

April 8, 2008

The Regular meeting of the Otsego County Board of Commissioners was held in the Multi-Purpose Room of the J. Richard Yuill Alpine Center. The meeting was called to order at 10:30 a.m. by Chairman Glasser. Invocation by Chairman Bates, followed by the Pledge of Allegiance led by Commissioner Beachnau.

Roll call:

Present: Backenstose, Bates, Beachnau, Liss, Glasser, Hyde, Bentz.

Excused: Olsen, Johnson.

The Regular meeting minutes of March 25, 2008 with attachments were approved as corrected. The minutes were corrected to read, the meeting was adjourned at the call of the chair.

Consent Agenda:

Motion to approve the Otsego County/Fair Association Lease as presented. Ayes: Unanimous. Motion carried. (see attached)

Motion to approve the Fair Association/Otsego County Lease as presented. Ayes: Unanimous. Motion carried. (see attached)

Motion to adopt Resolution OCR-08-13 Mortgage Discharge of Patricia L. Peter.

Roll Call Vote:

Ayes: Backenstose, Bates, Beachnau, Liss, Glasser, Hyde, Bentz.

Nays: None.

Excused: Johnson, Olsen.

Motion carried/Resolution adopted. (see attached)

Motion to approve the Jury Board Reappointment of Donna Sawicki term to expire April 30, 2014. Ayes: Unanimous. Motion carried.

Administrator's Report:

John Burt reported on the infrastructure meeting; Capital Improvement plan.

Brian Webber updated the Board on the work camp program.

Elizabeth Haus reported on the Village.

Correspondence:

Chairman Glasser received a letter from NEMCOG.

New Business:

Motion by Commissioner Hyde, to approve Warrant B2008-14 in the amount of \$1,987,855.97 with prepaids in the amount of \$14,872.59 as presented. A motion to amend above motion by Commissioner Beachnau to correct the coding on the check payable to the Gaylord Community Schools on page 5. Vote on amendment: Unanimous, Vote on amended motion: Unanimous.

Motion by Commissioner Liss, to approve Warrant B2008-15 in the amount of \$417,802.50 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Bentz, to adopt Resolution OCR-08-14 Health Department Building Request.

Roll Call Vote:

Ayes: Backenstose, Bates, Beachnau, Liss, Glasser, Hyde, Bentz.

Nays: None.

Excused: Johnson, Olsen.

Motion carried/Resolution adopted. (see attached)

Motion by Commissioner Beachnau, to approve the bid by Data Consultants for the Jail Camera Project in the amount of \$22,607.44. Ayes: Unanimous. Motion carried.

Public Comment:

Bob Harden addressed the Board regarding NEMSCA.

Board Remarks:

Commissioner Beachnau: Visitors Guide.
Ribbon Cutting ceremony for the non-motorized trail is 6-7-08
@9:00 a.m.

Motion by Commissioner Bates, to enter into closed session under provisions of Act 267 of 1976 Section 8 (e) to consult with our attorney regarding litigation.

Entered into closed session at 11:07 a.m.

Returned to open session at 12:03 p.m.

Meeting adjourned at 12:03 p.m at the call of the Chair.

Kenneth R. Glasser Chairman

Susan I. DeFeyter, County Clerk

LEASE

This Agreement entered into this _____ day of _____, 2008, by and between the COUNTY OF OTSEGO, hereinafter referred to as the "LESSOR", and the OTSEGO COUNTY FAIR ASSOCIATION, hereinafter referred to as "LESSEE".

WITNESETH

WHEREAS, LESSOR owns certain property located in the City of Gaylord, County of Otsego, State of Michigan, and described as follows:

That part of N ½ of NW ¼ of NE ¼ east of RR and N ½ of NE ¼ of NE ¼ except the east 620 feet Section 33, T31N, R3W.

IT IS THEREFORE AGREED:

1. LESSOR agrees to lease to LESSEE all of the property hereinabove described, together with all structures and fixtures thereon contained.
2. The term of the lease shall be for ten (10) years commencing the _____ day of _____, 2008, and shall be renewable for an additional ten (10) years upon the mutual agreement of the parties hereto.
3. LESSOR agrees to pay LESSEE as rent for the premises the sum of ONE DOLLAR (\$1.00) per year, payable on or before the _____ day of _____, 2008, and each succeeding year thereafter during the term of the lease.
4. LESSEE agrees to use the premises principally for the development of the fairgrounds and promotion of the County Fair activities; and in connection therewith, to undertake various projects, such as renting and leasing space or buildings in order to accumulate such capital and assets as are required to accomplish such purpose.

It is further agreed that the "Otsego County Fair Association" shall act as operators on behalf of LESSOR in the above matters.
5. LESSEE agrees not to do anything on the premises which may result in a violation of the rules of any municipal department or agency concerned with the occupancy of said premises.
6. LESSEE agrees to maintain such insurance as may be necessary to protect LESSEE and LESSOR from liability arising out of the use of said premises. LESSOR shall be named as an additional insured on such insurance policies. LESSOR further agrees to maintain such insurance coverage as may be necessary to protect the structures thereon from fire, windstorm, etc. damage, and to name LESSEE as an additional insured on said policy.
7. LESSEE agrees to secure certificates of insurance from all participants of "special events" and users of the various facilities. Said certificates of insurance shall hold harmless both LESSOR and LESSEE. When appropriate, waivers of liability shall be obtained from renters of the buildings and structures. Copies of the above certificates of insurance and waivers of liability shall be placed on file for inspection by the LESSOR.
8. In the event LESSEE shall default or fail in performance of LESSEE's obligations under this lease, LESSOR may terminate the Lease and reposes the premises.
9. Successors and assigns of the parties hereto shall be bound by the terms of this Lease.

IN WITNESS WHEREOF, the parties hereto have hereunto set there hands and seals the day and date first above written.

In the presence of:

OTSEGO COUNTY FAIR ASSOCIATION

President

Secretary

In the Presence of:

COUNTY OF OTSEGO

Chairman

Clerk

LEASE

This agreement entered into this _____ day of _____, 2008, by and between the OTSEGO COUNTY FAIR ASSOCIATION, hereinafter referred to as "LESSOR", and the COUNTY OF OTSEGO, hereinafter referred to as "LESSEE".

WHEREAS, LESSOR owns certain property located in the City of Gaylord, County of Otsego, State of Michigan, and described as follows:

Beginning at the northeast corner of the southeast quarter of the northeast quarter of Section 33 in Township 31 north of range 3 west, thence south along the section, line 708 feet, thence west parallel with the north line of said section 238 feet, thence north parallel with the east line of said section 100 feet, thence west parallel with the north line of said section 608 feet and thence east to the place of beginning, and

All that part of the south half of the north half of the northeast quarter of section thirty-three, town thirty-one north, range three west lying east of the Michigan Central Railroad Right of Way; except the following parcel of land: Commencing at the northeast corner of the south half of the north half of the northeast quarter of said section thirty-three for the point of beginning; thence west along a line parallel with the north section line of said section a distance of 730 feet to a concrete monument; thence south along a line parallel with the east section line of said section a distance of 375 feet; thence east along a line parallel with said north section line a distance of 380 feet; thence south 170 feet; thence south easterly on a straight line to a point on the east and west eighth line of said section which is 250 feet; west of the east section line; thence east along the said east and west eighth line a distance of 250 feet to the said east section line; thence north along the east section line to point of beginning, and

The north half of the northwest quarter of the northeast quarter of section 33, T31N-R3W, lying east of the Railroad Right of Way;

Also, the north half of the northeast quarter of the northeast quarter of section 33, T31N-R3W EXCEPT the east 620 feet thereof, and

Town 31 north, range 3 west, section 33, north half of southeast quarter of northeast quarter, and commencing at the southeast corner of the north half of southeast quarter of northeast quarter of section 33, west 40 rods, south 51 feet, east 40 rods, north 51 feet to place of beginning, and commencing 40 rods west of the southeast corner of the north half of the southeast quarter of the northeast quarter of section 33, west to east line of the Michigan Central Railroad Right of Way, south 51 feet, thence east parallel to the point south of place of beginning, thence north 51 feet to place of beginning, excepting there from that certain piece and parcel of land described as follows:

Beginning at the northeast corner of the southeast quarter of the northeast quarter of section 33, thence south along the section line 708 feet, thence west parallel with the north line of said section 238 feet, thence north parallel with the east line of said section 100 feet, thence west, parallel with the north line of said section 100 feet, thence North parallel with the east line of said section 608 feet, thence east to the place of beginning.

Commencing at the east quarter corner, thence north 608.53 ft., thence west 237.97 ft., to place of beginning, thence continuing west 80 ft., thence north 99.85 ft., thence east 80 ft., thence south 99.85 ft to place of beginning section 33 T31N R3W part if the city of Gaylord split from 101-033-000-010-00.

EXCEPT:

A parcel of land in part of the northeast quarter of section 33, T31N-R3W, City of Gaylord, Otsego County, Michigan, described as commencing on the east quarter corner of section 33, thence N00°04'00"E, 608.4 feet along the east line of said section 33, thence N89°40'W, 538 feet along the north right of way line of Shipp Street to the point of beginning; thence N00°04'E, 54.00 feet; thence N89°40'W, 164.00 feet; thence S00°04'W, 54.00 feet; thence S89°40'E, 164.00 feet to the beginning, containing 0.20 acres more or less.

IT IS THEREFORE AGREED:

1. LESSOR agrees to lease to the LESSEE all of the property hereinabove described, together with all structures and fixtures thereon contained.
2. The term of the lease shall be for ten (10) years commencing the _____ day of _____, 2008, and shall be renewable for an additional term of ten (10) years upon the mutual agreement of the parties hereto.
3. LESSEE agrees to pay LESSOR as rent for the premises the sum of ONE DOLLAR (\$1.00) per year, payable on or before the _____ day of _____, 2008, and each succeeding year thereafter during the term of the lease.
4. LESSEE agrees to use the premises principally for the development of the fairgrounds and promotion of the County Fair activities; and in connection therewith, to undertake various projects, such as renting and leasing space or buildings in order to accumulate such capital and assets as are required to accomplish such purpose.

It is further agreed that the "Otsego County Fair Association" shall act as operators on behalf of LESSEE in the above matters.

5. LESSEE agrees not to do anything on the premises which may result in a violation of the rules of any municipal department or agency concerned with the occupancy of said premises.
6. LESSOR agrees to maintain such insurance as may be necessary to protect LESSEE and LESSOR from liability arising out of the use of said premises. LESSEE shall be named as an additional insured on such insurance policies. LESSEE further agrees to maintain such insurance coverage as may be necessary to protect the structures thereon from fire, windstorm, etc. damage, and to name LESSOR as an additional insured on said policy.
7. LESSOR agrees to secure certificates of insurance from all participants of "special events" and users of the various facilities. Said certificates of insurance shall hold harmless both LESSOR and LESSEE. When appropriate, waivers of liability shall be obtained from renters of the buildings and structures. Copies of the above certificates of insurance and waivers of liability shall be placed on file for inspection by the LESSEE.
8. In the event LESSEE shall default or fail in performance of LESSEE's obligations under this lease, LESSOR may terminate the Lease and reposes the premises.
9. Successors and assigns of the parties hereto shall be bound by the terms of this Lease.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and date first above written.

In the presence of:

In the Presence of:

OTSEGO COUNTY FAIR ASSOCIATION

President

Secretary

COUNTY OF OTSEGO

Chairman

Clerk

RESOLUTION NO. OCR 08-13
AUTHORIZING RESOLUTION
OTSEGO COUNTY BOARD OF COMMISSIONERS
April 8, 2008

WHEREAS, the Otsego County Board of Commissioners is the owner of a property located at 5542 Birchway; now known as 5532 Corey Cove, Gaylord, Michigan 49735 and has a mortgage recorded in Liber 266, Page 41 in the name of Patricia L. Peter, a single woman and

WHEREAS, said Mortgage has been paid in full; now, therefore, be it

RESOLVED, that Otsego County hereby issues a DISCHARGE OF MORTGAGE to, Patricia L. Peter, a single woman and be it further

RESOLVED, that the Otsego County Administrator, on behalf of the Otsego County Board of Commissioners, be authorized to sign said document.

RESOLUTION NO. OCR 08-14
Resolution Approving Northwest Michigan Community
Health Agency Building Project
OTSEGO COUNTY BOARD OF COMMISSIONERS
April 8, 2008

WHEREAS, The County is one of the constituent counties of the Northwest Michigan Community Health Agency (the "District Health Department"), a "district health department" formed by the constituent counties of Antrim, Charlevoix, Emmet and Otsego under Section 2415 of Act 368, P.A. 1978, as amended, for the purpose of providing essential public health services to residents of those counties, and

WHEREAS, The District Health Department has an urgent need for an approximately 23,900 square foot medical, dental and office facility for the provision of health care and human services to be rendered by the District Health Department and other governmental units and qualified tax exempt charitable organizations for related purposes (the "Project"), and

WHEREAS, Land presently owned by the County specifically described in EXHIBIT A hereto (the "Land"), together with an existing approximately 15,000 square foot building situated on the Land (the "Existing Building") have been identified as a desirable site (the Land and Building are hereafter referred to as the "Site") for the Project (consisting of the Site together with an approximately 8,900 square foot addition (the "Building Addition") to be constructed thereon), and the County has indicated its willingness to lease or convey the Site to NHF Sub Charlevoix, a Michigan nonprofit corporation, for purposes of the Project (subject to certain reversionary rights of the County), and

WHEREAS, It is proposed that:

- (i) NHF Sub Charlevoix will issue tax-exempt obligations on behalf of the County in a principal amount not to exceed \$1,300,000 (the "Bonds"), the proceeds of which will be used for the acquisition and development of the Building Addition.
- (ii) NHF Sub Charlevoix will lease the Project to the District Health Department for a term of up to twenty-one (21) years, the lease payments being fixed in amounts sufficient for NHIF Sub Charlevoix to pay the principal of and interest on the Bonds as such amounts become due, together with reasonable administrative expenses.
- (iii) The Building Addition will be used by the District Health Department as a dental clinic and as a maternity and child health clinic, and the Existing Building will be used by the District Health Department as a public health clinic, with a minor portion thereof to be used by governmental or private charitable health and human services organizations for related purposes, including the Commission on Aging and Project Head Start; now, therefore, be it

RESOLVED, The health care and human services provided by the District Health Department and other governmental or charitable organizations in need of medical, dental and office facilities constitute an essential public purpose of benefit to the health and welfare of the residents of the County, and be it further

RESOLVED, The Board approves the nonprofit purposes and activities of NHF Sub Charlevoix, set forth in its Articles of Incorporation, as amended, attached hereto as Exhibit D, including the development of the Building Addition and the lease of the Project to the District Health Department for the purposes set forth in the Recitals for a term of up to twenty-one (21) years. NHF Sub Charlevoix is incorporated by private nonprofit, charitable public health interests, is not an agent or instrumentality of the County, and shall operate independently of any control by the County, and be it further

RESOLVED, The County shall either convey title to the Site to NHF Sub Charlevoix subject to the provisions for reversion of title of the Project to the County as set forth in EXHIBIT B hereto, or lease the Site to NHF Sub Charlevoix pursuant to a lease (the "Lease") with substantially the applicable terms previously approved by the County on October 8, 1991 set forth in the Ground Lease between the County and NHF Sub Otsego, a Michigan nonprofit corporation, dated September 23, 1992, recorded in the Otsego County Records on December 1, 1992, at Liber 521 pages 552-560, which terminated on or about August 2007 (the "Otsego Ground Lease"), and be it further

RESOLVED, The Board of County Commissioners hereby authorizes the Chairperson of the Board and the County Clerk to execute a deed (or, in the event the Site is leased to NHF Sub Charlevoix, the Lease which contains substantially the same applicable terms as the Otsego Ground Lease, as determined by the Chairperson of the Board) and a Subordination Agreement subordinating the reversion rights of the County (or, in the event of a lease, the County's rights under the Lease) to the claims of the holder of the Bonds (the "Bondholder") until the indebtedness represented by the Bonds issued on behalf of the of the County for the acquisition and development of the Building Addition are paid in full, and be it further

RESOLVED, The Board of County Commissioners approves of the issuance of tax-exempt obligations of NHF Sub Charlevoix on behalf of the County in a principal amount not to exceed \$1,300,000, for the purpose of financing the acquisition and development of the Building Addition, which Bonds shall be issued no later than one (1) year from the date hereof, upon substantially the terms set forth in EXHIBIT C hereto, The County's approval of the issuance by NHF Sub Charlevoix of the Bonds is only to the extent required in order for such debt obligations to be deemed to be issued "on behalf of" the County for purposes of Section 103 of the Internal Revenue Code of 1986, as amended, and, for no other purposes. The Bonds and the interest thereon shall be non-recourse obligations of NHF Sub Charlevoix, payable solely from the lease payments from the District Health Department and secured by a mortgage (or leasehold mortgage) on the Project and an assignment of such lease payments. The Bonds shall never constitute general obligations of the County within the meaning of any constitutional, statutory or charter provision or limitation, and shall never constitute or give rise to a debt or liability of the County or a charge against the general credit or taxing power of the County. The County disclaims any financial responsibility for repayment of the Bonds, which are to be primarily secured by lease payments made by the District Health Department to NHF Sub Charlevoix, and be it further

RESOLVED, Upon retirement of the indebtedness represented by the Bonds, the County shall accept title to the Project (or the Lease shall terminate) and the property financed by the Bonds (including the Building Addition and any other additions to the Project) from NHF Sub Charlevoix, pursuant to the County's rights of reversion set forth on EXHIBIT B hereto. The reversion of title of the Project to the County after the retirement of the Bonds shall be as partial consideration, together with the use of the Site and the Project for the provision of essential health and human services in the County, for conveyance of the Site by the County to NHF Sub Charlevoix for the acquisition and development of the Building Addition, and be it further

RESOLVED, The County hereby designates the Bonds in the maximum principal amount of \$1,300,000 as "qualified tax-exempt obligations" for purposes of the deduction of interest expense by financial institutions under Section 265 of the Internal Revenue Code of 1986, as amended. Such designation is based upon the reasonable expectation that the aggregate principal amount of the Bonds and all other tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) which will be issued during calendar year 2008 by the County (including obligations of all other entities which issue obligations on behalf of the County and all subordinate entities of the County) will not in the aggregate exceed \$10,000,000, and be it further

RESOLVED, All resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and they are hereby rescinded.

EXHIBIT A - LEGAL DESCRIPTION

A parcel of land on part of the SW 1/4 of Section 27, T31N-R3W, Livingston Township, Otsego County, Michigan, described as commencing at the SW corner of said Section 27; thence S89°22'16"E, 850.00' along the South line of said Section 27; thence N00°37'44"E, 388.36' to the POINT OF BEGINNING; thence continuing N00°37'44"E, 234.66'; thence along the South line of 80' easement for ingress and egress the following two (2) courses: 1) N86°50'54"E, 327.50'; 2) 247.76' along a curve to the left, said curve having a radius of 512.54', a Long Chord of 245.35' Bearing N73°00'01"E; thence S00°35'45"W, 330.56'; thence N89°22'16"W, 560.81' to the Point of Beginning, containing 3.36 acres more or less and being subject to an easement for the construction, operation and maintenance of water lines in, on, under, over, upon and across premises described as;

"A strip of land in the SW 1/4 of Sec. 27, T 31 N, R 3 W Livingston Township, Otsego County, Michigan, lying 15 feet either side of a line described as commencing at the SW corner of Sec. 27, T 31 N, R 3 W; and proceeding thence E 665.91 feet along the S line of said Sec. 27; thence N 33.00 feet to the point of beginning of this easement; thence N 165.06 feet; thence N 52°14'39"E 392.60 feet; thence N 41°45'44"E 215.36 feet; thence S 75°34'40"E 344.62 feet to a point 15 feet W of the NW corner of the Cheboygan-Otsego-Presque Isle Intermediate School District structure; thence S 0°2'13"E 140.00 feet parallel to the W'ly wall of said structure to the point of ending."

Being together with an 80' easement for purposes of ingress-egress and public utilities over and across a parcel of land described as lying 40' either side of a line described as commencing at the SW corner of said Section 27; thence N00°01'03"E, 600.41' along the West line of said Section 27 and centerline of Highway US 27; thence N86°16'49"E, 100.21' to the POINT OF BEGINNING of this easement; thence continuing N86°16'49"E, 518.05'; thence N86°50'54"E, 565.31'; thence 281.68' along a curve to the left, said curve having a radius of 472.54', a Long Chord of 277.48', Bearing N68°46'29"E; thence N86°55'16"E, 185.47'; thence 231.18' along a curve to the left, said curve having a radius of 143.12', a Long Chord of 206.85', Bearing N40°38'48"E; thence N05°37'40"W, 95.96'; thence N16°04'06"E, 62.25' to the point of ending.

(NOTE: *denotes degrees)

EXHIBIT B - RIGHTS OF COUNTY

UNENCUMBERED TITLE TO AND EXCLUSIVE POSSESSION OF THE PROJECT (INCLUDING THE PROPERTY FINANCED BY BONDS TO BE ISSUED BY THE GRANTEE AND ANY ADDITIONS THERETO) SHALL VEST IN THE COUNTY UPON THE OCCURRENCE OF ANY OF THE FOLLOWING, WITHOUT ANY DEMAND OR FURTHER ACTION ON THE PART OF THE COUNTY:

1. Commencement of the Project does not commence prior to June 30, 2009, or completion of the construction of the Project does not occur prior to June 30, 2010.
2. The Project is not being used on a regular basis for functions of the District Health Department (or any successor entity of the District Health Department providing substantially the same services), or related functions of governmental or Section 501(c)(3) organizations.
3. The District Health Department is dissolved.
4. Upon payment by NHP Sub Charlevoix of the full indebtedness represented by the Bonds.
5. The County shall have either prepaid the principal of and interest on the Bonds accrued to the date of prepayment, or shall have provided for the payment of the principal of and interest on the Bonds by irrevocably depositing in escrow Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and the County shall have paid all necessary and proper fees and expenses incident to such prepayment or defeasance. "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States.

PROVIDED, HOWEVER, THE RIGHTS OF THE COUNTY ARE SUBJECT AND SUBORDINATE TO THE CLAIMS OF THE BONDHOLDER UNTIL THE INDEBTEDNESS REPRESENTED BY THE BONDS ISSUED ON BEHALF OF THE COUNTY FOR THE BUILDING ADDITION ARE PAID IN FULL.

EXHIBIT C

Principal Amount: Not to exceed \$1,300,000.

Interest Rate: Initial interest rate not to exceed 5% (subject to periodic adjustments based on an independent index as negotiated with the Bondholder).

Maturity Date/Amortization Schedule: Not later than twenty-one (21) years from the date the Bonds are issued. Additional bonds issued to finance improvements or additions to the Project or to refund the Bonds or any additional bonds must be discharged no later than the latest maturity date of the Bonds, regardless of whether the Bonds are callable at an earlier date. The maturity date of the Bonds or any other obligations of NHF Sub Charlevoix with respect to the Project may not be extended beyond the latest maturity date of the Bonds, regardless of whether the Bonds are callable at an earlier date.

Purposes: To finance the acquisition and development of an approximately 8,900 square foot building addition to an existing public health building for lease to the District Health Department and other governmental units and charitable organizations at rates not in excess of fair rental value, and to pay costs relating to the issuance of the Bonds. All proceeds of the Bonds (net of the costs of issuance) shall be used for the acquisition of tangible real and tangible personal property. Proceeds may not be used for working capital.

Security:

1. Mortgage (or leasehold mortgage) on the Project
2. Assignment of Leases
3. Bonds non-recourse as to both NHF Sub Charlevoix and the County

Prepayment: The terms and conditions of prepayment of the Bonds by the Issuer shall be mutually agreeable to the Issuer and the Bondholder.

Rights of County upon Event of Default: Upon the failure by NHF Sub Charlevoix to pay the principal of or interest on the Bonds or upon any other event constituting an event of default under the Bonds giving rise to acceleration of the Bonds, the County shall have an exclusive option to purchase the property financed by the Bonds (including any additions to such property) for the amount of the outstanding indebtedness and accrued interest to the date of default, which option shall be exercisable for a period of at least 90 days following such default. In the event the County exercises such option, the County shall have a period of at least 90 days from the date of such exercise to purchase the property.

Rights of the County to Prepay and Defeasance Bonds: The County shall have the right to prepay or to defease the Bonds. Upon such prepayment or defeasance, title to the Project shall revert to the County and all leases, management contracts and encumbrances (other than certain permitted encumbrances) shall terminate, and any users of the property shall vacate within 90 days, subject to the right (but without any obligation) of the County to enter into a new lease agreement with users of the property.

Insurance: Proceeds of fire or other casualty insurance policies received in connection with damage to or destruction of the property financed by the Bonds, including any additions to the property, will, subject to the claim of the Bondholder, (a) be used to reconstruct the property, regardless of whether the insurance proceeds are sufficient to pay for reconstruction or (b) remitted to the County.

Estimates of Fair Market Value and Useful Life: (1) A reasonable estimate of the fair market value of the property on the latest maturity date of the Bonds, regardless of whether the Bonds are callable at an earlier date, is equal to at least 20% of the original cost of the property financed by the Bonds (determined without regard to any addition to the property or any increase or decrease for inflation during the term of the Bonds), and (2) a reasonable estimate of the remaining useful life of the property on the latest maturity date of the Bonds, regardless of whether the Bonds are callable at an earlier date, is the longer of one year or 20% of the originally estimated useful life of the property financed by the Bonds.

EXHIBIT D

ARTICLES OF INCORPORATION, AS AMENDED, OF NHF SUB CHARLEVOIX

| MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH BUREAU OF COMMERCIAL SERVICES | | | | | | | | | | | | | | | | | | | |
|---|--|----------|--|--|-----------------|---------------------|--|---------|--|--|----------------------------------|--|--|------|-------|----------|------------------|----|-------|
| Date Received | (FOR BUREAU USE ONLY) | | | | | | | | | | | | | | | | | | |
| | This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document. | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%;"> <tr> <td colspan="3">Name</td> </tr> <tr> <td style="width: 33%;">Bowden V. Brown</td> <td colspan="2">Dykema Gossett PLLC</td> </tr> <tr> <td colspan="3">Address</td> </tr> <tr> <td colspan="3">39577 Woodward Avenue, Suite 300</td> </tr> <tr> <td>City</td> <td>State</td> <td>ZIP Code</td> </tr> <tr> <td>Bloomfield Hills</td> <td>MI</td> <td>48301</td> </tr> </table> | | Name | | | Bowden V. Brown | Dykema Gossett PLLC | | Address | | | 39577 Woodward Avenue, Suite 300 | | | City | State | ZIP Code | Bloomfield Hills | MI | 48301 |
| Name | | | | | | | | | | | | | | | | | | | |
| Bowden V. Brown | Dykema Gossett PLLC | | | | | | | | | | | | | | | | | | |
| Address | | | | | | | | | | | | | | | | | | | |
| 39577 Woodward Avenue, Suite 300 | | | | | | | | | | | | | | | | | | | |
| City | State | ZIP Code | | | | | | | | | | | | | | | | | |
| Bloomfield Hills | MI | 48301 | | | | | | | | | | | | | | | | | |
| <p><input type="checkbox"/> Document will be returned to the name and address you enter above. If left blank document will be mailed to the registered office.</p> | | | | | | | | | | | | | | | | | | | |
| EFFECTIVE DATE: | | | | | | | | | | | | | | | | | | | |

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION

For use by Domestic Profit and Nonprofit Corporations

(Please read information and instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972, (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned corporation executes the following Certificate:

| | |
|---|--------------------|
| 1. The present name of the corporation is: | NHF SUB CHARLEVOIX |
| 2. The identification number assigned by the Bureau is: | 846-379 |

3. Article II (third paragraph) of the Articles of Incorporation is hereby amended to read as follows:

To fulfill the urgent need of the Northwest Michigan Community Health Agency and its constituent counties of Antrim, Charlevoix, Emmet and Otsego for facilities to house medical, dental and office operations for the purpose of providing essential public health services to residents of those counties to be rendered by the Northwest Michigan Community Health Agency and other governmental units and nonprofit, charitable organizations.

COMPLETE ONLY ONE OF THE FOLLOWING:

4. Profit or Nonprofit Corporation: For amendments adopted by unanimous consent of incorporators before the first meeting of the board of directors or trustees.

The foregoing amendment to the Articles of Incorporation was duly adopted on the _____ day of _____, _____, in accordance with the provisions of the Act by the unanimous consent of the incorporator(s) before the first meeting of the Board of Directors or Trustees.

Signed this _____ day of _____, _____

(Signature)

(Signature)

(Type or Print Name)

(Type or Print Name)

(Signature)

(Signature)

(Type or Print Name)

(Type or Print Name)

5. Profit Corporation Only: Shareholder or Board Approval

The foregoing amendment to the Articles of Incorporation proposed by the board was duly adopted on the _____ day of _____, _____, by the: (check one of the following)

- shareholders at a meeting in accordance with Section 611(3) of the Act.
- written consent of the shareholders having not less than the minimum number of votes required by statute in accordance with Section 407(1) of the Act. Written notice to shareholders who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders is permitted only if such provision appears in the Articles of Incorporation.)
- written consent of all the shareholders entitled to vote in accordance with Section 407(2) of the Act.
- board of a profit corporation pursuant to section 611(2) of the Act.

Profit Corporations and Professional Service Corporations

Signed this _____ day of _____, _____

By _____
(Signature of an authorized officer or agent)

(Type or Print Name)

6. Nonprofit corporation only: Member, shareholder, or board approval

The foregoing amendment to the Articles of Incorporation was duly adopted on the _____ day of
February _____, 2008 by the (check one of the following)

Member or shareholder approval for nonprofit corporations organized on a membership or share basis

- members or shareholders at a meeting in accordance with Section 611(2) of the Act.
- written consent of the members or shareholders having not less than the minimum number of votes required by statute in accordance with Section 407(1) and (2) of the Act. Written notice to members or shareholders who have not consented in writing has been given. (Note: Written consent by less than all of the members or shareholders is permitted only if such provision appears in the Articles of Incorporation.)
- written consent of all the members or shareholders entitled to vote in accordance with section 407(3) of the Act.

Directors (Only if the Articles state that the corporation is organized on a directorship basis)

- directors at a meeting in accordance with Section 611(2) of the Act.
- written consent of all directors pursuant to Section 525 of the Act.

Nonprofit Corporations

Signed this _____ day of February _____, 2008

By _____
(Signature of President, Vice-President, Chairperson or Vice-Chairperson)

John D. Bruning President
(Type or Print Name) (Type or Print Title)

Name of person or organization remitting fees:

Bowden V. Brown, Dykema Gossett PLLC

Preparer's name and business telephone number:

Bowden V. Brown

(248) 203-0800

INFORMATION AND INSTRUCTIONS

1. This form may be used to draft your Certificate of Amendment to the Articles of Incorporation. A document required or permitted to be filed under the act cannot be filed unless it contains the minimum information required by the act. The format provided contains only the minimal information required to make the document fileable and may not meet your needs. This is a legal document and agency staff cannot provide legal advice.
2. Submit one original of this document. Upon filing, the document will be added to the records of the Bureau of Commercial Services. The original will be returned to your registered office address, unless you enter a different address in the box on the front of this document.

Since the document will be maintained on electronic format, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.
3. This Certificate is to be used pursuant to the provisions of section 631 of Act 284, P.A. of 1972, or Act 162, P.A. of 1982, for the purpose of amending the Articles of Incorporation of a domestic profit corporation or nonprofit corporation. Do not use this form for restated articles.
4. Item 2 - Enter the identification number previously assigned by the Bureau. If this number is unknown, leave it blank.
5. Item 3 - The article(s) being amended must be set forth in its entirety. However, if the article being amended is divided into separately identifiable sections, only the sections being amended need be included.
6. If the amendment changes the term of existence to other than perpetual, all nonprofit corporations except churches must obtain a consent to dissolution, or a written statement that the consent is not required, from the Michigan Attorney General, Consumer Protection and Charitable Trusts Division, P.O. Box 30214, Lansing, MI 48909, (517) 373-1152. Application for the consent should be made at least 45 days before the desired effective date of the dissolution. This certificate cannot be filed unless it is accompanied by the consent or written statement.
7. This document is effective on the date endorsed "filed" by the Bureau. A later effective date, no more than 90 days after the date of delivery, may be stated as an additional article.

8. **Signatures:**

Profit Corporations: (Complete either Item 4 or Item 5)

- 1) Item 4 must be signed by at least a majority of the incorporators listed in the Articles of Incorporation.
- 2) Item 6 must be signed by an authorized officer or agent of the corporation.

Nonprofit Corporations: (Complete either Item 4 or Item 6)

- 1) Item 4 must be signed by all of the incorporators listed in the Article of Incorporation.
- 2) Item 6 must be signed by either the president, vice-president, chairperson or vice-chairperson.

9. **FEES:** Make remittance payable to the State of Michigan. Include corporation name and identification number on check or money order.

NONREFUNDABLE FEE: \$10.00

ADDITIONAL FEES DUE FOR INCREASED AUTHORIZED SHARES OF PROFIT CORPORATIONS ARE:

| Amount of Increase | Fee |
|----------------------|---|
| 1-60,000 | \$50.00 |
| 60,001-1,000,000 | \$100.00 |
| 1,000,001-5,000,000 | \$300.00 |
| 5,000,001-10,000,000 | \$500.00 |
| More than 10,000,000 | \$500.00 for first 10,000,000 plus \$1000.00 for each additional 10,000,000, or portion thereof |

To submit by mail:

Michigan Department of Labor & Economic Growth
Bureau of Commercial Services - Corporation Division
P.O. Box 30054
Lansing, MI 48909

To submit in person:

2501 Woodlake Circle
Okemos, MI
Telephone: (517) 241-6470

Fees may be paid by VISA or Mastercard when delivered in person to our office.

MICH-ELF (Michigan Electronic Filing System):

First Time Users: Call (517) 241-6470, or visit our website at <http://www.michigan.gov/corporations>
Customer with MICH-ELF Filer Account: Send document to (517) 636-8437

The Department of Labor & Economic Growth will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability or political beliefs. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.

New expedited services beginning January 1, 2006.

Expedited review and filing, if fileable, is available for all documents for profit corporations, limited liability companies, limited partnerships and nonprofit corporations.

The expedited service fees are in addition to the regular fees applicable to the specific document:

Please complete a separate BCS/CD-272 form for expedited service for each document via in person, mail and MICH-ELF.

24-hour service- \$50 for formation documents and applications for certificate of authority.

24-hour service-\$100 for any document concerning an existing entity.

Same day service

- **Same day- \$100 for formation documents and applications for certificate of authority.**

Same day- \$200 for any document concerning an existing entity
Review completed on day of receipt. Document and request for same day expedited service must be received by 1 p.m. EST or EDT.

- **Two hour- \$500**

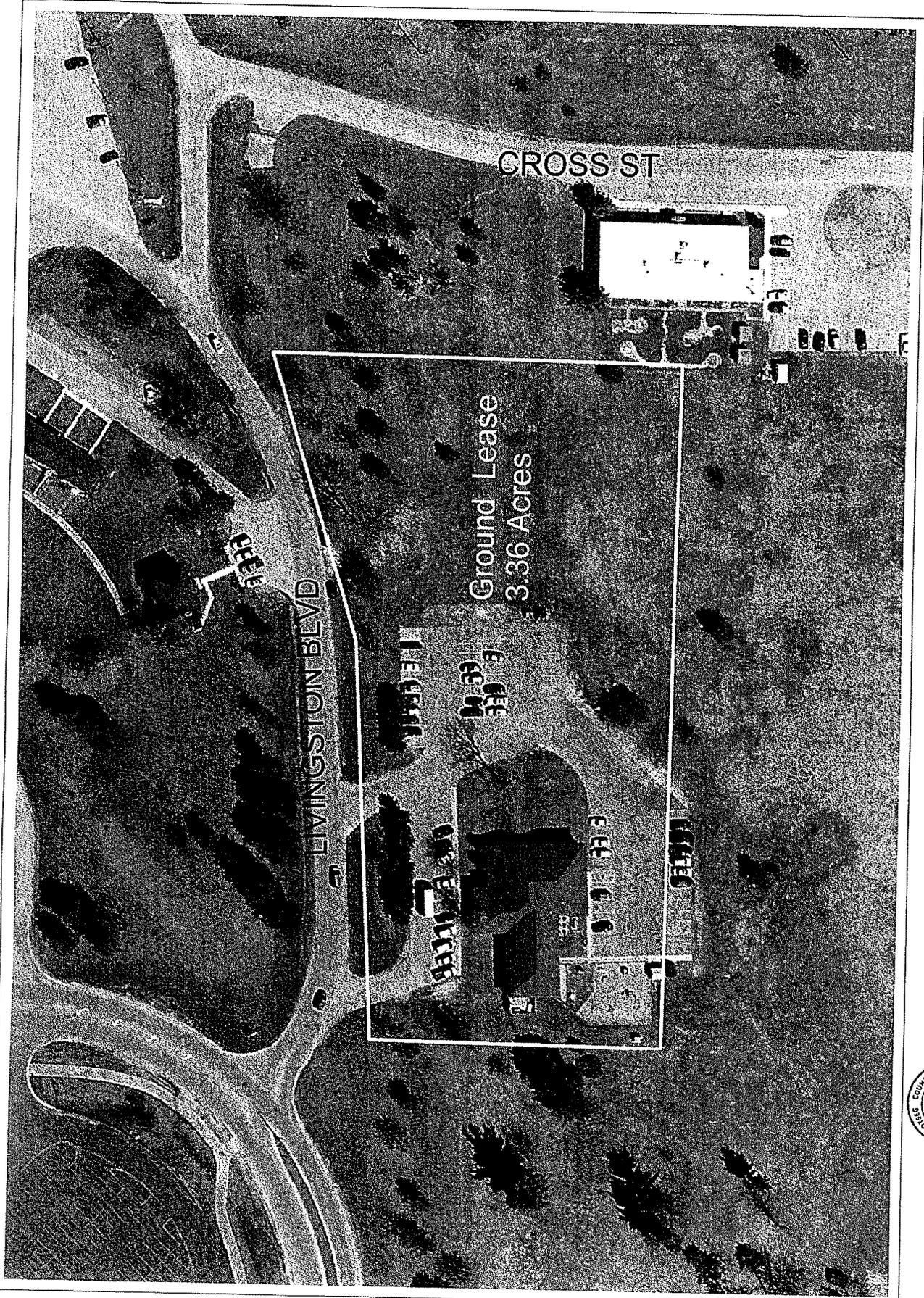
Review completed within two hours on day of receipt. Document and request for two hour expedited service must be received by 3 p.m. EST or EDT.

- **One hour- \$1000**

Review completed within one hour on day of receipt. Document and request for 1 hour expedited must be received by 4 p.m. EST or EDT.

First time MICH-ELF user requesting expedited service must obtain a MICH-ELF filer number prior to submitting a document for expedited service. BCS/CD-901

Changes to information on MICH-ELF user's account must be submitted before requesting expedited service. BCS/CD-901



Alpine Center
Scale: 1" = 100'



