

RESOLUTION OF THE BOARD OF TRUSTEES OF
NORTHERN MICHIGAN UNIVERSITY
AUTHORIZING THE ISSUANCE AND DELIVERY OF GENERAL REVENUE BONDS
AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Trustees of Northern Michigan University (the “Board”) is a constitutional body corporate established pursuant to Article VIII, Section 6 of the Michigan Constitution of 1963, with general supervision of Northern Michigan University (the “University”) and the control and direction of all expenditures from the University’s funds under Article VIII, Sections 4 and 6 of the Michigan Constitution of 1963; and

WHEREAS, in the exercise of its constitutional duties and in order to properly serve the needs of students attending the University, the Board has determined that it is appropriate and in the best interests of the University to finance all or part of the costs of certain capital projects of the University, as described in Exhibit A attached hereto (all of such capital projects described in Exhibit A being collectively referred to herein as the “Projects”); and

WHEREAS, the Board has previously issued and has outstanding certain series of General Revenue Bonds payable from and secured by a lien on General Revenues (as hereinafter defined) (collectively, the “Prior Bonds”); and

WHEREAS, it may be appropriate and economic to refund all or portions of the outstanding Prior Bonds as shall be determined by an Authorized Officer (as hereinafter defined) (the portions of the Prior Bonds to be refunded, if any, as determined by an Authorized Officer, is referred to herein as the “Bonds to be Refunded”); and

WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University’s funds, the Board determines it is necessary and desirable to authorize the issuance and delivery of General Revenue Bonds of the Board, in one or more series (the “Bonds”), to be payable from and secured by a pledge of General Revenues, in order to provide funds which, together with other available funds, will be used to pay all or part of the costs of the Projects, to pay all or part of the costs of refunding the Bonds to be Refunded, if any, and to pay costs incidental to the issuance of the Bonds and the refunding; and

WHEREAS, one or more trust indentures (collectively, the “Trust Indenture”) must be entered into by and between the Board and a trustee (the “Trustee”) to be designated by an Authorized Officer, pursuant to which the Bonds will be issued and secured; and

WHEREAS, it is necessary to authorize the Authorized Officers, or either of them individually, to negotiate the sale of the Bonds with one or more underwriters or groups of underwriters to be selected by an Authorized Officer (collectively, the “Underwriter”) or with a direct placement lender to be selected by an Authorized Officer (the “Purchaser”), and to enter into one or more bond purchase agreements and/or continuing covenant agreements or similar agreements with the Underwriter or Purchaser (collectively, the “Bond Purchase Agreement”) setting forth the terms and conditions upon which the Underwriter or Purchaser will agree to purchase the Bonds and the interest rates thereof and the purchase price therefor; and

WHEREAS, in order to be able to market the Bonds at the most opportune time, it is necessary for the Board to authorize the President and the Vice President for Finance and Administration (each an “Authorized Officer”), or either of them individually, to negotiate the terms of and to execute and deliver on behalf of the Board the Trust Indenture, the Bond Purchase Agreement, and other related documents, to establish the specific terms of the Bonds, and to accept the offer of the Underwriter or Purchaser to purchase the Bonds, and to undertake such other actions and make such other determinations on behalf of the Board as authorized hereby, all within the limitations set forth herein; and

WHEREAS, the trust indentures authorizing the Prior Bonds establish certain conditions for the issuance of additional obligations secured by a pledge of General Revenues on a parity basis with the Prior Bonds; and

WHEREAS, an Authorized Officer shall, on or prior to the date of delivery of the Bonds, certify that the conditions for issuing the Bonds, secured by General Revenues on a parity basis with the Prior Bonds, have been met; and

WHEREAS, the financing of all or a portion of the costs of the Projects and the refunding of the Bonds to be Refunded, if any, through the issuance of the Bonds will serve proper and appropriate public purposes; and

WHEREAS, the Board has full power under its constitutional authority for supervision of the University, and control and direction of expenditures from the University’s funds, to acquire, construct, furnish and equip the Projects, to refund the Bonds to be Refunded, if any, and to pay all or a part of the costs of the Projects and the costs of the refunding by issuance of the Bonds, and to pledge General Revenues for payment of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF NORTHERN MICHIGAN UNIVERSITY, AS FOLLOWS:

1. The Board hereby approves the definition of the term “Projects” as set forth in Exhibit A attached hereto, and authorizes the Authorized Officers, or either of them individually, to select the portion of the Projects to be financed, in whole or in part, from the proceeds of the Bonds, and to fund, as appropriate, the remaining portion of the costs of the Projects from available funds of the University or other available funds. Subject to the Board’s policies regarding approval of capital projects, either Authorized Officer may subsequently approve additional capital projects of the University and specify that such additional capital projects shall be financed in whole or in part from the proceeds of the Bonds, upon which occurrence such capital projects shall thereupon become components of the Projects hereunder. The Board further approves the refunding of all or any portion of the outstanding Prior Bonds, and authorizes the Authorized Officers, or either of them individually, to select the portion of the Prior Bonds, if any, to constitute the Bonds to be Refunded, in order to produce interest or other cost savings or a more favorable debt service structure, or to provide for more favorable terms or covenants, and to fund, if deemed appropriate, a portion of the costs of the refunding from available funds of the University and the balance of such costs from the proceeds of the Bonds, and to proceed with the refunding.

2. The Board hereby authorizes the issuance, execution and delivery of the Bonds of the Board, in one or more series, to be designated GENERAL REVENUE BONDS, with appropriate series designations, in the aggregate original principal amount to be established by an Authorized Officer, but not to exceed the aggregate principal amount necessary to produce proceeds of THIRTY-FOUR MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$34,150,000) for the payment of the costs of the Projects and the costs of issuance of the Bonds, plus the amount necessary to accomplish the refunding of the Bonds to be Refunded, if any, and to pay costs related thereto, as determined by an Authorized Officer. The Bonds shall be dated as of the date or dates established by an Authorized Officer, and shall be issued for the purpose of providing funds which, together with other available funds, will be used to pay all or a portion of the costs of the Projects, including, if determined to be appropriate by an Authorized Officer, capitalized interest related to all or any portion of the Projects for a period specified by an Authorized Officer, to pay all or a portion of the costs of refunding the Bonds to be Refunded, if any, and to pay costs related to the issuance of the Bonds and the refunding, including the costs of bond insurance premiums, if an Authorized Officer determines such insurance to be appropriate. The Bonds shall be serial bonds or term bonds, which may be subject to redemption requirements, or both, as shall be established by an Authorized Officer, but the first maturity or mandatory redemption date shall be no earlier than June 1, 2022 and the last maturity shall be no later than December 31, 2049. The Bonds may be issued as federally tax-exempt bonds or as federally taxable bonds, or any combination thereof, as shall be determined by an Authorized Officer. The Bonds may bear interest at stated fixed rates for the respective maturities thereof as shall be established by an Authorized Officer, but the weighted average yield of the Bonds (computed using the stated coupon and the stated original offering price) shall not exceed 5.5% per annum for tax-exempt bonds and 7.0% per annum for taxable bonds, subject, in the case of Bonds sold to a Purchaser pursuant to a direct purchase arrangement, to adjustments for increased costs of the Purchaser, rating changes and defaults and other specified factors, but in no event in excess of the lesser of 25% per annum, the maximum rate permitted by law or the maximum rate, if any, specified in the Trust Indenture. Alternatively, all or part of the Bonds may bear interest at a variable rate of interest for all or part of their term, determined on the basis of an index or a spread to an index or through market procedures, or both, and the variable rate of interest shall not exceed the lesser of 25% per annum, the maximum rate permitted by law or the maximum rate, if any, specified in the Trust Indenture. The Bonds may be subject to redemption or call for purchase prior to maturity at the times and at the prices (which may be expressed as a percentage of the principal amount being redeemed or be based on a “make-whole” formula, or both) as shall be determined by an Authorized Officer. Interest on the Bonds shall be payable at such times as shall be specified by an Authorized Officer. The Bonds shall be issued in fully-registered form in the denominations, shall be payable as to principal and interest in the manner, shall be subject to transfer and exchange, and shall be executed and authenticated, and may be issued in book-entry-only form, all as shall be provided in the Trust Indenture. The Bonds shall be sold to the Underwriter or Purchaser for a price to be established by an Authorized Officer (but the Underwriter’s or Purchaser’s discount, exclusive of original issue discount, shall not exceed 1.00% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof.

Any or all of the Bonds purchased by a Purchaser may be made subject to tender for purchase at the option of the holder thereof or to mandatory tender for purchase. The obligation of the Board to purchase any Bonds subject to tender for purchase may be limited to the

remarketing proceeds of such Bonds, or may be made payable from General Revenues (as defined in Section 3 below) or from available cash reserves of the University, subject to such limitations as may be specified in the Trust Indenture, all as shall be determined by an Authorized Officer and provided for in the Trust Indenture.

In connection with the issuance of any series of the Bonds, either Authorized Officer may, at any time, on behalf of and as the act of the Board, enter into a rate lock, forward delivery or similar agreement or agreements (collectively, the “Rate Lock Agreement”) with a counterparty or counterparties selected by an Authorized Officer. Any Rate Lock Agreement may be required to be terminated upon the conditions stated therein, with the possibility of a resulting termination payment due by the Board. Any termination payment owing by the Board under a Rate Lock Agreement may be paid from the proceeds of the Bonds and/or from other available funds of the Board, as determined by an Authorized Officer.

3. The Bonds shall be limited and not general obligations of the Board, payable from and secured by a lien on the General Revenues of the Board (as shall be defined in the Trust Indenture in a manner generally consistent with the definition of General Revenues contained in the trust indentures pursuant to which the Prior Bonds were issued). The lien on General Revenues securing the Bonds shall be on a parity basis with the liens on General Revenues securing the Prior Bonds and other previously issued obligations of the Board secured by a first lien on General Revenues. The Bonds may also be payable from and secured by a lien on moneys, securities or other investments from time to time on deposit in certain funds created pursuant to the Trust Indenture.

No recourse shall be had for the payment of the principal amount of or interest or premium on the Bonds, or for any claim based thereon, against the State of Michigan, or any member or agent of the Board (including, without limitation, any officer or employee of the University), as individuals, either directly or indirectly, nor, except as specifically provided in the Trust Indenture, against the Board, nor shall the Bonds and interest or premium with respect thereto become a lien on or be secured by any property, real, personal or mixed, of the State of Michigan or the Board, other than General Revenues and the moneys, securities or other investments from time to time on deposit in certain funds established as pledged pursuant to the Trust Indenture.

The pledge of General Revenues and of funds specified in the Trust Indenture shall be valid and binding from the date of the issuance and delivery of the Bonds, and all moneys or properties subject thereto that are thereafter received shall immediately be subject to the lien of the pledge without physical delivery or further act. The lien of said pledge shall be valid and binding against all parties (other than the holders of any other bonds, notes or other obligations secured by a parity first lien on General Revenues) having a claim in tort, contract or otherwise against the Board, irrespective of whether such parties have notice of the lien.

4. The right is reserved to issue additional bonds, notes or other obligations payable from General Revenues and secured on a parity or subordinated basis with the Bonds, the Prior Bonds and other obligations of the Board so secured by a lien on General Revenues, upon compliance with the terms and conditions therefor as shall be set forth in the Trust Indenture.

5. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select the Trustee and to negotiate the terms of and execute and deliver the Trust Indenture. The Trust Indenture may contain such covenants on behalf of the Board and terms as such Authorized Officer deems appropriate, including, but not limited to, covenants with respect to the establishment of General Revenues at levels expressed as a percentage of debt service on the Bonds or all General Revenue obligations of the Board, and with respect to the issuance of additional bonds, notes or other obligations payable from and secured by General Revenues. The approval of the Trust Indenture and the terms thereof shall be conclusively evidenced by the execution of the Trust Indenture by an Authorized Officer. In addition, each Authorized Officer is hereby individually authorized, empowered and directed to negotiate, if deemed appropriate by an Authorized Officer in connection with the issuance of the Bonds, for the acquisition of bond insurance and to execute and deliver an insurance commitment or other documents or instruments required in connection with such insurance.

6. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of the Board and as its corporate act and deed, to select the Underwriter or Purchaser and to negotiate, execute and deliver the Bond Purchase Agreement with the Underwriter or Purchaser setting forth the terms of the Bonds and the sale thereof, and containing such other covenants and agreements of the Board as may be required by the Underwriter or the Purchaser in connection therewith, in the forms as an Authorized Officer may approve, all within the limitations set forth herein.

7. Each Authorized Officer is hereby individually authorized, empowered and directed, in the name and on behalf of the Board, and as its corporate act and deed, to execute the Bonds by manual or facsimile signature, and to deliver the Bonds to the Underwriter or Purchaser in exchange for the purchase price therefor.

8. Each Authorized Officer is hereby individually authorized to solicit ratings on the Bonds from any national rating services that the Authorized Officer deems appropriate and, if necessary, to cause the preparation of a Preliminary Official Statement and an Official Statement with respect to each series of the Bonds, to deem such official statements “final” in accordance with applicable law, and to execute and deliver the Official Statements. Each Authorized Officer, or the Underwriter or the University’s financial advisor, as appropriate, is authorized to circulate and use, in accordance with applicable law, the Preliminary Official Statements and the Official Statements in connection with the offering, marketing and sale of the Bonds.

9. Each Authorized Officer, the Secretary of the Board and any other appropriate officer or representative of the Board or the University are each hereby authorized to perform all acts and deeds and to execute and deliver for and on behalf of the Board all instruments and documents required by this Resolution, the Trust Indenture and the Bond Purchase Agreement, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Bonds, as contemplated hereby, including, if deemed appropriate, one or more escrow deposit agreements with an escrow agent to be selected by an Authorized Officer as may be necessary to accomplish the refunding of the Bonds to be Refunded. Each Authorized Officer is hereby individually authorized to designate and empower the escrow agent to subscribe for United States Treasury Securities – State and Local Government Series, on behalf of the Board, as may be necessary in connection with any refunding authorized hereby. Each Authorized Officer is further authorized

to execute and deliver, for and on behalf of the Board or the University, all instruments or documents required, necessary or appropriate for the ongoing administration or operation of the financing program represented by the Bonds, the Trust Indenture and the Bond Purchase Agreement. Any action required under the Trust Indenture, the Bond Purchase Agreement or any other instrument related to the Bonds may be taken by and on behalf of the Board by an Authorized Officer. Any reference to an officer of the Board or the University herein shall include any interim or acting officer occupying such position or having been assigned all or a portion of the functions of such position.

10. In accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, the Board may be required in connection with the issuance of the Bonds to enter into one or more continuing disclosure undertakings for the benefit of the holders and beneficial owners of the Bonds. Each Authorized Officer is individually authorized to cause to be prepared and to execute and deliver, on behalf of the Board, the continuing disclosure undertakings.

11. Each Authorized Officer is hereby authorized and delegated the power to execute, on behalf of the Board, one or more declarations of intent to reimburse the University from Bond proceeds for any expenditures with respect to the Projects incurred prior to the issuance of the Bonds, and for future projects to be funded with the proceeds of future bond issues, all in accordance with U.S. Treasury Regulation § 1.150-2. Any and all actions of an Authorized Officer previously taken in connection with the execution of such declarations of intent are hereby ratified and confirmed.

12. If deemed necessary by the University's bond counsel, each Authorized Officer is individually authorized to arrange for the publication of a notice of and to conduct a public hearing with respect to the issuance of the Bonds, all in accordance with requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

13. Any resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed insofar as such conflict exists.

EXHIBIT A

THE PROJECTS

The Projects, as that term is used in the Resolution to which this Exhibit A is attached, consists of the capital projects described below:

1. CETF – Jacobetti Renovation

Capital outlay project to demolish 43,000 square feet of the south side of the existing building and renovate 174,000 square feet of lab, classroom and public space to create a vibrant, modern, high-tech facility for future application engineers and technical career professionals.

2. Northern Center – Cosmetology/Hospitality

In combination with the renovation of the Jacobetti Complex, the Cosmetology and Hospitality Management academic programs will be relocated to vacant space in the Northern Center. The first floor of the Northern Center will be renovated to accommodate Cosmetology and the second floor for Hospitality Management. Renovations to include new teaching labs, new teaching kitchen, student-run restaurant, faculty offices and two classrooms. The exterior façade on the west side of Northern Center will be updated to match renovated areas.

3. Health and Wellness Center

In order to provide services closer to on-campus students and allow the east wing of Gries Hall to be vacated, a new center will be renovated to consolidate the Health Center in Gries Hall and the Counseling Center in Hedgcock. This location will be an addition onto Quad I Lobby or a stand-alone building west of Quad I.

4. Science Complex Teaching Labs

Creation of additional science teaching and research labs in the Science Complex for high demand science programs including Biology, Chemistry, Psychology, and Nursing.

5. Behavior Education Assessment and Research (BEAR) Center

The Behavior Education Assessment and Research (BEAR) Center has outgrown its existing space in the Services Building. The project consists of the renovation of the property at 1738 Presque Isle for the BEAR Center to include a waiting/reception area, office-type counseling rooms, staff offices, file room, classroom and restrooms.

6. Northern Enterprise Center

To move faculty closer to the academic core and increase potential for program growth, a new facility will be constructed west of McClintock Building for the College of Business and other academic programs currently located outside of the academic mall. The new enterprise center will include faculty offices, lab space, classrooms, and an auditorium.

7. McClintock Classrooms Upgrades

This project will renovate existing general purpose classrooms into vibrant, high-tech teaching spaces.

8. Harden Hall Library

This project will modernize the existing facility, co-locate student resources and increase energy efficiency.

9. Berry Events Center – Ice Making Equipment (Hockey)

This project will replace the existing 30-year-old ice-making equipment, which has reached the end of its useful life.

10. Superior Dome Turf Replacement

This project will replace the existing turf in the Superior Dome, which has reached the end of its useful life.

11. Campus Roads, Parking and Utility Infrastructure

This project includes the construction of new parking at the Northern Center to serve an increased demand related to the Cosmetology and Hospitality Management programs.

12. Demolition of West Hall

This project involves the removal of West Hall per recommendation of the 2019 Campus Master Plan.

13. Demolition of Gries Hall

This project involves the removal of Gries Hall per recommendation of the 2019 Campus Master Plan.

14. Physical Education and Instructional Facility (PEIF) Pool

This project will renovate the existing PEIF natatorium, including the existing swim and dive pool, associated pool filtration equipment, mechanical equipment serving the natatorium, and renovations of the adjacent locker rooms to extend its useful life. A small addition to the south of the building will also be constructed to accommodate increased length of the pool from 25 yards to 25 meters.

The currently estimated cost of the Projects to be funded from proceeds of the Bonds (excluding capitalized interest, if any, and bond issuance costs) is \$31,150,000.

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Trustees of Northern Michigan University at a meeting held on October 1, 2021, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with all applicable law, and that the minutes of said meeting were kept and will be or have been made available as required by law.

I further certify as follows:

1. Present at the meeting were the following Board members:

Absent from the meeting were the following Board members:

2. The following members of the Board voted for the adoption of the Resolution:

The following members of the Board voted against adoption of the Resolution:

RESOLUTION DECLARED ADOPTED.

Cathy A. Andrew
Secretary of the Board of Trustees
of Northern Michigan University