

**Resolution of the Board of Directors of the  
Brownfield Redevelopment Authority of the City of East Lansing  
Authorizing the Issuance and Delivery of  
Limited Obligation Tax Increment Revenue Refunding Bonds  
and Providing for Related Matters**

Minutes of a Special Meeting of the Board of Directors of the Brownfield Redevelopment Authority of the City of East Lansing, Counties of Ingham and Clinton, State of Michigan, conducted electronically in conformity with Governor Whitmer’s Executive Order No. 2020-154 and Executive Order 2020-165 on September 24, 2020 at 1:00 p.m., Eastern Time.

PRESENT: Members: Dewan, Croom, Lahanas, Krueger, Ballein, Clark, Hackney, Levinsohn, Smith, Mayor Stephens

ABSENT: Members: \_\_\_\_\_

The following preamble and resolution were offered by Member Lahanas and supported by Member Croom:

WHEREAS, the Brownfield Redevelopment Authority of the City of East Lansing (the “**Authority**”) was created by the City of East Lansing (the “**City**”) pursuant to Act 381, Public Acts of Michigan, 1996, as amended (“**Act 381**”), and the Board of Directors of the Authority (the “**Board**”) approved City Center Brownfield Plan No. 24 (as amended, the “**Brownfield Plan**”); and

WHEREAS, the City, the City of East Lansing Downtown Development Authority (the “**DDA**”), and the Authority entered into a Master Development Agreement (the “**Development Agreement**”) with HB BM East Lansing LLC (the “**Developer**”) for the purpose of developing a project described in the Brownfield Plan; and

WHEREAS, in order to finance the costs of certain infrastructure improvements and a parking structure (collectively, the “**Project**”) as provided in the Brownfield Plan and the Development Agreement, the Authority has previously issued its \$25,265,000 Limited Obligation Tax Increment Revenue Bonds, Series 2017 (Taxable) (the “**2017 Bonds**”); and

WHEREAS, the 2017 Bonds are payable solely from tax increment revenues as defined in Act 381 and collected under the Brownfield Plan (the “**Tax Increment Revenues**”) and DDA revenues transferred to the Authority pursuant to an Interlocal Agreement between the Authority and the DDA, and the 2017 Bonds are not a general obligation of the Authority or the City, and do not constitute an indebtedness of the City within any constitutional, statutory or charter limitation; and

WHEREAS, pursuant to the Brownfield Plan, the Tax Increment Revenues will be payable pursuant to the Brownfield Plan starting as of July 1, 2020; and

WHEREAS, the Project financed from proceeds of the 2017 Bonds is completed; and

WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended (“**Act 34**”) permits the Authority to issue refunding bonds for the purpose of refunding part of its funded indebtedness; and

WHEREAS, the Board has determined that it is in the best interests of the Authority to authorize the issuance of and to issue one or more series of Limited Obligation Tax Increment Revenue Refunding Bonds (the “**Refunding Bonds**”) payable solely from the Tax Increment Revenues pledged for the 2017 Bonds, for the purpose of refunding the 2017 Bonds reimbursing certain eligible expenses of the Project and paying costs of issuance related to the issuance of the Refunding Bonds; and

WHEREAS, the 2017 Bonds were issued under the terms of a Trust Indenture dated as of December 1, 2017 (the “**2017 Indenture**”) by and between the Authority and The Huntington National Bank, Grand Rapids, Michigan (the “**Trustee**”), and it will be appropriate and necessary for the Authority to enter into either a Trust Indenture or Supplemental Trust Indenture (the “**Refunding Indenture**”) with the Trustee, pursuant to which the Refunding Bonds will be issued and secured; and

WHEREAS, the Board has determined that it is appropriate and necessary to authorize the Chairperson of the Authority, and the Vice Chairperson, of the Board (each, an “**Authorized Officer**” and collectively, the “**Authorized Officers**”), or any one of them, upon the advice and consent of the Municipal Advisor to the Authorized Officers, to approve the final terms of the sale of the Refunding Bonds, the interest rates thereof and the purchase price therefor, all of which shall be subject to the parameters set forth in this Resolution, without the necessity of the Board taking further action prior to sale and delivery of the Refunding Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BROWNFIELD REDEVELOPMENT AUTHORITY OF THE CITY OF EAST LANSING AS FOLLOWS:

1. Pursuant to the authorization contained in Act 381 and Act 34, the Board hereby authorizes the issuance, execution and delivery of one or more series of the Refunding Bonds in the aggregate principal amount not-to-exceed Thirty-Three Million Five Hundred Thousand Dollars (\$33,500,000) for the purpose of paying or reimbursing additional costs of the Project; refunding the 2017 Bonds (including accrued interest thereon), including the payment of accrued and capitalized interest on the Refunding Bonds and funding of a debt service reserve fund as determined by the Authorized Officer at the time of sale of the Refunding Bonds, and the payment of related legal and financing fees and expenses such as bond discount, and other expenses incidental to the financing; provided, however, that any expenses incidental to the financing that are not to be paid to advisors to the Authority (including the placement agent and the Trustee) shall not exceed \$140,000.

The Refunding Bonds shall be designated as the LIMITED OBLIGATION TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 2020, with additional or revised series designations for each series as determined by an Authorized Officer to distinguish tax-exempt and taxable bonds, or to reflect the sequence and the year in which the Refunding Bonds will be sold or delivered. Based on the advice of Bond Counsel, the Authority anticipates that one

series of the Refunding Bonds can be issued with interest exempt from federal and state of Michigan taxation, and that at least one series of the Refunding Bonds will be issued with interest that is not exempt from federal and state of Michigan taxation.

The Refunding Bonds shall mature on the dates and in the amounts established at the time of sale, provided, however, that the final principal payment shall be due not later than 30 years from the date of delivery of the Refunding Bonds. The Refunding Bonds shall be serial bonds or term bonds, or both, and may be subject to redemption requirements as shall be established by an Authorized Officer at the time of sale.

The Refunding Bonds shall bear interest at a fixed or variable rate or rates to be determined at sale thereof. If any series of the Refunding Bonds bear interest at a variable rate or rates, the Authorized Officer is authorized to establish, in accordance with law, a means by which interest on the variable rate Refunding Bonds may be set, reset or calculated prior to maturity, provided that such rate or rates shall be at no time in excess of the parameters provided in this resolution. Such variable interest rates may be established by a formula that is determined with respect to an index or indices of municipal obligations, reported prices or yields on obligations of the United States, the prime rate or rates of a bank or banks selected by the Authorized Officer or by any other method recommended by an investment banking firm or financial advisor that specializes in the setting of interest rates for variable rate obligations.

The true interest cost of each series of the Refunding Bonds shall not exceed 8.00%. The purchase price for each series of the Refunding Bonds, exclusive of any original issue discount, shall not be less than 95% of the par amount of the Refunding Bonds. The Refunding Bonds shall be dated as of the date of delivery thereof and shall mature within 30 years of the date of issuance.

The Refunding Bonds shall be issued in fully registered form in substantially the form contained in the Refunding Indenture. The form of Refunding Bonds shall state:

The Registered Owner shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation or from any source whatsoever except the Tax Increment Revenues described in this Bond. Other than the Tax Increment Revenues, no property of the Issuer (Authority) is encumbered by any lien or security interest for the benefit of the Registered Owner of this Bond.

NEITHER THE CITY OF EAST LANSING NOR ANY POLITICAL SUBDIVISION THEREOF EXCEPT FOR THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS BOND, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF EAST LANSING OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS BOND. THE PRINCIPAL HEREOF AND THE INTEREST HEREON ARE PAYABLE SOLELY FROM THE FUNDS AND SECURITY PLEDGED TO THE PAYMENT THEREOF BY THE INDENTURE.

The Refunding Bonds shall be payable as to principal and interest in the manner and at such times, shall be subject to transfer and exchange, and shall be executed and authenticated, all

as shall be provided in the Refunding Indenture. Any of the Authorized Officers is authorized, empowered and directed, in the name and on behalf of the Board, to execute the Refunding Bonds by manual or facsimile signature, and any one of the Authorized Officers is authorized to deliver the Refunding Bonds to the purchaser thereof in exchange for the purchase price therefor.

2. The Authority hereby authorizes any Authorized Officer to execute and deliver the Refunding Indenture in the form as determined by an Authorized Officer; provided that the form of Refunding Indenture shall conform to the provisions of this Resolution and the Brownfield Plan.

3. The Refunding Bonds shall be issued in anticipation of and shall be payable from the Tax Increment Revenues, which Tax Increment Revenues are anticipated to be in amounts sufficient to pay principal of and interest on the Refunding Bonds. There is hereby created a statutory first lien on the Tax Increment Revenues in favor of the Refunding Bonds. The Authority reserves the right to issue additional bonds payable from Tax Increment Revenues to the extent permitted by law and the Refunding Indenture. The debt service on the Refunding Bonds shall also be payable from certain tax increment revenues to be received by the Authority from the DDA.

The Refunding Bonds, and the obligations of the Authority thereunder, shall be revenue bonds and not general obligations of the Authority and shall be paid exclusively as provided by the Refunding Indenture.

No recourse shall be had for the payment of the principal amount of or interest or other obligations on the Refunding Bonds, or any claim based thereon, against the Authority, or any member or agent of the Board (including, without limitation, any officer or employee of the Authority), as individuals, either directly or indirectly, except as specifically provided in the Refunding Indenture or the instruments entered into in connection therewith.

4. If necessary in order to secure payment of the 2017 Bonds being refunded, the Authority may enter into one or more Escrow Agreements with the Trustee (each, an “**Escrow Agreement**”) which shall provide for the creation of one or more funds (each, an “**Escrow Fund**”) for the deposit of proceeds of the Refunding Bonds and other funds available for payment of the 2017 Bonds under the 2017 Indenture. The Escrow Agreement shall irrevocably direct the Trustee to hold the Escrow Fund in trust for the payment of the principal of and interest on the portion of the 2017 Bonds being paid from the Escrow Fund, and shall irrevocably direct the Trustee to take all necessary steps to call for redemption of any 2017 Bonds specified by the Authority upon sale of the Refunding Bonds. Any Authorized Officer is authorized to execute and deliver the Escrow Agreement.

The Authorized Officers are authorized to purchase, or cause to be purchased, escrow securities, including, but not limited to, United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to provide for payment of the 2017 Bonds being refunded, and to retain a bidding agent to assist in the purchase of any escrow securities other than SLGS.

5. The Authority shall not invest, reinvest or accumulate any moneys deemed to be proceeds of any tax-exempt series of Refunding Bonds pursuant to the Internal Revenue Code of 1986, as amended in such a manner as to cause the tax-exempt series of Refunding Bonds to be

“arbitrage bonds” within the meaning of the Internal Revenue Code. The Authority hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exclusion of interest on the tax-exempt series of Refunding Bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds, all as more fully set forth in the Non-Arbitrage and Tax Compliance Certificate to be delivered by the Authority on the date of delivery of the Refunding Bonds.

If the Authorized Officer determines, in consultation with the Finance Director of the City, that the City, all entities which issue bonds on behalf of the City, and all subordinate governmental units thereto, do not intend to issue, or to authorize to be issued on their behalf, tax-exempt obligations in the aggregate amount of \$10,000,000 or more within the calendar year in which the Refunding Bonds are sold, then the Authority designates the tax-exempt series of Refunding Bonds as “qualified tax-exempt obligations” for purposes of deduction of interest expense by financial institutions under the Internal Revenue Code. Any such designation shall be evidenced by execution of the Non-Arbitrage and Tax Compliance Certificate or other certificate to be delivered by the Authority or the City in connection with delivery of the Bonds.

6. Any one of the Authorized Officers is hereby authorized to apply to the Michigan Department of Treasury under Act 34 for an exception from the requirement to obtain a rating on bonds issued in a principal amount exceeding \$5,000,000.

In addition, any one of the Authorized Officers is hereby authorized to apply to the Michigan Department of Treasury under Act 34, and to pay any related filing fees, for any other approvals as may be necessary or advisable to effectuate the sale and delivery of the Refunding Bonds including but not limited to an exception from the requirements of Section 611(1) of Act 34 that a refunding must produce savings. As provided in Section 611(2) of Act 34, a reasonable basis for that exception exists because (1) the refunding is necessary to reduce or eliminate requirements of ordinances or covenants applicable to the existing 2017 Bonds, and (2) the refunding will produce debt service which will better match the anticipated Tax Incremental Revenues, and thereby avoid a potential default on the 2017 Bonds.

7. The Board hereby determines to sell the Refunding Bonds at a negotiated sale instead of a competitive sale for the reason that a negotiated sale will permit the Authority to enter the market on short notice at a point in time which appears to be most advantageous, and thereby possibly obtain a lower rate of interest on the Refunding Bonds and the most favorable price for purchase of securities to be escrowed for payment of the 2017 Bonds.

Any of the Authorized Officers is hereby authorized, on behalf of the Authority, subject to the provisions and limitations of this resolution and upon the advice and consent of the Authority’s Municipal Advisor, to (1) solicit proposals from and engage the services of a placement agent; (2) solicit proposals from and accept an offer from a purchaser to purchase the Refunding Bonds without further resolution of this Board, and to sign a Bond Purchase Agreement or Bond Placement Agreement on behalf of the Authority. This authorization includes, but is not limited to, determination of original principal amount of each series of the Refunding Bonds; the prices at which the Refunding Bonds are sold; the date of the Refunding Bonds; the schedule of principal

maturities and whether the Refunding Bonds shall mature serially or as term bonds; the provisions for early redemption including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Refunding Bonds, application of the proceeds of the Refunding Bonds; and purchase of securities to be escrowed for payment of the 2017 Bonds to be refunded.

8. The Authorized Officers and all other appropriate officers or representatives of the Authority are each authorized to perform all acts and deeds, and to execute and deliver, for and on behalf of the Board, any letter of representations required by the purchaser of the Refunding Bonds and any other documents, as necessary, expedient and proper in connection with the issuance, sale and delivery of the Refunding Bonds, as contemplated hereby. Such actions include but are not limited to entering approving requests for disbursement pursuant to the Refunding Indenture.

9. The Authority hereby requests Miller, Canfield, Paddock and Stone, P.L.C. to continue to serve as Bond Counsel to the Authority for the Refunding Bonds notwithstanding the periodic representation by Bond Counsel of other parties to this transaction in unrelated matters. Bond Counsel is not retained to provide financial consultant services.

10. The Authority hereby appoints PFM Financial Advisors LLC to serve as Municipal Advisor to the Authority for the Refunding Bonds.

11. The Authority hereby finds that the refunding of the 2017 Bonds is in the best interest of the health and welfare of the Authority and the City, is in the furtherance of the purposes of Act 381 and constitutes a public purpose.

12. All covenants, agreements and obligations of the Authority contained in this Resolution, the Refunding Indenture, or any other documents related to the Refunding Bonds shall be deemed to be the covenants, agreements and obligations of the Authority and not of any member, officer or employee of the Authority in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Refunding Bonds or for any claim based thereon or on this Resolution or any related document against any member, officer or employee of the Authority or any person executing the Refunding Bonds in his or her official individual capacity.

13. All actions taken to date by any Authorized Officers in the name of and on behalf of the Authority in connection with the foregoing resolution and the issuance of the Refunding Bonds, are authorized, approved, ratified and confirmed in all respects.

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

15. This Resolution shall become effective immediately upon its adoption.

AYES: Members: Dewan, Croom, Lahanas, Krueger, Clark, Hackney, Levinsohn,  
Smith, Mayor Stephens

NAYS: Members:

ABSTENTION: Members: Ballein

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the Brownfield Redevelopment Authority of the City of East Lansing, Counties of Ingham and Clinton, State of Michigan, at a Special Meeting held on September 24, 2020, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as temporarily modified by Governor Whitmer's Executive Order No. 2020-154 and Executive Order 2020-165, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



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George Lahanas, Executive Secretary