

COUNTY OF TUSCOLA

At a regular meeting of the Board of Commissioners of the County of Tuscola, Michigan, held on the 27th day of August, 2015, at 7:30 a.m., Eastern Daylight Savings Time, at the H.H. Purdy Building in Caro, Michigan there were:

PRESENT: District 1 Commissioner Roger Allen, District 2 Commissioner Thomas Bardwell, District 4 Commissioner Craig Kirkpatrick, District 5 Commissioner Matthew Bierlein.

ABSENT: District 3 Commissioner Christine Trisch

The following preambles and resolution were offered by Comm. Allen and Comm. Bierlein seconded by _____:

**BOND RESOLUTION AUTHORIZING THE COUNTY OF TUSCOLA
TO ISSUE THE COUNTY OF TUSCOLA PENSION OBLIGATION BONDS, SERIES
2015 (GENERAL OBLIGATION LIMITED TAX)**

WHEREAS the County of Tuscola, Michigan (the "County") currently provides pension benefits to qualified retirees and/or their spouses and dependents, as provided by the County and its policies; and

WHEREAS, an amendment to Public Act No. 34 of the Public Acts of 2001, as amended ("Act 34") enacted in October of 2012 permits the County to issue Bonds for the purpose of providing funds to fund the unfunded portion of the County's pension obligations which are described in Appendix A (the "Project"); and

WHEREAS, it has been estimated that the Project will extend for approximately 20 years and that the cost of the Project and issuing the Bonds will not exceed \$9,000,000 to be provided by the proceeds from the sale of Bonds by the County pursuant to Act 34; and

WHEREAS, the Controller/Administrator (the "Controller/Administrator") will, before the County issues any series of the Bonds, prepare and make available to the public a comprehensive plan which will include all of the requirements set forth in Section 518 subsection (4) of Act 34; and

WHEREAS, the County proposes to approve the Project and to incur new taxable debt to finance a portion of the costs of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF TUSCOLA, MICHIGAN, AS FOLLOWS:

1. **Bond Details:** Pursuant to Section 518 of Act 34, the Bonds of the County, aggregating not to exceed the principal sum of not to exceed \$9,000,000 shall be issued in one or more series for the purpose of defraying the County's portion of the cost of the Project. The Bonds shall be known as "County of Tuscola Pension Obligation Bonds, Series 2015 [and if more than one series is issued the additional series shall be designated by the date 2015 and the letter of the alphabet starting with "A"] (General Obligation Limited Tax)" (the "Bonds") and shall be dated November 1, 2015 or such earlier or later date as the Controller/Administrator or his designee shall provide by order. If the Bonds are delivered in 2016 the series shall reflect that year. 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 Controller/Administrator, regardless of rate and maturity date. The Bonds of each series shall mature as directed by the Controller/Administrator or his designee in his signed order.

The maximum amount of Bonds in one or more series shall not exceed the amount necessary for the County to complete the Project.

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

Once the Controller/Administrator signs an order for any series of Bonds, the official Notice of Sale attached as EXHIBIT B shall be completed in accordance with such order.

2. **Discount:** The Bonds may be offered for sale at a price of not less than 99% or more than 101% of the face amount thereof, and the Controller/Administrator is authorized, in his discretion, to provide for a higher or lower minimum or maximum purchase price in the Notice of Sale for the Bonds.

3. **Interest Payment and Date of Record:** The Bonds shall bear interest payable as set forth in the order signed by the Controller/Administrator in accordance with paragraph 1 of this resolution, which interest shall not exceed 6% per annum. Interest shall be paid by check or draft mailed to the registered owner of each Bond as of the applicable date of record, provided, however, that the County Controller/Administrator may agree with the bond registrar on a different method of payment. If interest is paid differently, the Bond form attached as EXHIBIT A and Notice of Sale form attached as EXHIBIT B shall be changed accordingly.

The date of record for each interest payment shall be the 15th day of the calendar month preceding the date such payment is due.

4. **Prior Redemption:** The Bonds shall be subject to redemption prior to maturity upon such terms and conditions as shall be determined by order signed by the Controller/Administrator at the time of sale.

5. **Reduction in Aggregate Amount of Bonds:** In the event the cost of the Project and of issuing the Bonds shall be less than the current projections and after this bond resolution has been adopted it shall be determined by the Controller/Administrator that the Project cost shall be less than such estimates, the Controller/Administrator shall reduce the principal amount of the Bonds by \$5,000 denominations, one such denomination for each maturity in any order of maturity, to the extent required to avoid the issuance of more Bonds than will be required in light of the bids received, and the Notice of Sale shall be correspondingly altered.

6. **County Covenant with Bondholders:** The County hereby covenants with the bondholders and the state of Michigan that it will not, after the issuance of the Bonds and while the Bonds are outstanding, rescind the action which it has already taken to close the County's defined benefit plan for the County's Municipal Employees' Retirement System except that the County may reduce benefits of the defined benefit plan for years of service that accrue after the issuance of the Bonds.

7. **Trustee, Bond Registrar and Paying Agent/Book Entry Depository Trust:** The County shall enter into an trust agreement with Huntington National Bank as trustee, to serve as trustee, bond registrar and paying agent for the Bonds (sometimes referred to as the "Bond Registrar") which is a bank 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. The County Controller/Administrator from time to time as required may designate a similarly qualified trustee, bond registrar and paying agent. The Bonds shall be deposited with The Depository Trust Company, New York, N.Y. 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 Controller/Administrator after consultation with the depository trustee.

8. **Transfer or Exchange of Bonds:** Any bond shall be transferable on the bond register maintained by the Bond Registrar with respect to the Bonds upon the surrender of the 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 equal aggregate principal amount

and like interest rate and maturity to the designated transferee or transferees.

Bonds 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.

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.

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 Clerk of the County may, on behalf of the County, execute and deliver, a new Bond having a number not then outstanding, of like date, maturity and denomination as that 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 shall 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; 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 County.

10. **Execution and Delivery:** The Chairperson of the Board of Commissioners and the Clerk of the County 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 Controller/Administrator, 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. **Source of Repayment:** 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. In addition, the Bonds shall be secured by the General Fund of the County and shall be known as "General Obligation Limited Tax Bonds."

12. **Principal and Interest Fund:** All monies set aside by the County toward the cost of the Project shall be kept by the County in a separate fund hereby established, to be known as the "Principal and Interest Fund." All moneys in the Principal and Interest Fund shall be kept in a separate depository account with one or more banks or trust companies where the principal of and interest on the Bonds are payable, and such moneys shall be used solely for the payment of the principal of and interest on the Bonds and expenses incidental thereto. All accrued interest and the premium, if any, received from the purchaser of the Bonds shall be deposited in the Principal and Interest Fund upon receipt.

13. **Project Fund:** There is hereby established a Project Fund with the Paying Agent into which all proceeds of the borrowing shall be deposited, except the accrued interest on the Bonds and premium, if any, received from the purchaser of the Bonds which shall be deposited in the Principal and Interest Fund established above. All moneys in the Project Fund shall be used solely for the payment in full of costs of the Project, including the costs of issuing the Bonds. Simultaneously with the transfer of bond proceeds into the Project Fund, sufficient moneys from bond proceeds shall be transferred to the Paying Agent and used to pay all of the costs of issuance for the 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 County Controller/Administrator. At the time of delivery of any series of Bonds the proceeds shall be deposited with the Paying Agent, who will distribute the amounts needed to carry out the Project, for the County of Tuscola and pay the costs of issuance for any series of Bonds. Surplus

moneys remaining in the Project Fund after completion of the Project and payment in full of the costs of the Project (or provision for such payment) shall be deposited in the Principal and Interest Fund.

14. **Investments:** Moneys in the Principal and Interest Fund and the Project Fund may be continuously invested and reinvested in the United States government obligations, obligations the principal of and interest on which are unconditionally guaranteed by the United States government which are permissible investments for surplus funds under Act No. 20 of the Public Acts of 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than (a) in the case of the Principal and Interest Fund, the dates moneys in such fund will be required to pay the principal of and interest on the Bonds, and (b) in the case of the Project Fund, the estimated dates when moneys in such fund will be required to pay costs of the Project. Obligations purchased as an investment of moneys in the Principal and Interest Fund or the Project Fund, as the case may be, 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.

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

- (a) the whole amount of the principal of 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 and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the principal of and 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 and 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 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 thereof not more than sixty (60) days and nor less than forty-five (45) days prior to the redemption setting forth (x) the date or dates, if any, designated for the redemption of the Bonds, (y) a description of the moneys or Government Obligations so held by it and (z) 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 and 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 of and interest on which are unconditionally guaranteed by, the United States of America.

16. **Filing with Municipal Finance Division:** The Chief Administrative Officer of the County 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;
- (b) file with such application all required supporting material; and
- (c) pay all fees required in connection therewith.

17. **Notice of Sale:** Sealed bids for the purchase of the Bonds shall be accepted up to a time to later be determined by the Controller/Administrator. Notice of the sale shall be published once in accordance with law in the Bond Buyer, in substantially the form attached as EXHIBIT B to this Resolution. The County Controller/Administrator, after conferring with Bond Counsel, may make such changes to the attached Notice of Sale,

or cause it to be published in additional publications, as he deems appropriate.

18. Award of the Bonds. Once all bids are received, the Controller/Administrator or his designee are authorized to award the Bonds to the bidder who bid produces the lowest true interest cost to the County by signing an order in the form attached hereto as EXHIBIT C.

19. Approval of Expenditures. The Controller/Administrator or his designee shall have the authority to approve all expenditures relating to the Project.

20. Completion of Attached Forms. The Controller/Administrator or his designee is authorized fill in the blanks in EXHIBIT A - Form of Bond, EXHIBIT B - Form of Notice of Sale, and EXHIBIT C - Award Order prior to executing and filing these documents with the County Clerk.

21. Comprehensive Pension Plan. Before the County issues any series of the Bonds, the Controller/Administrator or his designee shall prepare and make available to the Public by filing in the office of the County Clerk and posting on the County's web-site all of the following:

(a) An analysis of the current and future obligations of the County with respect to the pension plan of the County.

(b) Evidence that the issuance of the municipal security together with other funds lawfully available will be sufficient to eliminate the unfunded accrued pension liability.

(c) A debt service amortization schedule and a description of actions required to satisfy the debt service amortization schedule.

(d) A certification by the person preparing the plan that the comprehensive financial plan is complete and accurate.

(e) If the proceeds of the borrowing are to be deposited in a pension trust fund, a plan in place from the County to mitigate the increase in pension costs.

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

23. Effective Date. This Resolution shall become effective upon its adoption by the County of Tuscola Board of Commissioners.

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

YES: Comm Bardwell, Comm Kirkpatrick, Comm.
Bierlein, Comm Allen
NO: none
ABSTAIN: none

The resolution was declared adopted.

STATE OF MICHIGAN)
) ss.
COUNTY OF TUSCOLA)

CERTIFICATION

The undersigned, being the Clerk of the County of Tuscola, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the County of Tuscola Board of Commissioners at its regular meeting held on the 27th day of August, 2015, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, and that minutes of such meeting were kept and will be or have been made available as required thereby.

Jodi Gettings
COUNTY CLERK Tuscola County Clerk

DATED: August 27, 2015

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EXHIBIT A

[FORM OF BOND]
UNITED STATES OF AMERICA - STATE OF MICHIGAN
- COUNTY OF TUSCOLA

COUNTY OF TUSCOLA
PENSION OBLIGATION BOND, SERIES 20
(GENERAL OBLIGATION LIMITED TAX)

No. _____

<u>RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUANCE</u>	<u>CUSIP</u>
		_____, 1, _____	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

FOR VALUE RECEIVED, the County of Tuscola, State of Michigan (the "County"), State of Michigan, hereby acknowledges itself indebted and promises to pay (but only from the sources referred to herein) on the Maturity Date specified above, unless paid prior thereto as hereinafter provided, to the Registered Owner specified above, or its registered assigns, the Principal Amount specified above upon presentation and surrender of this Bond at the principal corporate trust office of _____, Michigan, as paying agent and bond registrar (the "Bond Registrar"), together with 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 _____ 1, _____, and semiannually thereafter on the first day of _____ and _____ in each year to and including the Maturity Date or earlier redemption of this Bond. 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 Section 518 of Act No. 34, Public Acts of Michigan, 2001, as amended (the "Act"), for the purpose of

which is located in _____, Michigan (the "Project").

This Bond and the series of which this is one are payable as follows: _____

which are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds. To secure payment of the principal of, premium, if any, and interest on the Bonds. The _____ pledged to the payment of the principal of, premium, if any, and interest on the Bonds 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. The limited tax full faith and credit of the County has been pledged for the making of such payments, and the County is obligated to levy ad valorem taxes in such amounts as shall be necessary for the making of such cash rental payments. HOWEVER, NO TAXES MAY BE LEVIED IN EXCESS OF CONSTITUTIONAL AND STATUTORY LIMITS. In addition, the Bonds shall be secured by the General Fund of the County and shall be known as "General Obligation Limited Tax Bonds."

The County hereby covenants with the bondholders and the state of Michigan that it will not, after the issuance of the Bonds and while the Bonds are outstanding, rescind the action which it has already taken to close the County's defined benefit plan for the County's Municipal Employees' Retirement System except that the County may reduce benefits of the defined benefit plan for years of service that accrue after the issuance of the Bonds.

{The Bond shall be subject to redemption prior to maturity upon such terms and conditions as shall be determined by the Controller/Administrator at the time of sale.}

This Bond shall be transferable on the books of the County maintained by the Bond Registrar upon 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 (subject, however, to reimbursement by the County pursuant to the Lease), unless otherwise agreed upon 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 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, as authenticating agent.

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 this series of Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County of Tuscola, State of Michigan by its Board of Commissioners has caused this Bond to be executed in its name with the facsimile signatures of its Chairperson of the Board of Commissioners and its Clerk and 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 TUSCOLA

By:

Chairperson of the Board of

Commissioners

[SEAL]

By:

Clerk

DATE OF AUTHENTICATION:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the series of Bonds designated "County of Tuscola Pension Obligation Bonds, Series 20__ (General Obligation Limited Tax)."

_____, Michigan
as Bond Registrar and Authenticating Agent

By:

Authorized Representative

CERTIFICATE

The above is a true copy of the legal opinion of Axe & Ecklund, P.C., a true copy of which was delivered on the date of delivery of the Bonds to which it relates.

BY:

Clerk

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)

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[FORM OF NOTICE OF SALE]

§
COUNTY OF TUSCOLA, STATE OF MICHIGAN

COUNTY OF TUSCOLA
PENSION OBLIGATION BONDS, SERIES 20__
(GENERAL OBLIGATION LIMITED TAX)

SEALED OR ELECTRONIC BIDS: Sealed written bids for the purchase of the Bonds described herein (the "Bonds") will be received on behalf of the County of Tuscola (the "County") by an agent of the undersigned, at the office of the County _____, _____, Michigan _____ on _____, _____, until _____:____.m., Eastern _____ Time, at which time and place the bids will be publicly opened and read.

In the alternative, sealed written bids will also be received on the same date and until the same time by an agent of the undersigned at the Municipal Advisory Council of Michigan, Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, where they will be publicly opened simultaneously. Bids received at Caro, Michigan will be read first followed by bids received at the alternate location. Bidders may choose either location to present bids and good faith checks, but not both locations.

Any bidder may submit a bid in person to either bidding location. However, no bidder is authorized to submit a FAX bid to Caro, Michigan.

Also in the alternative, electronic bids will also be received on the same date and until the same time by an agent of the undersigned Bidcomp/Parity. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Eric Washington, 1359 Broadway, 2nd floor, New York, New York, 10018, (212) 849-5021.

If any provision of this Notice of Sale shall conflict with information provided by Bidcomp/Parity as the approved provider of electronic bidding services, this Notice of Sale shall control.

The Bonds will be awarded or all bids will be rejected by the County Controller/Administrator at a proceeding to be held within twenty-four hours of the sale.

BOND DETAILS: The Bonds will 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, not exceeding the aggregate principal amount for each maturity, dated _____ 1, _____, numbered from 1 upwards and will bear interest from their date of issuance payable on _____ 1, _____ and semiannually

thereafter on each ____ 1 and _____ 1 until maturity. The Bonds will mature on ____ 1 of each year as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>
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PRIOR REDEMPTION: [The Bonds shall be subject to redemption prior to maturity upon such terms and conditions as shall be determined by the Controller/Administrator at the time of sale.]

INTEREST RATE AND PROPOSING DETAILS: The Bonds shall bear interest at a rate or rates not exceeding ____% per annum, to be fixed by the proposals therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only. All Bonds maturing in any one year must carry the same interest rate. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR SHALL NOT BE AT A RATE LOWER THAN THE RATE BORNE BY BONDS MATURING IN ANY PRECEDING YEAR. No proposal for the purchase of less than all of the Bonds, at a price less than ____% of their par value or at an interest rate or rates that will result in a net interest cost of more than ____% per annum, will be considered.

TERM BOND OPTION: Bonds maturing in the years ____-____, inclusive, are eligible for designation by the original purchaser at the time of sale as serial Bonds or term Bonds, or both. There may be more than one term bond maturity. However, principal maturities designated as term Bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on _____ 1st of the year in which the Bonds are presently scheduled to mature. Each maturity of term Bonds and serial Bonds must carry the same interest rate. Any such designation must be made at the time the proposals are submitted.

BOOK-ENTRY-ONLY: The Bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. The book-entry-only system is described further in the nearly final official statement for the Bonds.

BOND REGISTRAR, PAYING AGENT AND DATE OF RECORD:

_____ has been selected as bond registrar and paying agent (the "Bond Registrar") for the Bonds. The Bond Registrar will keep records of the registered holders of the Bonds, serve as transfer agent for the Bonds, authenticate the original and any re-issued Bonds and pay interest by check or draft mailed to the registered holders of the Bonds as shown on the registration

books of the County kept by the Bond Registrar on the applicable date of record. The date of record for each interest payment shall be the 15th day of the month before such payment is due. The principal of and redemption premium, if any, on the Bonds will be paid when due upon presentation and surrender thereof to the Bond Registrar. As long as DTC, or its nominee Cede & Co., is the registered owner of the Bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants and indirect participants as described in the nearly final official statement for the Bonds. The County may from time to time as required designate a successor bond registrar and paying agent.

ADJUSTMENT IN PRINCIPAL AMOUNT: The aggregate principal amount of this issue has been determined as the amount necessary to retire the Refunded Bonds and pay a portion or all of the costs of issuance of the Bonds, assuming certain conditions and events exist on the date of sale. Following receipt of bids and prior to final award, the County reserves the right to increase or decrease the aggregate principal amount of the issue by any amount. The increase or decrease will be in increments of \$5,000 and may be made in any maturity or maturities. The purchase price will be adjusted proportionately to the reduction in issue size, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw the bid as a result of any changes made within these limits.

If no bid results in debt service savings acceptable to the County when the proceeds are used to provide for the refunding of the Refunded Bonds, the County may reject all bids and negotiate with one or more of the bidders for the sale of the bonds on terms which will enable the County to achieve debt service savings acceptable to the County.

ADJUSTMENT IN DISCOUNT OR PREMIUM: In the event the principal amount of this issue is increased or decreased, the discount or premium bid, if any, will be adjusted so that it is the same percent as the discount or premium originally bid.

PURPOSE AND SECURITY: The Bonds are to be issued pursuant to Section 518 of Act No. 34, Public Acts of Michigan, 2001, as amended (the "Act"), for the purpose of (the "Project"). 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 of and interest on the Bonds, together with the other taxes levied for the same year, shall not exceed the limit authorized by law and the Michigan Constitution. In addition, the Bonds shall be secured by the General Fund of the County.

GOOD FAITH CHECK: A certified or cashier's check drawn upon an incorporated bank or trust company or a wire transfer in an amount equal to 2% (\$____) of the face amount of the Bonds, and payable to the order of the County Controller/Administrator will be required of the successful proposer as a guarantee of good faith on the part of the proposer, to be forfeited as liquidated damages if such proposal be accepted and the proposer fails to take up and pay for the Bonds. If a check is used, it must accompany each proposal. If a wire transfer is used, the successful proposer is required to wire the good faith deposit not later than Noon, prevailing Eastern Time, on the next business day following the sale using the wire instructions provided by Municipal Financial Consultants Incorporated. The good faith deposit will be applied to the purchase price of the Bonds. No interest shall be allowed on the good faith checks, and checks of each unsuccessful proposer will be promptly returned to such proposer's representative or by registered mail. The good faith check of the successful proposer will be cashed immediately, in which event, payment of the balance of the purchase price of the Bonds shall be made at the closing.

AWARD OF THE BONDS - TRUE INTEREST COST: The Bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on _____ 1, _____ and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to _____ 1, _____ in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the County, computed in the manner specified above.

LEGAL OPINION: Proposals shall be conditioned upon the approving opinion of Axe & Ecklund, P.C., Grosse Pointe Farms, Michigan (the "Bond Counsel"), a copy of which will be printed on the reverse side of each bond and the original of which will be furnished without expense to the Purchaser of the Bonds at the delivery thereof. The fees of Bond Counsel for its services in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue such opinion and as described in the official statement, Bond Counsel has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, marketing or issuance of the Bonds and, therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of the official statement or any such financial documents, statements or materials.

TAXATION OF BONDS:

A. Federal Income Taxes: In the opinion of Bond Counsel, the interest on the Bonds is includable in gross income of the holders of the Bonds for federal income tax purposes, as described in the opinion.

B. State Taxes: In the opinion of Bond Counsel, interest and income from the Bonds are exempt from taxation by the State of Michigan or a political subdivision of the State of Michigan.

DELIVERY OF BONDS: The County will furnish Bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o'clock noon, Eastern Time, on the 45th day following the date of sale or the first business day thereafter if the 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the Bonds, withdraw its bid by serving written notice of cancellation on the undersigned, in which event the County shall promptly return the good faith deposit. Payment for the Bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the Bonds shall be paid by the purchaser at the time of delivery. Unless the purchaser of the Bonds furnishes the Bond Registrar with a list of names and denominations in which it wishes to have the Bonds issued at least ten (10) business days before delivery of the Bonds, the Bonds will be delivered in the form of one bond for each maturity, registered in the name of the purchaser.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE: In order to assist proposers in complying with SEC Rule 15c2-12, as amended, the County will covenant to undertake (pursuant to a resolution adopted or to be adopted by its governing body), to provide annual reports and timely notice of certain events for the benefit of beneficial owners of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the County, a form of which is included in the nearly final official statement and in the final official statement.

OFFICIAL STATEMENT:

Hard Copy

A copy of the nearly final official statement (the "Nearly Final Official Statement") may be obtained by contacting Municipal Financial Consultants Incorporated at the address listed below. The Nearly Final Official Statement is in a form deemed final as of its date by the County for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and

completion of a final official statement (the "Final Official Statement"). The successful proposer shall supply to the County within twenty-four hours (24) after the award of the Bonds, all pricing information and any underwriter identification determined by Bond Counsel to be necessary to complete the Final Official Statement.

Internet

In addition, the County has authorized the preparation and distribution of a Nearly Final Official Statement containing information relating to the Bonds via the Internet. The Nearly Final Official Statement can be viewed and downloaded at www.i-dealprospectus.com/PDF.asp?doc= or www.tm3.com.

The County will furnish to the successful proposer, at no cost, 125 copies of the Final Official Statement within seven (7) business days after the award of the Bonds. Additional copies will be supplied upon the proposer's agreement to pay the cost incurred by the County for those additional copies.

The County shall deliver at closing an executed certificate to the effect that as of the date of delivery the information contained in the Final Official Statement, including revisions, amendments and completions as necessary, relating to the County and the Bonds is true and correct in all material respects, and that such Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make statements therein, in light of the circumstances under which they were made, not misleading.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers nor any improperly printed number shall constitute cause for the purchaser to refuse to accept delivery of, or to pay for the Bonds. All expenses for printing CUSIP numbers on the Bonds will be paid by the County, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and paid for by the purchaser.

ADDITIONAL INFORMATION: Further information may be obtained from the undersigned at the address specified above or from Meredith A. Shanle, Municipal Financial Consultants Incorporated, 21 Kercheval Ave., Suite 360, Grosse Pointe Farms, Michigan 48236, telephone (313) 884-9824.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES: Envelopes containing the bids should be plainly marked "Bid for County of Tuscola Pension Obligation Bonds, Series 20__ (General Obligation Limited Tax)"

Las.r2a-tus42 _____, County Controller/Administrator
County of Tuscola

AWARD ORDER
\$ _____
COUNTY OF TUSCOLA
PENSION OBLIGATION BONDS, SERIES 20____
(GENERAL OBLIGATION LIMITED TAX) _____

WHEREAS, on the date of this Order, the bids summarized on EXHIBIT I to the minutes of the proceeding at which this Order was entered (copies of which are attached hereto) for the purchase of the \$_____ principal amount County of Tuscola Pension Obligation Bonds, Series 20____ (General Obligation Limited Tax) (the "Bonds"), to be issued by the County of Tuscola (the "County") were received and publicly opened and read; and

WHEREAS, the following bid produces the lowest interest cost computed by determining, at the rates specified in such bid, the total dollar value of all interest on the Bonds from _____ 1, 20__, to maturity and adding thereto any discount or subtracting therefrom any premium, all as provided in the Notice of Sale:

Bidder: _____
True Interest Rate: _____ %
Premium/
Discount: \$ _____

and the bid submitted by such bidder (the "Purchaser") in all respects conforms to the requirements of the Notice of Sale; and

WHEREAS, the sale of the Bonds was duly authorized and conducted according to law;

NOW, THEREFORE, IT IS ORDERED BY THE COUNTY CONTROLLER/ADMINISTRATOR ON BEHALF OF THE COUNTY as follows:

1. The action of the officials of the County in fixing this date of sale of the Bonds, in dating the Bonds _____ 1, 20__, and in publishing such Notice of Sale as heretofore provided, are hereby ratified and confirmed.

2. The content of the aforementioned Notice of Sale (a copy of which is attached hereto) published in connection with the solicitation of bids for the purchase of the Bonds, is hereby ratified and confirmed.

3. The bid of _____ to purchase the \$_____ aggregate principal amount of the Bonds in the maturities set forth in *EXHIBIT I* at par, plus accrued interest to the date of delivery, less a discount of \$_____ or plus a premium of \$_____ and bearing interest per annum as shown on *EXHIBIT I* with a true interest rate of _____% which bid produces the lowest true interest cost to the County, is hereby accepted, and all other bids (as set forth on *EXHIBIT I*) are hereby rejected and the checks of the unsuccessful bidders are ordered to be returned.

4. I hereby confirm the appointment of _____ as bond registrar, paying agent and escrow agent for the Bonds and hereby shall issue the Bonds in accordance with the terms set forth in the Bond Resolution previously adopted by the Board of Commissioners.

5. All resolutions and parts of resolutions, insofar as the same may be in conflict herewith, are hereby rescinded.

Dated: _____, 20__

Controller/Administrator
on behalf of the County of
Tuscola

las.r2a-tus42

EXHIBIT I

\$ _____
COUNTY OF TUSCOLA
PENSION OBLIGATION BONDS, SERIES 20 ____
(GENERAL OBLIGATION LIMITED TAX) ____

Sale Date: _____, 20____ Good Faith Check: \$ _____
Time: _____:____.m., EDST Discount: \$ _____
Dated: _____ 1, 20____ Maximum Interest: _____%

Maturities - Due 1

YEAR AMOUNT YEAR AMOUNT YEAR AMOUNT

Bidder: _____

20____ % 20____ % Premium/
20____ % 20____ % Discount: \$ _____
20____ % 20____ % True Int Rate: _____ %
20____ % 20____ %
20____ % 20____ %
20____ % 20____ %
20____ % 20____ %

Bond Counsel
AXE & ECKLUND, P.C.
Grosse Pointe Farms, Michigan

APPENDIX A

Project Description

The Project consists of a plan to fully fund what are currently partly un-funded pension obligations paid by the County on behalf of County employees who retire from County service and who have the adequate vesting and service benefit level requirements. The current unfunded actuarial accrued liability is approximately \$8,800,000 as of December 31, 2014. The County will issue the bonds pursuant to Public Act No. 329 of the Public Acts of Michigan of 2012, which amends Public Act No. 34 of the Public Acts of Michigan of 2001 and enables the County to issue general obligation limited tax bonds for this purpose.

Cost Estimates

Funds to Finance the Project
& Financing Costs (Including Bond
Discount, and Contingency) **Not to exceed \$9,000,000**

Maximum amount of Bonds to be issued: \$9,000,000

Maximum term of bond issue: 20 years

las.r2a-tus42