

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

Resolution No. _____

**RESOLUTION TO AUTHORIZE
ISSUANCE OF BUILDING AUTHORITY BONDS**

Minutes of a special meeting of the Commission of the City of Buchanan Building Authority, Berrien County, Michigan, held in the Buchanan City Hall, 302 N. Redbud Trail, Buchanan, Michigan, on _____, 2022, at _____ .m., local time.

PRESENT: _____

ABSENT: _____

The following resolution was offered by Commissioner _____ and supported by Commissioner _____:

WHEREAS, the City of Buchanan Building Authority (the "Authority"), has been duly incorporated by the City of Buchanan, Berrien County, Michigan (the "City"), pursuant to the provisions of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended (the "Act"), for the purpose of acquiring, furnishing, equipping, owning, improving, enlarging, operating and/or maintaining a building or buildings, parking lots or structures, and the necessary site or sites therefor, together with appurtenant properties and facilities necessary and convenient for the effective use thereof, for lease to and use by the City for a legitimate public purpose; and

WHEREAS, the Authority, pursuant to the authority granted to it by the Act and its Articles of Incorporation, proposes to design, acquire, and construct 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 "Improvements") for use as department of public works facilities (the "Facilities") to be leased by the Authority to the City pursuant to a Full Faith and Credit General Obligation Lease Contract (the "Lease Contract"); and

WHEREAS, the total cost of the Improvements is estimated note to exceed Five Million Dollars (\$5,000,000) which will include the cost of construction of the Improvements, architect's fees, legal and financing fees and contingencies; and

WHEREAS, the estimated period of usefulness of the Improvements is determined to be in excess of thirty (30) years; and

WHEREAS, the Authority proposes, in accordance with the authorization contained in the Act, to provide at this time for the issuance of its building authority bonds in the aggregate principal amount of not to exceed \$5,000,000 to defray the cost of the Improvements; and

WHEREAS, the Authority and the City will enter into the Lease Contract for the leasing of the Facility, and the Lease Contract is incorporated herein by reference as if set forth in full and made a part of this Resolution; and

WHEREAS, all things necessary to the authorization and issuance of the building authority bonds under the provisions of the Constitution and Laws of the State of Michigan, and particularly the Act, have been done, and the Authority is now empowered and desires to authorize the issuance of building authority bonds.

NOW, THEREFORE, BE IT HEREBY RESOLVED as follows:

1. NECESSITY. It is necessary and advisable for the Authority to acquire and construct the Improvements as authorized in the Lease Contract and issue bonds of the Authority, pursuant to the Act to finance construction of the Improvements.

2. ESTIMATED COST - PERIOD OF USEFULNESS. The total cost of the Improvements, including the payment of architect's fees, legal and financial expenses and other expenses incident to the financing of the Improvements, which is estimated to be \$5,000,000, is hereby approved and confirmed, and the estimated period of usefulness of the Improvements is determined to be in excess of thirty (30) years.

3. LEASE CONTRACT. The Lease Contract, in substantially the form attached as Exhibit A, is approved with such changes as are approved by the officers of the Authority signing the Lease Contract, and any one or more of the officers of the Authority are authorized and directed to execute the Lease Contract on behalf of the Authority.

4. ISSUANCE OF BONDS. To defray all or a portion of the cost of the Improvements approved above, the Authority shall issue its bonds known as Building Authority Bonds, Series 2022 (the "Bonds") in the aggregate principal sum of not to exceed \$5,000,000, as finally determined by the Authorized Officer (defined below) at the time of sale. The balance of the cost of the Improvements, if any, shall be paid by grants or funds appropriated by the City or the Authority.

5. BOND TERMS. The Bonds shall be issued in fully registered form as to both principal and interest, in the denomination of \$5,000 each, or any whole multiple thereof or such

other denominations determined by the Authorized Officer. The Bonds shall be numbered consecutively in the order of their registration, shall be dated the date of delivery or such other date approved by the Authorized Officer, and shall be payable serially or as term bonds on August 1 as determined by the Authorized Officer at the time of sale. The Bonds shall bear interest as determined by the Authorized Officer, payable semiannually on the first (1st) day of February and August of each year, commencing February 1, 2023. The Authorized Officer may determine and alter the bond terms within the parameters of this resolution as hereafter provided.

6. PAYMENT OF PRINCIPAL AND INTEREST. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America to the person appearing on the Bond registration books as the registered owner thereof. Payment of principal on the Bonds shall be made at the principal office of the Paying Agent (defined below), upon surrender of the Bonds. Payment of interest on the Bonds shall be paid to the registered owner at the address as it appears on the registration books as of the determination date. Initially, the determination date shall be the date as of the fifteenth (15th) day of the month prior to the payment date for each interest payment; however, the determination date may be changed by the Authority to conform to market practice.

7. SECURITY FOR BONDS.

(a) Pledge of Cash Rental Payments – Lien. The Bonds are issued in anticipation of semiannual cash rental payments to be made to the Authority by the City pursuant to paragraph 3 of the Lease Contract (the Cash Rental Payments”). The Cash Rental Payments are the limited tax, full faith and credit, contractual general obligations of the City pursuant to the Lease Contract subject to constitutional, statutory and charter limitations on the taxing power of the City. The Bonds shall not be a general obligation or constitute an indebtedness of the Authority, but shall be payable solely from the Cash Rental Payments received by the Authority pursuant to the Lease Contract. To secure the payment of the principal of and interest on the Bonds, all of the Cash Rental Payments are hereby pledged solely and only for the payment of the Bonds, and a statutory first lien is established against the Cash Rental Payments for such purpose to and in favor of the holders of the Bonds. The rights or remedies of bondholders may be affected by bankruptcy laws or other creditors’ rights legislation now existing or hereafter enacted.

(b) Remedies. The holder or holders of Bonds representing in the aggregate not less than twenty percent (20%) of the entire issue then outstanding may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce the statutory first lien described above, and enforce and compel the performance of all duties of the Authority, or its officers, including, but not limited to, compelling the City to make the Cash Rental Payments, the proper segregation and application thereof as required by this Resolution, and all other duties required to be performed by the Authority pursuant to the Lease Contract and this Resolution.

If there be any default in the payment of the principal of or interest upon any of the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the Facility on behalf of the Authority, under the direction of the court, and by and with the approval of the court, to perform all of the duties of the Authority and its officers more particularly set forth in the Lease Contract, this Resolution and in the Act.

(c) Operation of Facility. Pursuant to the terms of the Lease Contract, the duty to provide for the operation, maintenance and management of the Facility shall be the obligation of the City. The Lease Contract constitutes a “net lease” and the Cash Rental Payments shall not be diminished or offset by any other expenses.

(d) Operating Year. The project shall be operated on the basis of a fiscal year commencing July 1 of each year and ending on June 30 of that year.

(e) Rentals. The Cash Rental Payments provided by the Lease Contract are hereby established and fixed as the rentals to be charged to the City for the use of the Facility. The Cash Rental Payments are estimated to be sufficient to provide for the payment of the principal of and interest on the Bonds as and when the same become due and payable. The Cash Rental Payments shall not be discontinued until such time as all Bonds are paid in full, or sufficient funds for their payment in full have been accumulated. The Cash Rental Payments shall be increased by the Authority, as provided in the Lease Contract, if necessary to meet its obligations on the Bonds.

8. PRIOR REDEMPTION.

(a) Mandatory Redemption. Principal designated as a term bond maturity shall be subject to mandatory redemption, in whole or in part, by lot, at par plus accrued interest,

on the redemption dates and in the amounts determined by the Authorized Officer. When term bonds are purchased by the Authority and delivered to the Paying Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of the term bonds affected shall be reduced by the principal amount of the Bonds so redeemed in the order determined by the Authority.

(b) Optional Redemption. The Bonds shall be subject to optional redemption prior to maturity as determined by the Authorized Officer at the time of sale.

(c) Notice of Redemption. Notice of redemption of Bonds shall be given by mail to the Registered Owners of the Bonds to be redeemed not less than thirty (30) days prior to the date fixed for redemption, addressed to the Registered Owner at the registered address shown on the registration books of the Authority maintained by the Paying Agent. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Paying Agent to redeem the same. So long as the book-entry-only system remains in effect, the Paying Agent will give notice to Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”), and only Cede & Co. will be deemed to be a holder of the Bonds.

9. PAYING AGENT AND REGISTRATION.

(a) Appointment of Paying Agent. From time to time the Authorized Officer shall designate and appoint a paying agent, transfer agent and bond registrar (the “Paying Agent”), which shall also act as transfer agent and bond registrar, and is authorized to remove the Paying Agent and appoint a successor Paying Agent. The initial Paying Agent shall be appointed by the Authorized Officer. In the event of a change in the Paying Agent, notice shall be given in writing, by certified mail, to each Registered Owner not less than sixty (60) days prior to the next interest payment date. The Paying Agent shall keep the official books for the recordation of the Registered Owners of the Bonds.

(b) Book-Entry-Only Eligible. At the option of the initial purchaser of the Bonds, the Bonds may be issued initially in book-entry-only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for DTC. If this option is selected, 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 integral

multiple thereof, and purchasers will not receive certificates representing their interest in Bonds purchased. Payment of principal and interest will be made by the Paying Agent to DTC. While the Bonds are held in book-entry-only form, then the Bonds shall be transferred in accordance with the procedures established by DTC. So long as the Bonds are registered to DTC or another bond depository, the Paying Agent or bond registrar shall have no responsibility with respect to such transfers. The Authorized Officer shall have the authority from time to time to appoint a successor depository trustee to serve in the place of DTC. While the Bonds are issued in book-entry-only form the Paying Agent shall serve as paying agent only. The Authorized Officer is authorized to sign a Blanket Issuer Letter of Representations or any other related document on behalf of the Authority in such form approved by the Authorized Officer.

(c) Registration Outside of Book-Entry-Only. In the event the book-entry-only system is not selected or is discontinued, the following provisions would apply to the Bonds. Registration of the Bonds shall be recorded in the registration books of the City kept by the Paying Agent. Bonds may be transferred only by submitting the same to the Paying Agent, together with a satisfactory instrument of transfer signed by the Registered Owner or his legal representative duly authorized in writing, after which a new Bond or Bonds shall be issued by the Paying Agent to the transferee (new registered owner) in denominations of \$5,000 or any integral multiple thereof, in the same aggregate principal amount as the Bond submitted for transfer. No transfer of Bonds shall be valid unless and until recorded on the bond registration books in accordance with the foregoing. The person in whose name any bond is registered may for all purposes, notwithstanding any notice to the contrary, be deemed and treated by the Authority and the Paying Agent as the absolute owner thereof, and any payment of principal and interest on any Bond to the Registered Owner thereof shall constitute a valid discharge of the Authority's liability upon such Bond to the extent of such payment. No Bond shall be transferred less than fifteen (15) days prior to an interest payment date nor after the Bond has been called for redemption. So long as the Bonds are registered to DTC or another bond depository, the Paying Agent, acting as bond registrar, shall have no responsibility with respect to such transfers.

10. BOND FORM. The Bonds shall be substantially in the form attached hereto as Exhibit B, and incorporated herein, with such changes as are recommended by the Authority's

Bond Counsel and approved by the officers of the Authority signing the Bonds, whose signature thereon shall be conclusive evidence of such approval.

11. EXECUTION OF BONDS. The Chairperson, the Secretary, and the Treasurer of the Authority, or any commissioner, or any two of them, are hereby authorized and directed to sign the Bonds, either manually or by facsimile signature, on behalf of the Authority. Upon execution, the Bonds shall be delivered to the purchaser thereof upon receipt of the purchase price, plus the accrued interest, if any, to the date of delivery.

12. BONDS MUTILATED, LOST OR DESTROYED. If any Bond shall become mutilated, the Authority at the expense of the holder of the Bond, shall execute, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the Paying Agent of the mutilated Bond. If any Bond issued under this Resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the Paying Agent and, if this evidence is satisfactory to both the Authority and the Paying Agent and indemnity satisfactory to the Paying Agent shall be given, the Authority, at the expense of the owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor, which shall bear the statement required by Act 354, Public Acts of Michigan, 1972, as amended, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof.

13. DETERMINATION OF AUTHORITY. The Authority shall authorize and issue the Bonds, pursuant to the provisions of the Act. The Lease Contract provides that the duty to cause the operation, maintenance and administration of the Facility is the total obligation of the City, as lessee, and thus the Cash Rental Payments provided in the Lease Contract and paid to the Authority are pledged solely for the payment of principal of and interest on the Bonds. Therefore, no Authority operation and maintenance fund is established as there would be no revenues allocable thereto. The Authority, therefore, determines that the plans and procedures herein comply with all substantive provisions of the Act, in that operation and maintenance of the Facility is fully contracted for, and maximum security for the Bonds is provided by a pledge of all of the Cash Rental Payments established in the Lease Contract.

14. BOND PAYMENT FUND. For payment of principal of and interest on the Bonds, there shall be established and maintained a debt service fund for the Bonds (the “Bond Payment Fund”). The accrued interest, if any, and capitalized interest, if any, and such amount of any premium determined by the Authorized Officer received at the time of delivery of the Bonds and any amount of premium determined by the Authorized Officer shall be placed into the Bond Payment Fund. The Cash Rental Payments paid to the Authority by the City shall be deposited, as received, into the Bond Payment Fund. The moneys on deposit in the Bond Payment Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds.

Any moneys remaining in the Bond Payment Fund after the annual payments of principal of and interest on the Bonds shall be considered excess and transferred at such time to a reserve fund established as a reserve for future debt service payments.

15. CONSTRUCTION FUND. Prior to delivery and sale of the Bonds, there shall be established a construction fund (the “Construction Fund”). After deducting the sums which are required to be deposited in the Bond Payment Fund, the balance of the proceeds of the Bonds shall be deposited into the Construction Fund. The moneys on deposit in the Construction Fund from time to time shall be used solely for the purpose for which the Bonds were issued. Any unexpended balance shall be used for such purposes as allowed by law. Any monies remaining in the Construction Fund after payment of all such costs shall be transferred to the Bond Payment Fund. After completion of the Improvements and disposition of any remaining bond proceeds, pursuant to the provisions of this Section, the Construction Fund shall be closed.

16. INVESTMENT OF FUNDS. Moneys in the funds and accounts established herein may be invested by the Authority as allowed by law subject to the limitations imposed by arbitrage regulations and Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder (collectively the “Code”).

17. DEPOSITORY AND FUNDS ON HAND. Monies in the several funds and accounts maintained pursuant to this Resolution may be kept in one or more accounts at financial institutions designated by the Authority, and if kept in one account, the monies shall be allocated on the books and records of the Authority in the manner and at the times provided in this Resolution.

18. COVENANTS. The Authority covenants and agrees with the successive holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest:

(a) The Authority will punctually perform all of its obligations and duties under this Resolution and the Lease Contract herein incorporated, and will collect, segregate and apply the rentals and payments in the manner required under this Resolution and the Lease Contract.

(b) The Authority will maintain and keep proper books of record and account relating to the operation of the Facility and the rentals and payments received therefrom pursuant to the Lease Contract. Not later than six (6) months after the close of each operating year, the Authority will cause to be prepared a statement, in reasonable detail, sworn to by its Treasurer, showing the cash receipts and disbursements during such operating year, the assets and liabilities of the Facility at the beginning and close of the operating year, and such other information as may be necessary to enable any taxpayer or any holder or owner of the Bonds, or anyone acting on their behalf, to be fully informed as to all matters pertaining to the financial operation of the Facility during such year. The Authority shall also cause an annual audit of the books and records for the preceding operating year to be made by a recognized independent certified public accountant, and, if requested, shall furnish a copy of such audit to any holder of any of the Bonds. Such requirement may be satisfied if the books and records of the Authority are included in the City's audit.

(c) The Authority will not sell or otherwise dispose of the Facility until all Bonds have been paid in full, both as to principal and interest, or otherwise defeased or provided for, and will not do or suffer to be done any act that would affect the Facility in such a way as to impair or affect unfavorably the security of the Bonds.

(d) It will cause the principal of and interest on the Bonds to be paid promptly when due, but solely from the funds pledged by this resolution.

19. ADDITIONAL BONDS. The Authority shall have power to issue additional building authority bonds of equal standing with the Bonds to complete the Facility in accordance with the authorization provided in the Lease Contract, in the event the Bonds first issued shall prove to be insufficient therefor. The Authority shall also have power to issue building authority

bonds to finance the construction of additions to any present facilities or any new buildings or projects within the scope of its corporate powers, but such bonds shall be payable out of, and have a first lien on, the net revenues of annual rentals for space in such new projects, and shall in no way have any lien on or be payable out of the Cash Rental Payments pledged to the payment of the Bonds or any additional building authority bonds issued to complete the Facility in accordance with the authorization provided in the Lease Contract.

20. CONTRACT WITH BONDHOLDERS. The provisions of this Resolution, together with the Lease Contract incorporated herein by reference, shall constitute a contract between the Authority and the holder or holders of the Bonds from time to time, and after the issuance of any of such Bonds, no change, variation or alteration of the provisions of this Resolution, or the Lease Contract, may be made which would lessen the security for the Bonds. The provisions of this Resolution shall be enforceable by appropriate proceedings taken by such holder or holders, either at law or in equity.

21. SALE OF BONDS. The Bonds shall be sold at a competitive sale. The Authorized Officer shall set the date and time for sale of the Bonds, which date shall be at least seven (7) days after the publication of the official notice of sale. The Authorized Officer of the City shall cause notice of the sale of the Bonds to be published in The Bond Buyer, which notice shall be in the form approved by the Authorized Officer.

22. AUTHORIZED OFFICER. Notwithstanding any other provision of this Resolution, the Chairperson, the Secretary, and the Treasurer of the Authority, or any one or more of them (the “Authorized Officer”) are authorized within the limitations set forth below to determine the title of the Bonds, the interest rate or rates, maximum interest rate, amount of discount or premium, amount of maturities, principal amount, amount of good faith deposit, if any, denominations, dates of issuance, dates of maturities, interest payment dates, optional and mandatory redemption rights, and term bond options. The authority granted to the Authorized Officer by this Section, is subject to the following limitations:

- (a) The par amount of the Bonds shall not exceed \$5,000,000.
- (b) The true interest cost of the Bonds shall not exceed six percent (6%).

(c) The final maturity date of the Bonds shall not be later than thirty years from the date the bonds are issued.

(d) The Bonds shall not be sold at a price of less than 98% of the par value of the Bonds.

The Authorized Officer is hereby authorized for and on behalf of the Authority, without further Commission approval, to: (a) approve the circulation of a preliminary and a final Official Statement describing the Bonds; (b) award the sale of the Bonds or, if determined to be in the best interest of the Authority, reject all bids and negotiate the terms of sale with a purchaser as determined by the Authorized Officer; (c) purchase municipal bond insurance, if considered necessary, as additional security for the bondholders; (d) apply to rating agencies for a rating on the Bonds; (e) to make any elections or designations under the Code, and (f) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds.

Approval by the Authority of the matters delegated in this section or any other sections may be evidenced by execution or approval of such documents by the Authorized Officer or the execution of an order. The Authorized Officer is authorized to execute any documents or certificates necessary to complete the transaction, including, but not limited to, any applications including applications to the Michigan Department of Treasury (including an Application for State Treasurer's Approval to Issue Long-Term Securities, applications for waivers, and the submission of any supporting or related documents), any certificates, receipts, orders, agreements, instruments, security reports, a blanket letter of representations, and any certificates relating to federal or state securities laws, rules or regulations, and to pay any fees required by the State of Michigan. The Authorized Officer shall have the power to approve such policies as deemed necessary to comply with federal securities and tax laws, which shall be binding on the City.

23. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional or mandatory redemption, the principal of, premium, if any, and interest on the bonds, shall be

deposited in trust, this Resolution shall be defeased and the owners of the bonds shall have no further rights under this Resolution except to receive payment of the principal of, premium, if any, and interest on the bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

24. TAX COVENANT. The Authority covenants to comply with all requirements of the Code necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes. The Authorized Officer and other appropriate officials of the Authority are authorized to do all things necessary (including the making of such covenants of the Authority as shall be appropriate) to assure that the interest on the Bonds will be and will remain excludable from gross income for federal income tax purposes.

25. QUALIFIED TAX-EXEMPT OBLIGATION. The Authority reasonably anticipates that the amount of qualified tax-exempt obligations which will be issued by the City of Buchanan, the Authority and all subordinate entities during the calendar year 2022 shall not exceed \$10,000,000. The Authority hereby designates the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3)(B) of the Code.

26. MUNICIPAL BOND INSURANCE. The Authorized Officer is hereby authorized to acquire municipal bond insurance to enhance the marketability of the Bonds. If the Authority acquires municipal bond insurance from a municipal bond insurer (the “Insurer”), the Authorized Officer is hereby authorized to take all actions, including the payment of membership fees of a mutual insurance company, and to execute any documents, certificates, orders, applications, agreements, conditions, covenants or other instruments necessary to effectuate the issuance of the policy of bond insurance, including, but not limited to the execution of an order or agreement containing such provisions as the Insurer may require with respect to the insurance and the Insurer, which shall be binding on the Authority in the same manner as if contained herein.

27. CONTINUING DISCLOSURE. The Authorized Officer is authorized to execute and deliver in the name and on behalf of the Authority a continuing disclosure certificate to comply with the requirements for a continuing disclosure undertaking of the authority pursuant to paragraph (b)(5) of Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, and amendments to such certificate from time to time in accordance with the terms of

such certificate (the certificate and any amendments thereto are collectively referred to herein as the “Continuing Disclosure Certificate”). The authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

28. OFFICIAL STATEMENT. The Preliminary Official Statement relating to the Bonds is hereby authorized and approved with such changes, completions, and revisions as the Authorized Officer shall approve. The Authorized Officer is hereby authorized and directed to approve, execute and deliver the Official Statement on behalf of the Authority with such changes or modifications as they deem necessary in order to assure that the statements therein are true, and that it does not contain any untrue statement or material fact and does not omit a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

29. BOND COUNSEL. The firm of Dickinson Wright PLLC is hereby employed as bond counsel to the Authority for the issuance of the Bonds and the Authorized Officer is authorized to sign an engagement letter with bond counsel with such fee as is provided in the financial report of the municipal advisor. The Authority acknowledges that Dickinson Wright PLLC represents a number of financial institutions in public finance matters, including financial institutions that may potentially purchase the Bonds, and consents to Dickinson Wright PLLC’s representation of the Authority as bond counsel and, and waives any conflict of interest arising from such representation of a financial institution or underwriter that may purchase the Bonds in other matters not involving the City of Buchanan or the Authority.

30. MUNICIPAL ADVISOR. The firm of Baker Tilly Municipal Advisors, LLC is appointed as registered municipal advisor to the Authority.

31. BOND RESOLUTION SUBJECT TO MICHIGAN LAW. The provisions of this Resolution are subject to the laws of the State of Michigan.

32. SECTION HEADINGS. The section headings in this Resolution are furnished for convenience of reference only and shall not be considered to be a part of this Resolution.

33. SEVERABILITY. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

34. CONFLICT. Except as provided above, all resolutions or parts thereof, insofar as the same may be in conflict herewith, are hereby repealed; provided, that the foregoing shall not operate to repeal any provision thereof, the repeal of which would impair the obligation on the Bonds.

35. EFFECTIVE DATE OF RESOLUTION. This Resolution is determined by the Commission to be immediately necessary for the preservation of the peace, health and safety of the Authority and shall be in full force and effect from and after its passage.

YEAS: _____

NAYS _____

ABSTAIN: _____

RESOLUTION DECLARED ADOPTED.

_____, Secretary
Buchanan Building Authority

CERTIFICATION

I, _____, the duly qualified and acting Secretary of Buchanan Building Authority, Berrien County, Michigan (the "Authority") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Commission at a meeting held on _____, 2022, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976, as amended.

Date: _____, 2022

_____, Secretary
Buchanan Building Authority

EXHIBIT A

FORM OF LEASE CONTRACT

**FULL FAITH AND CREDIT
GENERAL OBLIGATION LEASE CONTRACT**

between

THE CITY OF BUCHANAN BUILDING AUTHORITY

and

THE CITY OF BUCHANAN

for

CITY DPW FACILITIES

Dated: _____, 2022

**FULL FAITH AND CREDIT
GENERAL OBLIGATION LEASE CONTRACT**

City DPW Facilities

This Full Faith and Credit General Obligation Lease Contract is made as of _____, 2022 (the “Lease Contract”), between the City of Buchanan Building Authority, a public corporation organized and existing under the authority of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended, (the “Authority”) and the City of Buchanan, Berrien County, Michigan, a Michigan municipal corporation organized and existing under the Constitution and laws of the State of Michigan, (the “City”):

RECITALS

1. The Authority has been incorporated by the City under and pursuant to the provisions of Act 31 of the Public Acts of Michigan, 1948 (First Extra Session), as amended (the “Act”), for the purpose of providing, acquiring, furnishing, equipping, owning, improving, enlarging, operating and/or maintaining a building or buildings, automobile parking lots or structures, recreational facilities, stadiums, and the necessary site or sites therefor, together with the appurtenant properties and facilities necessary or convenient for the effective use thereof, for any legitimate public purpose of the City, and as otherwise authorized by the Act.

2. The City desires to design, acquire, and construct new department of public works facilities and purchase and install 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 (which buildings, furnishings, equipment, its site and other properties are together the “Facilities”), and the Authority is willing to provide, acquire, improve and equip the Facilities and lease the same to the City.

3. If this Lease Contract were not executed between these parties, the City would need to acquire the Facilities in the foreseeable future from other sources in order to provide necessary facilities for public services, at a cost to the City more than the annual rental required to be paid under this Lease Contract.

4. The Site for the Facilities (the “Site”) is a parcel of land in the City described in the attached Exhibit A, and the Authority will erect improvements, remodel, expand, furnish and equip the Facilities on the Site.

5. The total cost of the Facilities and improvements to the Facilities is estimated not to exceed \$5,000,000, which sum will include the architects' fees and financing fees and costs, the cost of acquisition of the Facilities and contingencies.

6. The estimated period of usefulness of the Facilities is determined to be in excess of 30 years.

7. The cost of the Facilities is to be provided by the Authority by authorizing the issuance of its Building Authority Bonds in the principal amount of not to exceed \$5,570,000 (the "Building Authority Bonds") pursuant to the provisions of the Act.

8. As a prerequisite to the authorization and issuance of the Building Authority Bonds, it is necessary for the parties to enter into a lease contract whereby the Authority will lease to the City and the City will lease from the Authority the Facilities for a period extending beyond the last maturity date of the Building Authority Bonds.

TERMS AND CONDITIONS

NOW, THEREFORE, in exchange for the consideration in and referred to by this Lease Contract, the parties agree as follows:

1. FACILITIES: The Authority, as soon as practicable after the execution and delivery of this Lease Contract, shall cause plans and specifications to be prepared for the Facilities acceptable to the City Commission of the City. Following the preparation of the plans and specifications, the Authority shall cause to be prepared contracts for the construction and renovation of the Facilities which are acceptable to the City Commission of the City. After the City Commission's approval of the plans and specifications of the Facilities and after issuance of the Building Authority Bonds, the Authority shall be cause the Facilities to be constructed and completed in accordance with the plans and specifications.

2. LEASE TERM: In consideration of the rentals and other terms and conditions herein specified, the Authority leases to the City, and the City leases from the Authority the Facilities to be acquired, TO HAVE AND TO HOLD for a term commencing on the effective date of this Lease Contract and ending on the date that the principal of and interest on all Building Authority Bonds have been paid in full.

3. LEASE PAYMENTS: The City shall pay semiannual cash rental payments to the Authority in an amount sufficient to pay, when due, both the principal of and the interest on the Building Authority Bonds. The cash rental payments shall be paid by the City to the Authority on _____ 1 and _____ 1 of each year in an amount sufficient to pay the annual principal payments on the Building Authority Bonds in the total authorized principal sum of not to exceed \$5,570,000 amortized over a period not exceeding 30 years, plus semiannual interest at a maximum net interest rate of 6% per annum. If the amount of principal or interest on the Building Authority Bonds when sold is less than that stated above, this paragraph shall be deemed amended to require payment of principal and actual interest necessary for the debt service requirements of the Building Authority Bonds.

If an increase in the semiannual cash rental payments is necessary in order to provide adequate funds for the Authority to meet its debt service requirements on the Building Authority Bonds issued and outstanding, the City covenants and agrees to pay the increased annual rental. The City agrees that the cash rental provided in this Lease Contract does not to exceed fair and reasonable compensation for the Facilities.

The City may, in its sole discretion, in any semiannual period, pay in advance any portion of its rental in excess of the semiannual requirement, in which event the Authority shall

credit the City with advance payment of the next succeeding annual requirements to the extent of such excess payments.

The City, in connection with a redemption or defeasance of the Building Authority Bonds, may pay in advance its obligations required to be paid by this Lease Contract, in which event the Authority shall credit the City with advance payment on future-due payments to the extent of such advance payment. The City at the time of any such payment also shall specify by written request that the cash rentals paid in advance of the requirements set out in this Section be used to redeem Building Authority Bonds prior to maturity, either currently or at some future date, to the extent the provision for prior redemption is made in the Building Authority Bonds, in which event the Authority shall be obligated to apply and use the advance payments for such purpose to the fullest extent possible and the officers of the Authority shall be authorized to call such bonds for redemption and take all steps to redeem such bonds without further approval. If such payments are made by the City for redemption of Building Authority Bonds at some future date, the City shall make such payments on the date of such redemption or, if the Building Authority Bonds are being defeased in advance of redemption, the date upon which funds are required to be deposited with an escrow agent or other fiduciary and irrevocably pledge to the payment of the principal of, interest on, and redemption premium on the Building Authority Bonds.

Notwithstanding any other provisions of this Lease Contract, if the lease payments required by this section are inadequate for payment of both the principal of and the interest on the Building Authority Bonds when due, the City shall provide additional funds to make up the shortfall.

4. PLEDGE OF FULL FAITH AND CREDIT: The City, pursuant to the Act, establishes the obligations in this Lease Contract as general obligations of the City, and further by a majority vote of the elected members of the City Commission, pledges its limited tax, full faith and credit, contractual general obligation, as limited in this Lease Contract, to the payment of all sums, rates, fees, costs and the annual cash rental payments due under this Lease Contract.

The City shall include in its budget for the year commencing July 1, 2022, and for each year thereafter, an amount which, when added to the money received for such purpose shall be sufficient to make the cash rental payments to the Authority and shall levy each year such ad valorem taxes in an amount which, together with other funds available for such purpose, shall be sufficient for the payment of such annual cash rental payments in anticipation of which the Building Authority Bonds are issued, but not in an amount or at a rate exceeding that necessary to pay such contractual obligation, provided however that if the City has other funds on hand, at the time prescribed by law for the making of any tax levy, which have been set aside and earmarked for payment of its obligations for which a tax levy would otherwise have to be made, then the tax levy shall be reduced by the amount of the other funds. Any such tax levy is limited as to rate and amount by applicable constitutional, charter, and statutory limitations on the taxing power of the City.

5. SITE: The Authority covenants and agrees that it will, before or upon the issuance of the Building Authority Bonds, acquire good and marketable title to the Site for the Facilities or a leasehold interest in the Site for the Facilities.

6. OPERATION AND MAINTENANCE: The City, at its own expense during the term of this Lease Contract, shall cause the Facilities to be operated and maintained in good repair, and the expenses in connection therewith shall be borne and paid, or caused to be paid, by the City, in addition to all other rentals herein required. Operation and maintenance shall be deemed to include, but not to the exclusion of any other items not herein specified, lighting, heating, snow and debris removal, painting and such other repair and maintenance items as are necessary to provide for efficient operation of the Facilities and to keep the same in good repair and working order, and securing proper insurance coverage.

7. BUDGET: The City shall include in its budget for the year commencing July 1, 2022, and shall include in its budget for each year thereafter, an amount which shall be sufficient to pay the operation and maintenance costs of the Facilities as herein specified for the next ensuing fiscal year. On or before June 15 of each and every fiscal year, the City shall prepare a statement of the moneys to be included in the next ensuing fiscal budget for the operation and maintenance costs of the Facilities. A copy of the budget shall be given to the Authority. The Authority shall have the right and privilege to communicate directly with the City Commission regarding any disputed items in that budget, and in any event the budget shall be reasonably adequate to cover the obligations of the City in this Lease Contract. In no event shall the amounts to be included by the City in its annual budget for the maintenance, operation and rental expenses in connection with this Lease Contract be less than the amount required to reasonably maintain the Facilities, and to pay promptly and fully all obligations maturing under this Lease Contract, and in no event shall the City's obligation in any such annual budget be less than the amount required by law.

8. ADDITIONAL EQUIPMENT: The City may install in the Facilities such equipment, furnishings or fixtures, in addition to those provided by the Authority, as it may desire, but shall not make any permanent alterations to the Facilities that will in any way affect either the security of the Building Authority Bonds or the prompt payment of principal or interest on the Building Authority Bonds.

9. PROHIBIT IMPROPER USE: The City covenants and agrees that it will not permit the use of the Facilities in any manner that will substantially increase the rate of insurance thereon, or for any purpose which will result in a violation of local, state or federal laws, rules or regulations, in effect now or in the future, and shall during the term of this Lease Contract hold the Authority harmless from and indemnify the Authority for any loss, cost, damage or expense by any accident, loss, casualty or damage resulting to any person or property through any use, misuse, or non-use of the Facilities, or by reason of any act or thing done or not done on, in, or about the Facilities or in relation to the Facilities. The City further covenants and agrees that it will promptly and at its own expense, make and pay, or cause payment to be made, for any and all changes and alterations in or about the Facilities, which, during the terms of this Lease Contract, may be required to be made any time by reason of local, state or federal laws, and to save the Authority harmless and free from all cost to do so.

10. AUTHORITY ACTION: To carry out the acquisition and construction of the Facilities and the financing thereof in accordance with the provisions of the Act, the following actions shall be taken by the Authority:

The Authority shall, upon the execution of this Lease Contract, adopt the necessary resolution and proceed to authorize the issuance of the Building Authority Bonds in one or more series in the aggregate principal sum of not to exceed \$5,570,000, pursuant to and in accordance with the provisions of the Act, being the amount estimated to defray the cost of the acquisition and construction of the Facilities, together with architects' fees, legal and financing expenses and contingencies, amortized over a period not exceeding 30 years. The Authority shall offer for sale, and take such other legal procedure as may be necessary to sell the Building Authority Bonds.

The Authority shall, by resolution, pledge the receipt from the cash rentals herein agreed to be paid by the City, for the payment of principal of and interest on the Building Authority Bonds.

The Authority shall enter into and execute contracts for the acquisition and construction of the Facilities in accordance with the plans and specifications approved by the Authority and the City Commission, and no changes in the plans and specifications shall be made without the approval of the City Commission. The contracts shall be in a form approved by the City Commission and no changes in the contracts shall be made without the approval of the City Commission. The construction of the Facilities shall be supervised by the City's staff.

The Authority shall require and secure from any contractor undertaking the construction of the Facilities, necessary and proper bonds to guarantee the performance of said contract in such amount and in such form as may be approved by the City Commission, and such labor and material bonds as are required by law.

The Authority shall, immediately upon receipt of the proceeds of the sale of the Building Authority Bonds, comply with all requirements provided for in the resolution relative to the disposition and use of such proceeds.

11. ADDITIONAL FUNDS: If for any reason there are not sufficient funds to complete the acquisition and construction of the Facilities, and additional funds are needed, the parties agree that, at the option of the City Commission, either of the following methods for providing said additional funds shall be used:

The City may pay the necessary funds as additional advance rentals, and obtain credit or repayment therefor out of future rentals due under the terms of this Lease Contract after all outstanding Building Authority Bonds are paid; or

The City may increase the amount of the annual cash rental payments it pays to an amount fully sufficient to amortize any additional building authority bonds issued by the Authority.

12. POSSESSION: The Authority shall deliver possession of the Site for the Facilities to the City on the effective date of this Lease Contract, and possession of each portion of the Facilities on the date that construction of that portion of the Facilities is completed. The obligation of the City for the payment of the annual cash rental payments shall in any event remain in full force and effect and shall be paid by the City at all times and in the amounts above

specified in order to provide for the payment of principal of and interest on the Building Authority Bonds.

13. NO ABATEMENT OF RENT: There shall be no abatement of the annual cash rental payments required to be made by the City for any reason whatsoever. If, in the case of damage or destruction of the Facilities or other portions of the Site therefor, the funds received from any insurance policies or other sources, are, in the judgment of the Authority, insufficient to make the Facilities usable or tenantable, then the Authority shall hold and/or invest the funds paid to it as a result of such loss for the benefit of the holders of outstanding Building Authority Bonds. When such funds in addition to rentals paid by the City are sufficient to pay the principal of and interest on all outstanding Building Authority Bonds the Authority shall deposit and hold the total of such funds and the rental payments in trust for the benefit of the bondholders and use them to pay the principal, interest and call premiums, if any, on the Building Authority Bonds as they mature or as they become callable. Such funds so held may be invested in bonds, notes, bills and certificates of the United States of America.

14. INSURANCE: The City shall provide or cause to be provided liability insurance in an adequate amount protecting the Authority and the City against loss on account of damage or injury or death to persons or property resulting from ownership of the Facilities, or resulting from any act or omission, on the part of the Authority, or the City, or either of their agents, officers and employees, in connection with the acquisition and construction, operation, maintenance or repair of the Facilities, or the furnishing of any service to the City. The Authority shall require a sufficient fidelity bond from any person handling the Authority's funds.

15. ASSIGNMENT: The rights, duties and obligations of the City under this Lease Contract may not be assigned in whole or in part during the term of this Lease Contract or while any of the Building Authority Bonds are outstanding and unpaid.

16. RIGHT OF ENTRY: The Authority, its agents, servants, or employees, shall have the right to enter the Facilities at all reasonable times for the purpose of inspecting the same and determining whether the City is complying with all of the terms, agreements, covenants and conditions in this Lease Contract.

17. COVENANT TO PAY RENT: The City covenants and agrees that it will continue to pay to the Authority, in accordance with the terms of this Lease Contract, the annual cash rental payments required by this Lease Contract and pay all costs for the operation and maintenance of the Facilities, without abatement for any reason, until the principal of and interest on all Building Authority Bonds are paid in full.

18. REMEDIES: The City covenants and agrees that if, before all the principal and interest on the Building Authority Bonds has been paid in full, the City fails to make the annual cash rental payments or pay the operation and maintenance as required by this Lease Contract, the Authority may use all the remedies provided by law or in equity to correct said default, including those specifically provided in the Act.

In addition to the other remedies provided by law, the parties recognize the rights and remedies which bondholders have by virtue of the provisions of a bond resolution to be

adopted by the Authority providing for the issuance of bonds under the provisions of the Act. The City and the Authority agree that all holders of Building Authority Bonds may compel performance of the duties and obligations of each of the parties to this Lease Contract.

19. PARTIAL RELEASE. The City shall have, and is hereby granted, the right to require the Authority to release from the terms and restrictions hereof any part of the Site, or any interest therein, at any time and from time to time while the City is not in default hereunder, without cost to the City, provided that the City furnishes the Authority with:

A notice, in writing, containing an adequate legal description of that portion of the Site with respect to which such right is to be exercised, together with a survey thereof; and

A certificate signed by an engineer or architect stating (i) that no part of the Facilities (other than sewer, water, gas, electric, and communication lines and other utilities, and the like, which shall be specified in such certificate) is located on the portion of the Site with respect to which such right is exercised, and (ii) that the severance of such portion of the Site will not impair the operating utility or materially alter the character of the Project or the balance of the Site.

From and after the consummation of any release effected by the City pursuant to the provisions of this Section, any reference herein to the Site shall be deemed to refer to the real property described therein, and the buildings and improvements thereon, less and except any portion or interest therein released to the City under this Section and any part theretofore released to the City under this Section. No release effected by the City under the provisions of this Section shall entitle the City to any abatement or diminution of the cash rentals or other obligations payable hereunder.

20. REFUNDING BONDS. In the event that, after issuance of the Building Authority Bonds, it becomes possible to accomplish a net savings of debt service costs and consequently the payments payable by the City for lease of the Facility through the issuance of refunding bonds, the Authority shall be authorized, on its own motion, to issue such refunding bonds, and the aggregate cash rental to be paid by the City hereunder shall automatically be decreased to equal an amount sufficient to pay all principal of and interest on the Building Authority Bonds and such refunding bonds when due. In the event any refunding bonds are issued, the duties and obligations of the Authority and the City as expressed and set forth in this Lease Contract shall be applicable to such refunding bonds as well as the Building Authority Bonds, it being at all times fully recognized and agreed that the cash rentals to be paid by the City, as specified in Section 3 above, shall be based upon the total amount of bonds issued to finance or refinance the costs of the Facility. Any such refunding bonds shall mature on such dates as may be provided by the resolutions authorizing issuance and sale of the refunding bonds, and the cash rentals shall be adjusted as necessary to pay the principal of such refunding bonds plus the interest thereon. All of the provisions of this Lease Contract shall be applicable to the adjusted amounts. Immediately upon the issuance of such refunding bonds, the Authority shall furnish and supply to the City documentation specifying the new schedule of Building Authority Bond payments and cash rentals, increased as herein authorized, which shall be substituted and take the place of schedules herein specified. In the event refunding bonds are issued, all

references herein to the Building Authority Bonds shall be deemed to include the refunding bonds.

21. **RIGHTS OF BONDHOLDERS:** The Authority and the City each recognize that the holders of the Building Authority Bonds will have contractual rights in this Lease Contract, and it is therefore, covenanted and agreed that so long as any of the Building Authority Bonds shall remain outstanding and unpaid, the provisions of this Lease Contract shall not be subject to any alteration or revision which would in any manner unfavorably affect either the security of the Building Authority Bonds or the prompt payment of principal of or interest thereon. The Authority and the City further covenant and agree that they will each comply with their respective duties and obligations under the terms of this Lease Contract promptly at the times and in the manner required by this Contract, and will not suffer any act which would in any way impair the Building Authority Bonds, the security therefor, or the prompt payment of principal of and interest thereon.

22. **FIRST LIEN:** The City and the Authority covenant and agree that the proceeds of any sale or other liquidation of any interest of the City in the Facilities, the Site or any other portion of the Facilities, are hereby impressed with a first lien in favor of the holders of the Building Authority Bonds for the payment of any outstanding Building Authority Bonds.

23. **NOTICE:** Any notice necessary or proper to be given to either of the parties hereto may be served in the following manner:

If to the Authority, by delivering the same to any member of its Board.

If to the City, by delivering the same to the City Clerk or the Mayor.

24. **TERM:** This Lease Contract shall remain in full force and effect for a term commencing on the effective date of this Lease Contract and continuing until such time as the Building Authority Bonds are paid in full. At the end of such period, this Lease Contract and title to the Facilities shall both be conveyed to the City in a manner contemplated by the Act.

25. **QUIET ENJOYMENT:** The Authority covenants that the City, upon compliance with the terms of this Lease Contract, shall peacefully and quietly have and hold and enjoy the leased premises for the term of this Lease Contract.

26. **BINDING EFFECT:** This Lease Contract shall inure to the benefit of and be binding upon the respective parties and their permitted successors and assigns.

27. **NULL AND VOID IF NO BONDS ISSUED:** If for any reason the Building Authority Bonds are not issued or cannot be lawfully sold, this Lease Contract shall be null and void. However, in no event shall this Lease Contract become null and void if the Building Authority Bonds are sold and delivered.

28. CHANGE IN ORGANIZATION; TERRITORY; CORPORATE STATUS: In the event changes occur in the constitution or laws of the State of Michigan which shall affect the organization, territory, powers or corporate status of the City, the terms and provisions of this Lease Contract shall not be affected by that change and the rights, duties and obligations of the parties shall not be altered or affected by that change insofar as ownership and rights of possession and requirement of payment on the outstanding bonds are concerned.

IN WITNESS WHEREOF, the Authority, by a resolution of its Board of Commissioners, and the City, by a resolution of its City Commission, have each caused this Lease Contract to be signed on their behalf as of the date first written above.

This Lease Contract has been executed in quadruplicate.

Witnessed by:

**CITY OF BUCHANAN BUILDING
AUTHORITY**

By: _____

Its: Chairperson, Board of Commissioners

And: _____

Its: Secretary, Board of Commissioners

In the presence of:

CITY OF BUCHANAN

By: _____

Sean Denison

Its: Mayor

And: _____

Kalla Langston

Its: Clerk

LEGAL DESCRIPTION

Land located in City of Buchanan, County of Berrien, State of Michigan, described as:

Insert Legal Descriptions

EXHIBIT B

No. ____

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF BERRIEN**

**CITY OF BUCHANAN BUILDING AUTHORITY
BUILDING AUTHORITY BONDS, SERIES 2022
(GENERAL OBLIGATION LIMITED TAX)**

Interest Rate Maturity Date Date of Original Issue CUSIP

Registered Owner: CEDE & CO.

Principal Amount: _____ Dollars (\$_____)

The City of Buchanan Building Authority, Berrien County, Michigan (the "Authority"), acknowledges itself indebted and, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, together with interest thereon from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, payable semiannually on the first day of _____ and _____ of each year beginning _____, 202__, until the Principal Amount hereof and interest thereon is paid, except as the provisions with respect to redemption of this Bond prior to maturity may become applicable hereto.

This Bond is one of a total authorized issue of bonds of even date and like tenor except as to date of maturity, amount, and rate of interest, numbered in order of registration, aggregating the principal sum of \$_____, issued in accordance with the provisions of Act 31, Public Acts, Michigan of 1948 (First Extra Session), as amended ("Act 31"), and a resolution adopted by the Commission of the Authority on _____, 2022, for the purpose of paying the cost of acquiring and constructing improvements to certain Department of Public Works facilities (the "Facilities").

The Bonds of this issue are payable solely from the proceeds of certain semiannual cash rental payments (the “Cash Rental Payments”) to be paid by the City of Buchanan, Michigan (the “City”) pursuant to a certain Full Faith and Credit General Obligation Lease Contract dated as of _____, 2022 (the “Lease Contract”), between the City and the Authority, whereby the City has leased the Facility in accordance with the provisions of Act 31. The Authority has irrevocably pledged the Cash Rental Payments by the City to the payment of principal and interest on the Bonds, as set forth in the Lease Contract, the total of the Cash Rental Payments being sufficient in amount to pay promptly, when due, the principal of and interest on the Bonds of this issue. For a complete statement of the Cash Rental Payments from which and the conditions under which this Bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued, and the general covenants and provisions pursuant to which this Bond is issued, reference is made to the above described Resolution.

This Bond is not a general obligation of the Authority and does not constitute an indebtedness of the Authority within any constitutional or statutory limitation, but is payable, both as to principal and interest, in anticipation of the limited tax, full faith and credit, contractual obligation of the City to make Cash Rental Payments to the Authority in accordance with the Lease Contract, for the use of the Facility. The principal of and interest on this Bond are secured by the irrevocable pledge of all of the Cash Rental Payments, and a statutory first lien thereon has been created by the Resolution.

As further security, the City has pledged its limited tax, full faith and credit contractual general obligation to the payment of the Cash Rental Payments required by the terms of the Lease Contract. Under the provisions of Act 31, the City is required to provide sufficient money in its annual budget for the payment thereof and, if necessary, levy ad valorem taxes on all taxable property within its boundaries. Any such tax levies, however, are subject to existing charter, statutory and constitutional tax limitations.

The Authority covenants and agrees to fix, and maintain at all times while any of the Bonds are outstanding, the Cash Rental Payments of the City in accordance with the terms of the Lease Contract in an amount sufficient to provide for payment of the principal of and interest on all such Bonds, as and when the same become due and payable and to create a Bond Payment Fund therefor.

Principal of this Bond is payable at the principal office of _____, _____, Michigan, or such other Paying Agent as the Authority may hereafter designate (the “Paying Agent”) by notice mailed to the Registered Owner not less than sixty (60) days prior to the next interest payment date. Interest on this Bond is payable to the Registered Owner of record as of the fifteenth (15th) day of the month preceding the payment date as shown on the registration books of the Authority maintained by the Paying Agent, by check or draft mailed to the Registered Owner at the registered address.

Bonds or portions of Bonds maturing on _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity in part, by lot, on each _____ 1, commencing _____ and will be redeemed at the par value thereof plus accrued interest to the redemption date on _____ 1 of each of the following years in the amounts as follows:

Redemption Date

Principal Amount

Term Bonds maturing on _____ 1, _____, purchased by the Authority and delivered to the Paying Agent for cancellation or that are redeemed in a manner other than by mandatory redemption, shall reduce the principal amount of the Term Bonds subject to mandatory redemption by the amount of the Bonds so redeemed, in the order determined by the Authority.

Bonds maturing on or before _____, _____, shall not be subject to redemption prior to maturity. Bonds maturing on or after _____, _____, are subject to redemption prior to maturity as a whole or in part, at the option of the Authority, in such order as the Authority shall determine, on any dates, on or after _____, _____. Bonds called for redemption shall be redeemed at the par value thereof and accrued interest to the date of redemption, without a premium.

Notice of the call of any Bonds for redemption shall be given by first class mail not less than thirty (30) days prior to the date fixed for redemption, to the Registered Owner at the registered address. Bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Paying Agent to redeem such Bonds. Bonds shall be called for redemption in multiples of \$5,000, and Bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the Bond by \$5,000, and such Bonds may be redeemed in part. The notice of redemption of Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed, a new Bond or Bonds in aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the Registered Owner thereof. So long as the book-entry-only system remains in effect, the Paying Agent will give notice to Cede & Co., as nominee of The Depository Trust Company, a New York corporation, only, and only Cede & Co. will be deemed to be a holder of the Bonds.

This Bond shall be registered in the name of the Registered Owner on the registration books kept by the Paying Agent and such registration noted hereon, and thereafter no transfer shall be valid unless made upon the registration books and likewise noted hereon. This Bond is exchangeable at the request of the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the office of the Paying Agent, but only in the manner, subject to the

limitations and at his sole expense, for other bonds of an equal aggregate amount, upon surrender of this Bond to the Paying Agent. Upon such transfer, a new registered bond or bonds of the same series and the same maturity of authorized denomination will be issued to the transferee in exchange therefor.

The City has designated the Bonds of this series as “qualified tax exempt obligations” for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

IN WITNESS WHEREOF, the City of Buchanan Building Authority, Berrien County, Michigan, by its Commission, has caused this Bond to be signed, by the manual or facsimile signatures of its Chairperson and the Secretary, all as of the ____ day of _____, 2022.

, Chairperson

, Secretary

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the City of Buchanan Building Authority \$_____ Building Authority Bonds, Series 2022 (General Obligation Limited Tax) and has been registered in the name of the Registered Owner designated on the face hereof in the bond register maintained for the Authority.

Authentication Date: _____

As Paying Agent/Bond Registrar/Transfer Agent

WRONGFUL USE OF CERTIFICATE

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

(please print or type social security number or taxpayer identification number and name and address of transferee)
the within bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____, 20__

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of his/her capacity to act must accompany the bond.

In the presence of: _____

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

Signature Guaranteed: _____