

**CITY OF BUCHANAN
(Berrien County, Michigan)**

RESOLUTION NO. _____

RESOLUTION APPROVING BUILDING AUTHORITY LEASE AND NOTICE

Minutes of a regular meeting of the City Commission of the City of Buchanan, Berrien County, Michigan, held in the City Hall on _____, 2021, at _____ p.m. local time.

PRESENT: _____

ABSENT: _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City of Buchanan (the “City”), has established the City of Buchanan Building Authority (the “Building Authority”) pursuant to Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended (the “Act”); and

WHEREAS, a proposed Full Faith and Credit General Obligation Lease Contract providing for the lease by the City from the Building Authority of new department of public works facilities (the “Lease Contract”), and the design, acquisition, and construction of new department of public works facilities and the purchase and installation of furnishings and equipment, together with parking, site improvements, detention ponds for water management and flood plain mitigation and appurtenant properties and facilities necessary or convenient for the effective use thereof (the “Facilities”), has been presented to and reviewed by the City Commission; and

WHEREAS, the Lease Contract shall not become effective until 60 days after a Notice of Intent to enter into the Lease Contract has been published in a newspaper of general circulation in the City, pursuant to Section 8(b) of the Act; and

WHEREAS, the Building Authority will issue Building Authority Bonds in the amount of not to exceed \$5,570,000 to finance the Facilities (the “Bonds”).

NOW, THEREFORE, BE IT RESOLVED that:

1. The Lease Contract, in the form attached as Exhibit A, is approved and the Mayor and the Clerk of the City are authorized and directed to execute the Lease Contract on behalf of the City, with such changes, additions, and completions as they shall approve.

2. The obligations of the City in the Lease Contract shall be the limited tax, full faith and credit, general obligation of the City. However, any tax levy by the City to meet these obligations is subject to applicable charter, statutory, and constitutional limitations on the taxing power of the City.

3. The Clerk is authorized and directed to publish a Notice of Intent to enter into the Lease Contract in the *Niles Daily Star*, a newspaper of general circulation in the City determined to be the newspaper reaching the largest number of persons to whom such Notice is directed, which Notice shall be in substantially the form attached as Exhibit B.

4. The Mayor, the City Manager, the Clerk, and the Treasurer, or any one of them, are authorized and directed to take all actions and to execute any agreements, documents, conveyances, including conveyance of such interest in the site or sites on which the facilities are located, by quit claim deed or lease or otherwise, to the Building Authority, as is necessary to finance the Facilities pursuant to the Act, certificates, insurance contracts, rating applications and other applications or instruments necessary to complete the transactions provided for in the Lease Contract or necessary for the issuance of the Bonds.

5. The Mayor, the City Manager, the Clerk, and the Treasurer of the City, or any one of them, are authorized and directed to execute a continuing disclosure certificate on behalf of the City in a form satisfactory to the Authority's bond counsel, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

6. The Mayor, the City Manager, and the Treasurer of the City, or any one of them, are authorized and directed to participate in the preparation of a preliminary and final Official Statement with respect to the Bonds, and to sign any documents or certificates required thereby.

7. The Mayor, the City Manager, the Clerk, and the Treasurer of the City, or any of them, are authorized and directed to take all actions and to execute any agreements, documents, conveyances, certificates, and other applications or instruments necessary for the issuance of the Bonds, including, without limitation, an Application for State Treasurer's Approval to Issue Long-Term Securities and the submission of any supporting or related documents.

8. The City and the Building Authority may proceed to acquire and construct the Facilities using available funds of the City from the general fund, a fund for the general operations of the City and other funds of the City.

9. At such time as the Building Authority issues the bonds for the long-term financing of the Improvements, the City shall be reimbursed for its expenditures for the Improvements out of the proceeds of the bonds.

10. This resolution and the expression of intent to seek reimbursement from future proceeds of the bonds is intended to satisfy the requirements of Section 150 of the Internal Revenue Code of 1986, as amended.

11. This resolution shall take effect upon passage by the City Commission.

YEAS: _____

NAYS: _____

ABSTAIN: _____

RESOLUTION DECLARED ADOPTED.

Kalla Langston, Clerk
City of Buchanan

CERTIFICATION

I, Kalla Langston, hereby certify that the foregoing is a true and complete copy of a resolution adopted by said City Commission of the City of Buchanan at a regular meeting held on _____, 2021, and that public notice of said meeting was given pursuant to Act 267, Public Acts of Michigan, 1976, including, in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting

Kalla Langston, Clerk
City of Buchanan

EXHIBIT A

[Form of Lease Contract Attached.]

EXHIBIT B

[NOTE TO PUBLISHER – Publish at ¼ page size]

FORM OF NOTICE

TO THE ELECTORS AND TAXPAYERS OF THE
CITY OF BUCHANAN, MICHIGAN

NOTICE OF INTENT TO ENTER INTO A LEASE CONTRACT
WITH THE CITY OF BUCHANAN BUILDING AUTHORITY
PLEDGING THE CITY'S LIMITED TAXING POWER

PLEASE TAKE NOTICE that the City Commission of the City of Buchanan, Michigan (the "City") intends and has resolved to enter into a Lease Contract with the City of Buchanan Building Authority (the "Building Authority"), pursuant to which the Building Authority shall sell bonds (the "Bonds") in an amount not to exceed \$5,570,000, for the purpose of defraying the cost of the design, acquisition, and construction of new department of public works facilities and the purchase and installation of furnishings and equipment, together with parking, site improvements, detention ponds for water management and flood plain mitigation and appurtenant properties and facilities necessary or convenient for the effective use thereof (the "Project").

SOURCE OF PAYMENT

LIMITED TAX FULL FAITH AND CREDIT OF THE CITY

NOTICE IS FURTHER GIVEN that in the contract of lease, the City will obligate itself to make cash rental payments to the Building Authority in amounts sufficient to pay the principal of and interest on the Bonds to be issued by the Building Authority and that the full faith and credit of the City will be pledged for the making of the cash rental payments as a limited tax first budget obligation. Pursuant to the pledge of its full faith and credit, the City will be required in each fiscal year to include in its general fund budget and to appropriate such amounts as shall be necessary to make the cash rental payments to the extent other moneys, are not available to make the cash rental payments. In no event may the City levy ad valorem taxes for the purpose of paying the cash rental payments or for the Project in amounts in excess of the rates permitted by charter, constitutional, and statutory limitations on the taxing power of the City. In addition to its obligation to make cash rental payments, the City will agree, in the contract of lease, to pay the costs and expenses of operating and maintaining the Project to the extent other funds are not sufficient.

RIGHT OF REFERENDUM

The Lease Contract will become effective without a vote of the electors thereon, after the expiration of sixty (60) days following the publication of this notice, unless petitions requesting an election on the question of whether the Lease Contract should be effective, signed by not less than 10% or 15,000 of the registered electors in the City, whichever is less, are filed with the City Clerk within forty-five (45) days after the date of this publication, in which case the Lease Contract shall not become effective unless approved by a majority of the electors of the City qualified to vote and voting thereon.

A copy of the Lease Contract is on file at the office of the City Clerk.

THIS NOTICE is given pursuant to the requirements of Section 8b of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended.

Kalla Langston, Clerk
City of Buchanan