilated Bond is surrendered to the Bond Registrar. In the case of a lost, stolen, or destroyed Bond, a replacement Bond shall not be delivered unless and until the County and the Bond Registrar have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument Bond for principal and interest remaining unpaid on the lost, stolen or destroyed Bond; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the Bond lost, stolen or destroyed and the circumstances under which it was lost, stolen or destroyed; (iii) the agreement of the owner of the Bond (or his or her attorney) to fully indemnify the County and the Bond Registrar against loss due to the lost, stolen or destroyed Bond and the issuance of any replacement Bond in connection therewith; and (iv) the agreement of the owner of the Bond (or his or her attorney) to pay all expenses of the County and the Bond Registrar in connection with the replacement, including the transfer and exchange costs which otherwise would be paid by the Township.

10. **Execution and Delivery.** The Chairman of the Board of Commissioners and the County Clerk are hereby authorized and directed to execute the Bonds for and on behalf of the County by manually executing the same or by causing their facsimile signatures to be affixed. If facsimile signatures are used, the Bonds shall be authenticated by the Bond Registrar before delivery. The Bonds shall be sealed with the County's seal or a facsimile thereof shall be imprinted thereon. When so executed and (if facsimile signatures are used) authenticated, the Bonds shall be delivered to the County Treasurer, who is hereby authorized and directed to deliver the Bonds to the purchaser upon receipt in full of the purchase price for the Bonds.

11. **Security.** The full faith and credit of the County are hereby irrevocably pledged to the prompt payment of the principal of and interest on the Bonds when due. The County agrees to pledge for the repayment of the Bonds sufficient amounts of County taxes levied each year provided that the amount of taxes necessary to pay the principal and interest on the Bonds, together with the other taxes levied for the same year, shall not exceed the limit authorized by law and which taxes will be subject to applicable statutory and constitutional limitations on the taxing power of the County.

12. **Bond Payment Fund.** The County shall establish and maintain a bond payment fund (the "Bond Payment Fund") to be used solely for the purpose of (i) paying principal of, premium, if any, and interest on the Bonds as well as costs, including the fees and expenses of the Bond Registrar, incidental to the Bonds; (ii) the annual fees and expenses of the Escrow Agent under an escrow agreement; and (iii) the fees and expenses of the Paying Agent or Paying Agents for the Bonds.

13. **Use of Proceeds.** The proceeds of the sale of the Bonds to be used to refund the Refunded Bonds shall be used as follows:

- a. Accrued interest shall be transferred to the Bond Fund created pursuant to Section 20 above;
- b. There shall next be transferred to an escrow fund (the "Escrow Fund") an amount which will be sufficient to pay when due the principal of, premium, if any, and interest on the Refunded Bonds when due upon redemption; and
- c. The balance of the proceeds shall be used to pay some or all of the costs of financing including, but not limited to, publication costs, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing.

14. **Escrow Agreement; Redemption of Refunded Bonds.** In order that the Refunded Bonds may be properly defeased in accordance with Act 34, the County Treasurer shall enter into an escrow agreement with The Huntington National Bank, Grand Rapids, Michigan, (the "Escrow Agreement"). The Escrow Agreement shall be in substantially the form attached as APPENDIX B to this Resolution (with such changes, modifications and additions as may be approved by the County Treasurer). The Escrow Agreement shall be completed by the County Treasurer with appropriate figures prior to execution on behalf of the County by the County Treasurer.

Upon execution of the Escrow Agreement and delivery of the Bonds, the County and/or the escrow agent shall take all necessary steps to cause the Refunded Bonds to be redeemed at the earliest possible redemption date or dates.

15. **Investments.** Moneys in the Bond Payment Fund may be continuously invested and reinvested in United States government obligations, obligations the principal and interest on which are unconditionally guaranteed by the United States government, or in interest-bearing time deposits selected by the County Treasurer which are permissible investments for surplus funds under Act No. 20, Public Acts of Michigan, 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than the dates moneys in such fund will be required to pay the principal of, premium, if any, and interest on the Bonds. Obligations purchased as an investment of moneys in the Bond Payment Fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

16. **Depositories.** All of the banks located in the State of Michigan are hereby designated as permissible depositories of the moneys in the funds established by this Resolution, except that the moneys in the Bond Payment Fund shall only be deposited in such banks where the principal of, premium, if any, and interest on the Bonds are payable. The County Treasurer shall select the depository or depositories to be used from those banks authorized in this Section.

17. **Arbitrage and Tax Covenants.** Notwithstanding any other provision of this Resolution, the County covenants that it will not at any time or times:

(a) Permit any proceeds of the Bonds or any other funds of the County or under its control to be used directly or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Bond as a "private activity bond" within the meaning of Section 141(a) of the Code, as a "private loan bond" within the meaning of Section 141(a) of the

Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

(b) Take any action, or fail to take any action (including failure to file any required information or other returns with the United States Internal Revenue Service or to rebate amounts to the United States, if required, at or before the time or times required), within its control which action or failure to act would (i) cause the interest on the Bonds to be includible in gross income for federal income tax purposes, cause the interest on the Bonds to be includible in computing any alternative minimum tax (other than the alternative minimum tax applicable to interest on all tax-exempt obligations generally) or cause the proceeds of the Bonds to be used directly or indirectly by an organization described in Section 501(c)(3) of the Code, or (ii) adversely affect the exemption of the Bonds and the interest thereon from the State of Michigan income taxation.

18. **Qualified Tax-Exempt Obligations.** The Bonds are designated as “qualified tax-exempt obligations” for purposes of deduction of interest expense by financial institutions under the provisions of Section 265 of the Code.

19. **Defeasance or Redemption of Bonds.** If at any time,

- (a) the whole amount of the principal of, premium, if any, and interest on all outstanding Bonds shall be paid, or
- (b) (i) sufficient moneys, or Government Obligations (as defined in this Section) not callable prior to maturity, the principal of, premium, if any, and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the principal of, premium, if any, and interest on all outstanding Bonds as and when due at maturity or upon redemption prior to maturity shall be deposited with and held by a trustee or an escrow agent for the purpose of paying the principal of, premium, if any, and interest on such Bonds as and when due, and (ii) in the case of redemption prior to maturity, all outstanding Bonds shall have been duly called for redemption (or irrevocable instructions to call such Bonds for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the County shall be released from all further obligations under this Resolution, and any moneys or other assets then held or pledged pursuant to this Resolution for the purpose of paying the principal of, premium, if any, and interest on the Bonds (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this Resolution, paid over to the County and considered excess proceeds of the Bonds. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within 30 days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be given to the registered holders hereof not more than sixty (60) days nor less than forty-five (45) days prior to the redemption setting forth the date or dates, if any, designated for the redemption of the Bonds, a description of the moneys or Government Obligations so held by it and that the County has been released from its obligations under this Resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of, premium, if any, and interest on the Bonds at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The Trustee or Escrow Agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by resolution of the County, and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as Trustee or Escrow Agent under this Section and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal, premium, if any, and interest on which are unconditionally guaranteed by, the United States of America.

20. **Filing with Municipal Finance Division.** If necessary, the Chairperson of the County Board of Commissioners is authorized and directed to:

- (a) apply to the Municipal Finance Division of the Michigan Department of Treasury for approval of the sale of the Bonds or for an exception;
- (b) file with such application all required supporting material; and
- (c) pay all fees required in connection therewith.

21. **Award of the Bonds.** The County has accepted the proposal from Huntington Public Corporation Capital a division of the Huntington National Bank to purchase all of the Bonds at an interest rate of 1.38% per annum payable on June 1, 2021 and semiannually thereafter on December 1 and June 1 until maturing on June 1, 2027. The Bond Counsel and Municipal Advisor are hereby designated to act for and on behalf of the County for the purchase of the Bonds and to take all other steps necessary in connection with the sale, issuance, transfer and delivery thereof in accordance with the provisions of this resolution.

22. **Retention of Bond Counsel.** The firm of Clark Hill PLC, Detroit, Michigan, are hereby retained to act as bond counsel for the County in connection with the issuance, sale and delivery of the Bonds.

23. **Retention of Municipal Consultants.** Bendzinski & Co. Municipal Finance Advisors, Grosse Pointe, Michigan, is hereby retained to act as Municipal consultant and advisor to the County in connection with the sale and delivery of the Bonds.

24. **Authorized Officials.** The County Treasurer, the Chief Deputy County Treasurer, the County Administrator, the County Clerk, the Chairman of the Board of Commissioners and any other person acting in official capacity for the County is hereby authorized to do all acts and things and to execute any documents or certificates as may be necessary or desirable, and to deliver such documents or certificates to the parties to effectuate the sale and delivery of the Bonds.

25. **Conflicting Resolutions.** All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

26. **Effective Date.** This Resolution shall become effective immediately upon its adoption and shall be recorded in the minutes of the Board of Commissioners of the County as soon as practicable after adoption.

Discussion followed. The results of a roll-call vote on the foregoing resolution were as follows:

YES: _____

NO: _____

ABSTAIN: _____

THE RESOLUTION WAS DECLARED ADOPTED.

CERTIFICATION OF PROCEEDINGS

The undersigned, being the duly qualified and acting Clerk of the County of Leelanau, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners at a **Regular** meeting held on **February 16**, 2021, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267) to time., Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

DATED: _____, 2021

County Clerk

[SEAL]

EXHIBIT A

ORDER ADJUSTING MATURITIES

\$ _____

**COUNTY OF LEELANAU, STATE OF MICHIGAN
LEELANAU COUNTY CAPITAL IMPROVEMENT REFUNDING BONDS,
SERIES 2021**

The undersigned, County Treasurer, as authorized in the Bond Resolution for the above referenced Bonds certified by the County Clerk on _____ 1, _____, hereby establishes the final maturities for said Bonds with interest rates thereon, as follows:

Due	<u>Amount</u>	<u>Rate</u>
____. 1		

Dated: _____

_____,
Leelanau County Treasurer

APPENDIX A

UNITED STATES OF AMERICA-STATE OF MICHIGAN

LEELANAU COUNTY CAPITAL IMPROVEMENT REFUNDING BOND, SERIES 2021

<u>RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUANCE</u>	<u>CUSIP</u>
		_____, ____	

=====

REGISTERED OWNER:

PRINCIPAL AMOUNT:

=====

FOR VALUE RECEIVED, The County of Leelanau, State of Michigan (the "County") hereby acknowledges itself indebted and promises to pay (but only from the sources referred to herein) on the Maturity Date specified above to the Registered Owner specified above or its registered assigns, the Principal Amount specified above upon presentation and surrender of this bond (this "Bond") at the designated office of The Huntington National Bank, Grand Rapids, Michigan, as paying agent and bond registrar (the "Bond Registrar"), together with the interest thereon to the Registered Owner of this Bond, as shown on the books of the County maintained by the Bond Registrar, on the applicable date of record from the Date of Issuance specified above, or such later date through which interest has been paid, at the Rate per annum specified above, commencing on _____, ____, and semi-annually thereafter on the first day of _____ and _____ in each year to and including the Maturity Date. The date of record for each payment of interest shall be the 15th day of the month preceding the date such payment is due. Interest is payable by check or draft mailed by the Bond Registrar to the Registered Owner at the address shown on the books of the County maintained by the Bond Registrar on the applicable date of record and shall be calculated on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

This Bond is one of a series of bonds of like date and tenor except as to denomination, date of maturity and interest rate, numbered from 1 upwards, aggregating the principal sum of _____ Dollars (\$_____), issued by the County, pursuant to and in full conformity with the Constitution and statutes of the State of Michigan and especially Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") to provide funds to be deposited with _____, _____, Michigan, as escrow agent (the] "Escrow Agent"), under an escrow agreement dated as of _____, _____. The Escrow Agent will use such proceeds to acquire non-callable direct obligations of the United States which, when paid in accordance with their terms, will provide sufficient funds (i) to pay when due, to and including _____, ____, the interest on the County's outstanding _____, _____, dated _____, maturing in the years ____ through ____ (the "Refunded Bonds") and (ii) on _____, to redeem the Refunded Bonds maturing in the years ____ through _____, at a redemption price of _____% of the principal amount thereof.

This Bond and the series of which this is one are payable from (a) the County's general fund which amount will not be in excess of the cash rental payments pledged to the payment of the principal of, premium, if any, and interest on the Refunded Bonds and shall be and remain

subject to the statutory lien until the principal of, premium, if any, and interest on the Bonds have been paid in full and (b) the County hereby pledges its full faith and credit for the payment of the Bonds when due and agrees that it will levy each year such ad valorem taxes as shall be necessary for the payment of such Bonds, which taxes, however, will be subject to applicable constitutional and statutory limitations on the taxing power of the County, and which shall not be in an amount or at a rate exceeding that necessary to pay its contractual obligation pursuant to the Bond Resolution. If the County, at the time prescribed by law for the making of its annual tax levy, shall have other funds on hand which have been set aside and earmarked for payment of its obligations under the Bond Resolution for which a tax levy would otherwise have to be made, then the tax levy shall be reduced by the amount of such other funds. Such other funds may be raised from any lawful source.

This Bond shall be transferable on the books of the County maintained by the Bond Registrar with respect to the Bonds upon the surrender of this Bond to the Bond Registrar together with an assignment executed by the Registered Owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned bond, the Bond Registrar shall authenticate and deliver a new bond or bonds in authorized denominations in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

This Bond may likewise be exchanged for one or more other bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the bond or bonds being exchanged. Such exchange shall be effected by surrender of the bond to be exchanged to the Bond Registrar with written instructions signed by the Registered Owner of the bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a bond with proper written instructions the Bond Registrar shall authenticate and deliver a new bond or bonds to the Registered Owner of the bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of Bonds during the fifteen (15) days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the County, unless otherwise agreed by the County and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

This Bond and the other bonds of this series have ___ been designated as “qualified tax-exempt obligations” for purposes of Paragraph 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit until the certificate of authentication hereon has been duly executed by the Bond Registrar.

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

and the other bonds of this series, existed, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Michigan, and that the total indebtedness of the County, including the series of Bonds of which this is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County of Leelanau, State of Michigan, by its Board of Commissioners has caused this Bond to be executed in its name with the facsimile signatures of the Chairman of the Board of Commissioners and the County Clerk, has caused a facsimile of its seal to be affixed hereto, and has caused this Bond to be authenticated by the Bond Registrar, as the County’s authenticating agent, all as of the Date of Issuance set forth above.

COUNTY OF LEELANAU

By: _____
Chairman of the Board of Commissioners

[SEAL]

By: _____
County Clerk

DATE OF AUTHENTICATION:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is Bond is one of a series of bonds designated “Leelanau County Capital Improvement Refunding Bonds, Series 2021”.

By: _____
_____ , Michigan
as Bond Registrar and Authenticating Agent
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ this Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer this Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature:

Notice: The signature(s) to this assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The transfer agent will not effect transfer of this Bond unless the information concerning the transferee requested below is provided:

Name and Address: _____

(Include information for all joint owners if bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Insert number for first named transferee if held by joint account)

APPENDIX B

ESCROW AGREEMENT

**LEELANAU COUNTY
County of Leelanau, State of Michigan**

This escrow agreement (the “Agreement”), dated as of _____, 2021, is between the County of Leelanau (the “County” or the “Issuer”), _____, Michigan, and The HUNTINGTON NATIONAL BANK, Grand Rapids, Michigan, as Escrow Agent (the “Escrow Agent”).

WHEREAS, the County has previously issued the following bonds of which the principal amount listed below remains outstanding as of June 1, 2021 (all of such outstanding bonds being referred to as the “Prior Bonds”, and the Prior Bonds to be refunded referred to as the “Refunded Bonds”):

<u>Prior Bonds</u>	<u>Outstanding</u>
County’s Limited Tax General Obligation Refunding Bonds, Series 2012 (Maturing in the years 2022 through 2027)	\$2,535,000

all bearing interest, due as to principal and subject to redemption as more fully described in *APPENDIX I* to this Agreement.

WHEREAS, for the purpose of paying the principal and interest on the Prior Bonds when due on June 1, 2021 and on that date of redeeming the Prior Bonds maturing in the years 2022 through 2027 in the total aggregate principal amount of \$2,535,000, the Issuer has, pursuant to a bond resolution adopted on February 16, 2021 (the “Resolution”) authorized the issuance of a series of refunding bonds dated March __, 2021, as designated and described in the Resolution and hereafter (the “Refunding Bonds”); and

WHEREAS, pursuant to the Resolution, the Escrow Agent has been appointed by the Issuer for the purpose of assuring the payment of the principal of, premium (if any) and interest on the Refunded Bonds and the Issuer has been authorized and directed to execute this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, the Issuer and the Escrow Agent agree as follows for the respective equal and proportionate benefit and security of the holders of the Refunded Bonds;

Section 1. Appointment of Escrow Agent. The Escrow Agent is hereby appointed and agrees to act in such capacity to comply with all requirements of this Agreement, and to be custodian of the escrow fund (the “Escrow Fund”), to perform its duties as custodian of the

Escrow Fund created under this Agreement, but only upon and subject to the following express terms and conditions:

(a) The Escrow Agent may perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the Standards specified in this Agreement and shall be entitled to advice of counsel concerning all matters of and the duties under this Agreement, and may in all cases pay such reasonable compensation to such counsel and in addition to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the same. The Escrow Agent may act upon the opinion or advice of any counsel. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(b) The Escrow Agent shall not be responsible for any recital in this Agreement, or in the Refunding Bonds or for the validity of the execution by the Issuer of this Agreement or of any supplements to it or instruments of further assurance. The Escrow Agent shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer, except as set forth in this Agreement. The Escrow Agent shall be only obligated to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

(c) The Escrow Agent may become the owner of the Refunding Bonds or the Refunded Bonds with the same rights which it would have if not Escrow Agent.

(d) The Escrow Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telex, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Escrow Agent pursuant to this Agreement upon the request or consent of any person who at the time of making such request or consent is the owner of any prior bond, shall be conclusive and binding upon all future owners of the same prior bond.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Escrow Agent shall be entitled to rely upon a certificate of the Issuer signed by (i) the County Treasurer, or County Clerk or (ii) any other duly authorized person as sufficient evidence of the facts contained in it, but may secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Escrow Agent may accept a certificate of the County Treasurer, or County Clerk to the effect that a resolution in the form attached to such certificate has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Escrow Agent to do things enumerated in this Agreement shall never be construed as a duty. The Escrow Agent shall only be responsible for the performance of the express duties outlined in this Agreement and it

shall not be answerable for other than its gross negligence or willful default in the performance of those express duties.

(g) At any and all reasonable times the Escrow Agent and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the Issuer pertaining to the Refunded Bonds, and to take such memoranda from and in regard to the same as may be desired.

(h) The Escrow Agent shall not be required to give any bond or surety in respect of the execution of the powers contained in or otherwise in respect to this Agreement.

(i) Before taking any action under this Agreement (except making investments, collecting investments and making payments to the paying agents with respect to the Refunded Bonds) the Escrow Agent may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability except liability which is adjudicated to have resulted from gross negligence or willful default by reason of any action so taken.

(j) The Escrow Agent shall be, and hereby is indemnified and saved harmless by the County from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance of the Escrow Account or arising from the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the bad faith or gross negligence of the Escrow Agent, and such indemnification shall survive its resignation or removal, or the termination of this Agreement.

(k) The Escrow Agent shall, in the event that (i) any dispute shall arise between the parties with respect to the disposition or disbursement of any of the assets held hereunder or (ii) the Escrow Agent shall be uncertain as to how to proceed in a situation not explicitly addressed by the terms of this Agreement whether because of conflicting demands by the other parties hereto or otherwise, be permitted to interplead all of the assets held hereunder into a court of competent jurisdiction, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets. The parties hereto other than the Escrow Agent further agree to pursue any redress or recourse in connection with such a dispute, without making the Escrow Agent a party to the same.

(l) The Escrow Agent shall have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for any of the parties to this Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document between the other parties hereto, in connection herewith. This Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall

be inferred from the terms of this Agreement or any other Agreement. IN NO EVENT SHALL THE ESCROW AGENT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (i) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES WHICH RESULT FROM THE ESCROW AGENT'S FAILURE TO ACT IN ACCORDANCE WITH THE STANDARDS SET FORTH IN THIS AGREEMENT, OR (ii) SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(m) Any banking association or corporation into which the Escrow Agent may be merged converted or with which the Escrow Agent may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(n) In the event that any escrow property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, at its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled set aside or vacated.

Section 2. Escrow Fund. On March __ 2021 the Issuer will irrevocably deposit moneys with the Escrow Agent for the account of the Issuer from the proceeds of the Refunding Bonds and cash contributions (\$_____) to establish the Escrow Fund for the Refunded Bonds in an amount which together with the income from the escrow assets, if any, shall be held in the Escrow Fund to be maintained by the Escrow Agent and used to pay (i) principal and the interest on the Refunded Bonds that become due on June 1, ____ and (ii) to redeem on said date all of the outstanding and callable Refunded Bonds prior to their scheduled maturity; in accordance with Section 3 hereof.

Section 3. Redemption of Refunded Bonds. The Issuer will redeem, prior to their scheduled maturity, Refunded Bonds as follows:

<u>Prior Bonds</u>	<u>Call Date</u>	<u>Principal to</u>
	June 1, 2021	<u>be Refunded</u>
		2,535,000

The Issuer by execution of this Escrow Agreement, hereby authorizes the Escrow Agent to give the paying agent for the Refunded Bonds irrevocable instructions to call the Refunded Bonds at the expense of the Issuer not more than forty-five (45) nor less than thirty (30) days before ____, 2021, their redemption date. The Escrow Agent shall give to the paying agent for the Refunded Bonds such notice, in substantially the form attached to this Agreement as *APPENDIX II*. The paying agent for the Refunded Bonds shall mail such notice on or before thirty (30) days prior to the redemption date, as set forth in *APPENDIX II*, to the registered owner or owners at the addresses listed on the registration books of the Issuer maintained by the paying agent for the Refunded Bonds.

Section 4. Investments. As directed by the Issuer, moneys deposited in the Escrow Fund shall be held in SLGS and cash which will be held in the Escrow Fund as the beginning balance for the Refunded Bonds.

The investment income from the Investment Securities in the Escrow Fund, if any, shall be credited to the Escrow Fund and shall not be reinvested. The Escrow Agent shall not sell any Investment Securities. All moneys not invested as provided in this Agreement shall be held by the Escrow Agent as a trust deposit.

Section 5. Use of Moneys. Except as expressly provided in this Agreement, no paying agents' fees for the payment of principal of, premium (if any) or interest on the Refunding Bonds or the Refunded Bonds or other charges may be paid from the escrowed moneys or Investment Securities prior to retirement of all Refunded Bonds, and the Issuer agrees that it will pay all such fees from its other legally available funds as such payments become due prior to such retirement.

Section 6. Deficiency in Escrow Fund. At such time or times as there shall be insufficient funds on hand in the Escrow Fund for the payment of the principal of, premium (if any) and interest falling due on the Refunded Bonds, the Escrow Agent shall promptly notify the County of such deficiency, as provided for under Section 12 below.

Section 7. Reports to Issuer. The Escrow Agent shall deliver to the Issuer's County Treasurer an annual statement reflecting each transaction relating to the Escrow Fund; and on or before the first day of July of each year shall deliver to the Issuer a list of assets of the Escrow Fund as of June of said year ended and a transaction statement for the Escrow Fund for the year then ended.

Section 8. Fees of Escrow Agent. The Escrow Agent agrees with the Issuer that the charges, fees and expenses of the Escrow Agent throughout the term of this Agreement shall be the total sum of ____ Hundred Dollars (\$____) payable on the date of closing, which charges, fees and expenses shall be paid from moneys deposited with the Escrow Agent from bond proceeds.

Section 9. Payments from Escrow Fund. The Escrow Agent shall without further authorization or direction from the Issuer, collect the principal of and interest on the Investment

Securities promptly as the same shall become due and, to the extent that Investment Securities and moneys are sufficient for such purpose, shall make timely payments out of the Escrow Fund to the proper paying agent or agents or their successors for the Refunded Bonds, of moneys sufficient for the payment of the principal of, premium (if any) and interest on such Refunded Bonds as the same shall become due and payable, all as set out in *APPENDIX IV and APPENDIX V*. The payments so forwarded or transferred shall be made in sufficient time to permit the payment of such principal of, premium (if any) and interest by such paying agent or agents without default. The Issuer represents and warrants that the Escrow Fund will be sufficient to make the foregoing and all other payments required under this Agreement. The paying agent for the Prior Bonds is shown in *APPENDIX I*.

When the aggregate total amount required for the payment of principal of, premium (if any) and interest on the Refunded Bonds have been paid to the paying agent as provided above, the Escrow Agent shall transfer any moneys or Investment Securities then held under this Agreement for the Refunded Bonds to the Issuer, and this Agreement shall cease.

Section 10. Interest of Bondholders Not Affected. The Escrow Agent and the Issuer recognize that the holders from time to time of the Refunded Bonds have a beneficial and vested interest in the Investment Securities and moneys to be held by the Escrow Agent as provided in this Agreement. It is therefore recited, understood and agreed that this Agreement shall not be subject to revocation or amendment and no moneys on deposit in an Escrow Fund for the Refunded Bonds can be used in any manner for another series.

Section 11. Escrow Agent Not Obligated. None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own moneys or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers under this Agreement. The Escrow Agent shall be under no liability for interest on any funds or other property received by it under this Agreement, except as expressly provided.

Section 12. Payment of Other Amounts. The Issuer agrees that it will promptly and without delay remit to the Escrow Agent such additional sum or sums of money as may be necessary to assure the payment of any Refunded Bonds and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement that are in excess of the sums provided for under Sections 4 and 6 above.

Section 13. Segregation of Funds. The Escrow Agent shall hold the Investment Securities and all moneys received by it from the collection of, principal and interest on the Investment Securities, and all moneys received from the Issuer under this Agreement, in a separate escrow account.

Section 14. Resignation of Escrow Agent. The Escrow Agent may resign as such following the giving of thirty (30) days prior written notice to the Issuer. Similarly, the Escrow Agent may be removed and replaced following the giving of thirty (30) days prior written notice to the Escrow Agent by the Issuer. In either event, the duties of the Escrow Agent shall terminate thirty (30) days after the date of such notice (or as of such earlier date as may be

mutually agreeable); and the Escrow Agent shall then deliver the balance of the Escrow Fund then in its possession to a successor Escrow Agent as shall be appointed by the Issuer.

If the Issuer shall have failed to appoint a successor prior to the expiration of thirty (30) days following the date of the notice of resignation or removal, the then acting Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief and any such resulting appointment shall be binding upon the Issuer.

Upon acknowledgment by any successor Escrow Agent of the receipt of the then remaining balance of the Escrow Fund, the then acting Escrow Agent shall be fully released and relieved of all duties, responsibilities, and obligations under this Agreement.

Section 15. Benefit. This Agreement shall be for the sole and exclusive benefit of the Issuer, the Escrow Agent and the holders of the Refunded Bond. With the exception of rights expressly conferred in this Agreement, nothing expressed in or to be implied from this Agreement is intended or shall be construed to give to any person other than the parties set forth above, any legal or equitable right, remedy or claim under or in respect to this Agreement.

Section 16. Counterparts. This Escrow Agreement may be executed in counterparts, in which case it shall be deemed executed when each party has signed at least one counterpart and the counterpart(s) signed by each party together shall constitute one and the same document. The facsimile transmission by one party to the other of a counterpart signed by the transmitting party shall authorize the other party to rely upon the facsimile for all purposes.

Section 17. Severability. If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions contained in this Agreement or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 18. Notices. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by facsimile transmission, except reports as required in Section 7 which may be delivered by regular mail, as follows:

If to the Issuer:

If to the Escrow Agent:

The Huntington National Bank
Corporate Trust
Attention: Ellen Campbell
40 Pearl Street NW
Grand Rapids, MI 49503

The Issuer and the Escrow Agent may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent and shall be required to provide written notification of said address change.

Section 19. Costs of Issuance. Simultaneously with the transfer of bond proceeds from the Refunding Bonds establishing the Escrow Fund, sufficient moneys from bond proceeds shall be transferred to the Escrow Agent and used to pay all of the costs of issuance for the Refunding Bonds including, but not limited to, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing. All such costs shall be authorized by the Issuer, under the “*Closing Memorandum*”, and shall be paid on March 16, 2021.

Section 20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it by their duly authorized officers as of the date first above written.

LEELANAU COUNTY

By: _____

Its: Treasurer of the County

as Escrow Agent

By: _____

Its: _____

APPENDIX I

\$_____

REMAINING ORIGINAL DEBT SERVICE SCHEDULE

Bond Registrar and Paying Agent:

APPENDIX II

[FORM OF NOTICE OF REDEMPTION]

NOTICE OF REDEMPTION

\$ _____

Dated as of _____

DUE _____ 1, _____ THROUGH _____ 1, _____

NOTICE IS HEREBY GIVEN that the Leelanau County, _____, Michigan has called for redemption, on _____ 1, _____ (the "Redemption Date"), all of the callable outstanding _____ pursuant to the redemption provisions contained in the Bonds, bearing the original issue date of _____ 1, _____ maturing in the principal amounts, on the dates, bearing interest at the rates, with the "CUSIP" numbers, as follows:

<u>Principal</u>	<u>Rate</u>	<u>CUSIPS*</u>	<u>Due</u>
------------------	-------------	----------------	------------

Said Bonds will be redeemed at _____% of the par value thereof.

Said Bonds should be surrendered for redemption to _____, as paying agent, for payment as of the Redemption Date, after which date all interest on said Bonds shall cease to accrue, whether said Bonds are presented for payment or not.

Bonds may be surrendered for payment as indicated below. The method of delivery is at the option of the holder, but if by mail, registered mail is suggested.

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983 and the Comprehensive National Energy Policy Act of 2002, paying agents making payments of principal on municipal securities may be obligated to withhold a 31% tax from remittances to individuals who have failed to furnish the paying agent with a certified and valid Taxpayer Identification Number on a fully completed Form W-9. Holders of the above described Bonds, who wish to avoid the application of these provisions, should submit certified Taxpayer Identification Numbers on I.R.S. Form W-9 when presenting their securities for redemption.

* No representation is made as to the correctness of the CUSIP numbers either as printed on the Bonds or as contained herein.

LEELANAU COUNTY, _____, MICHIGAN

APPENDIX III

\$ _____

Dated as of _____

**Investment Securities to be Acquired Pursuant
to the Escrow Agreement**

<u>Purchase</u>	<u>Investment</u>			
<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Investment Type</u>

_____ Uninvested Cash

\$ _____ Total Escrow Requirement

APPENDIX IV

\$ _____

Dated as of _____

Redemption Schedule

Redemption Premium: _____%

Date	Principal	Interest	Redeemed Principal	Redemption Premium	Total Debt Service	Annual Total

APPENDIX V

\$ _____

Dated as of _____

ESCROW CASH FLOW ANALYSIS

__-__-__ Beginning Cash Balance: \$__

	Beginning							Ending	
Date	Cash Balance	SLG Principal	SLG Rate	SLG Interest	Total	Debt Service Defeasance	Net Cash Flow	Cash Balance	_____ % Present Value

Total Cost of Escrow Securities: \$ _____