

COUNTY OF WASHTENAW
BOARD OF COMMISSIONERS

At a _____ meeting of the Board of Commissioners of the County of Washtenaw held in the Ann Arbor, Michigan, on _____, 1998 at __:__.m. Eastern Standard Time, there were:

PRESENT: _____

ABSENT: _____

The following preamble and resolution were offered by _____ and seconded by _____.

**RESOLUTION APPROVING THE CONTRACT
WITH THE CITY OF SALINE**

FOR THE CITY OF SALINE WATER SYSTEM IMPROVEMENTS PROJECT

WHEREAS, the County of Washtenaw (the "County") by resolution of its Board of Commissioners has approved the establishment of a project currently known as the "City of Saline Water System Improvements Project" (the "Project"); and

WHEREAS, it is necessary for the Washtenaw County Board of Public Works (the "Board of Public Works") to enter into a contract with the City of Saline (the "City") with respect to the Project, which contract is attached as Appendix 1.

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF WASHTENAW as follows:

- 1. The contract attached as Appendix 1 is hereby approved with such changes, additions, or deletions as may be recommended by Corporation Counsel and approved by the Board of Public Works and the execution thereof by the designated officials is authorized.**
- 2. All resolutions, or portions thereof, insofar as they may be in conflict with the foregoing, are hereby rescinded.**

A vote on the foregoing resolution was taken and was as follows:

YES: _____

NO: _____

ABSTAIN: _____

CERTIFICATION

The undersigned, being the duly qualified and acting Clerk of the County of Washtenaw, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the County at a _____ meeting held on _____, 1998, at which meeting a quorum was present and remained throughout, (2) that an original thereof is on file in the records of the County, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

Washtenaw County Clerk

SEAL

APPENDIX 1

CONTRACT BETWEEN
THE COUNTY OF WASHTENAW
and
THE CITY OF SALINE
CITY OF SALINE WATER SYSTEM IMPROVEMENTS PROJECT
WASHTENAW COUNTY, MICHIGAN
DATED AS OF APRIL 1, 1998

CONTRACT

THIS CONTRACT (the "Contract") is made as of April 1, 1998, by and between the COUNTY OF WASHTENAW, a Michigan county (the "County") and the CITY OF SALINE, a City located in the County (the "City").

W I T N E S S E T H:

WHEREAS, the County has approved the construction of the Water Supply System (the "Project") pursuant to Act No. 185, Public Acts of Michigan, 1957, as amended ("Act 185"), to provide for the improvements to the water supply system serving the City; and

WHEREAS, the Department of Public Works of the County (the "DPW") under the control and direction of the Board of Public Works (the "Board") has been established to administer the powers conferred upon the County by Act 185; and

WHEREAS, it is necessary for reasons of public health that the Project be undertaken which includes improving the water supply system and appurtenances described in Appendix A all of which is hereafter referred to as the "Project"; and

WHEREAS, by the terms of Act 185, the County and the City are authorized to enter in to a contract for the acquisition, construction and financing of the Project and for the payment of all or a part of the cost of the Project by the City with interest, over a period not exceeding 25 years, and the County is then authorized, pursuant to a resolution of its Board of Commissioners and approval by the Board of Public Works, to issue its bonds to be secured by the full faith and credit of the City and the full faith and credit of the County; and

WHEREAS, the parties have concluded that the Project, which is urgently needed to provide a sufficient and adequate water supply system for the City and thus to promote the health and welfare of the residents of the City, can be most economically and efficiently provided and financed by the County acting through the DPW pursuant to the provisions of Act 185; and

WHEREAS, McNamee, Porter & Seeley (the "Consulting Engineers") have prepared preliminary plans for the Project and also estimates of the cost and period of usefulness of the Project (such preliminary plans as time to time revised or the final plans, as the context may dictate, are referred to in this Contract as the "Plans"), all of which have been submitted to and approved by the Board of Commissioners of the County and the governing body of the City and placed on file with the Board of Commissioners in the office of the DPW; and

WHEREAS, in order to provide for the acquisition and construction of the Project by the County and its financing through the issuance of County Bonds, and for other related matters, it is necessary for the parties to enter into this Contract; and

NOW, THEREFORE, in consideration of the premises and the covenants of each other, the County and the City agree as follows:

1. Approval of Project. The County and the City approve and agree to the acquisition, construction and financing of the Project under and pursuant to Act 185. The parties approve the designation of

"City of Saline Water System Improvements Project" as the name of the Project. The City, by way of compliance with Section 29, Article VII, Michigan Constitution of 1963, consents and agrees to the establishment and location of the Project and any extension, improvement or enlargement of it within its corporate boundaries in accordance with the terms of this Contract or on land presently owned by and located in the City, and to the use by the County of the streets, highways, alleys, lands, rights-of-way or other public places in the City for the purpose and facilities of the Project and any improvements, enlargement or extension of it. The City further agrees that, in order to evidence and effectuate this agreement and consent, it will obtain or assist the County in obtaining all easements, licenses, rights-of-way and/or title to property necessary for completion of the Project and will execute and deliver to the County such easements, rights-of-way, licenses, permits or consents as may be requested by the County. The Cost of obtaining necessary easements, licenses, rights-of-way and/or title to property in connection with the Project shall be Costs of the Project payable from the proceeds of the Bonds as set forth below. The City further agrees that it will comply with all applicable State and Federal regulations related to this Project.

2. Project Description. The Project shall consist of the public improvements described and specified in Appendix A and as are more particularly set forth in the Plans, which Plans are on file with the DPW and are hereby approved and adopted. The Project shall be acquired and constructed substantially in accordance with the Plans and in accordance with final plans and specifications prepared and submitted by McNamee, Porter & Seeley, but variations from the Plans which do not materially change the location, capacity or overall design of the Project, and which do not require an increase in the total estimated Cost of the Project, may be permitted on the authority of the DPW. Other variations or changes may be made if approved by the DPW and by resolution of the governing body of the City and if provisions required by paragraph 5 below are made for payment or financing of any resulting increase in the total estimated cost. The estimates of the Cost of the Project, \$7,400,000, and the period of usefulness of the Project, in excess of 25 years, are likewise approved and adopted.

3. Issuance of Bonds. The County and the DPW shall take or cause to be taken all actions required or necessary, in accordance with Act 185, to procure the issuance and sale of bonds by the County (the "Bonds"), in two or more series, in whatever aggregate principal amount is necessary to defray the Cost of the Project. The Bonds shall be issued in anticipation of, and be payable from, the payments to be made by the City to the County as provided in this Contract, shall be secured by the full faith and credit and limited taxing power of the City and the County, and shall be payable in annual maturities, the last of which shall be not more than 40 years from the date thereof. It is the intent of the County, if possible, to obtain a loan through the Drinking Water Revolving Fund to finance this Project.

4. Construction. The construction of the Project will be governed by the contracts to be awarded by the DPW after recommendation by McNamee, Porter & Seeley. It is anticipated that the Project will be constructed in three segments as set forth in Appendix B.

5. Increase in Bonds. If, after the sale of the Bonds, it becomes necessary to increase the estimated Cost of the Project for any reason, or if the actual Cost of the Project shall exceed the estimated Cost, whether as the result of variations or changes made in the approved Plans or otherwise, then (without the execution of any further contracts or amendment of this Contract) additional bonds, after approval of an authorizing resolution by the Board of Public Works and upon the adoption of such authorizing resolution by the Board of Commissioners, shall be issued to defray such increased or excess Cost to the extent that funds for the same are not available from other sources; provided, however, that no such increase or excess shall be approved and no such additional bonds shall be authorized to be issued, nor shall the County enter into any contract for the acquisition or construction of the Project or any part thereof or incur any obligation for or pay any item of cost therefor, where the effect thereof would be to cause the total Cost of the Project to exceed by more than 5% the total estimated cost as hereinbefore approved, unless the governing body of the City shall have previously adopted a resolution approving such increase or excess and agreeing that the same (or such part thereof as is not available from other sources) shall be defrayed by the issuance of additional bonds in anticipation of increased or additional payments agreed to be made by the City to the County in the manner hereinafter provided; provided, further, that the adoption of such approving resolution by the governing body of the City shall not be required prior to or as a condition precedent to the issuance of additional bonds by the County, if the County has previously issued or contracted to sell bonds to pay all or part of the Cost of the Project, and the issuance of the additional bonds is necessary (as determined by the County) to pay such increased, additional or excess costs as are essential to completion of the Project according to the plans as last approved prior to the time when the previous Bonds were issued or contracted to be sold.

6. Payments by City. The Cost of the Project will be defrayed by the issuance of Bonds as provided in paragraphs 3 and 5 above. The City covenants and agrees to pay the principal of, premium, if any, and interest on the expenses and charges (including the DPW's administrative expenses) which are payable on account of the Bonds (such fees, expenses and charges being called "Bond Service Charges"). Payments shall be made to the County in semiannual installments which shall be due and payable 10 days prior to the day specified in the Bonds as the interest payment dates with respect to the Bonds, in amounts at least sufficient to pay all principal, premium, and/or interest falling due on such interest payment dates and all Bond Service Charges then due and payable.

The DPW shall, within 30 days after delivery of the Bonds, supply the County and the City with a complete schedule of the payments of principal of and interest on the Bonds, and the DPW shall also, at least 30 days before each payment is due to be made by the City, advise the Treasurer of the City of the amount payable to the County on such date. If the City fails to make any payment to the County when due, the same shall be subject to a penalty of 1% of the amount due for each month or fraction of a month that such amount remains unpaid after it is due. Failure of the DPW to furnish the schedule or give notice as above required shall not excuse the City from the obligation to make payment when due. Payments shall be made by the City when due whether or not the Project has then been completed or placed in operation. The foregoing obligations shall apply to all Bonds issued by the County to defray the Cost of the Project.

In the event the County is required to pay any amounts to the United States Department of Treasury (the "Treasury") because of regulations issued by the Treasury or the Internal Revenue Service, the City shall reimburse the County for such amounts.

7. Advance Payments. If the City pays the Cost of the Project or any portion of it prior to the issuance of the Bonds, then the obligations of the City shall be adjusted accordingly. The City may pay in advance of maturity all or any part of a semiannual installment due to the County on the Bonds by surrendering to the County bonds issued hereunder of a like principal amount maturing in the same calendar year or by paying cash to the County and requesting the County to purchase any Bonds or call any Bonds in accordance with their terms.

8. Use of Excess Bond Proceeds. The proceeds of the sale of the Bonds shall be used solely and only to pay the Cost of the Project. After completion of the Project and payment of all Project Costs, any surplus remaining for the sale of the Bonds shall, at the option of the City, be (a) used, with the review and approval of the DPW (which review and approval shall be in accordance with the same planning standards employed to review the Project originally, subject to all applicable laws, regulations and governmental standards then in effect), to extend, enlarge or improve the Project or any other project which has been constructed and/or maintained by the County for the benefit of the City, (b) retained by the DPW for the payment of principal of and interest on the Bonds or (c) used to purchase the Bonds on the open market. In the event such surplus is used for principal and interest or used to purchase Bonds, the contract obligation of the City with respect to such Bonds or maturities shall be reduced accordingly.

9. Full Faith and Credit. The City, pursuant to the authorization of Section 12(2) of Act 185, hereby pledges its full faith and credit for the prompt and timely payment of its obligations expressed in this Contract. Each year the City shall levy a tax in an amount which, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay its obligations under this Contract coming due before the time of the following year's tax collections, provided, however, that if at the time of making its annual tax levy, the City shall have on hand in cash other funds or reasonably expects to receive other funds (from special assessments (including received or anticipated prepayments thereof), user charges, connection fees or otherwise) which have been or will be set aside and pledged or are otherwise available for the payment of such contractual obligations falling due prior to the time of the next collection, then the annual tax levy may be reduced by such amount. In the event amounts pledged to or otherwise earmarked for payment of the Bonds are received in amounts so great as to jeopardize the status of the County's Bond Payment Fund as a bona fide debt service fund for purposes of federal tax regulations, the County shall, within 30 days prior to the next scheduled payment of principal on the Bonds, devote such excess sum toward the purchase of Bonds on the open market. Any taxes levied by the City shall be subject to the applicable statutory and constitutional tax limitations.

10. Failure to Pay; Remedies. In the event that the City fails for any reason to pay to the DPW the amounts required to be paid under this Contract when due, (1) the County Treasurer is authorized to notify the State Treasurer, or other appropriate disbursing official, of such failure, and the State Treasurer or other appropriate disbursing official shall deduct the amount due the County from any moneys in his or her possession belonging to the City which are not pledged for the payment of debt and pay the same to the County, all as provided in and governed by Section 17 of Act 185, and/or (2) the County Treasurer is authorized to withhold payments which would otherwise be due to the City from the County's Delinquent Tax Revolving Fund, in each case such withheld funds to be applied to the City's obligations under this Contract. In addition to the foregoing, the County shall have all other rights and remedies provided by law to enforce the obligations of the City to make payments to the County under this Contract. The City acknowledges that such payments are to be pledged for the payment of the principal of, premium, if any, and interest on the Bonds, and the City covenants and agrees that it will make its required payments to the County promptly and at the times specified in this Contract, without regard as to whether the Project is actually completed or placed in operation.

11. Change in City. No change in the jurisdiction over territory in the City shall in any manner impair the obligations of this Contract. In the event all or any part of the territory of the City is incorporated as a new city or is annexed to or becomes a part of the territory of another municipality, the municipality into which such territory is incorporated or to which such territory is annexed shall assume the proper proportionate share of the contractual obligations and right to capacity in the Project of the City from which such territory is taken in accordance with law.

12. a. Additions to or Extensions of Project. The County shall not be obligated to acquire or construct any facilities other than those described in paragraph 2 above. The responsibility for providing such additional facilities as may be needed shall be that of the City who shall have the right to cause to be constructed and maintained, either directly or through the County, such necessary additional facilities. No extensions of the Project shall be made without DPW approval, which approval shall not be unreasonably withheld or conditioned and shall be limited to approval of appropriate plans, specifications and construction and health standards if such extension does not involve the assistance of the County in the financing of the same.

b. Refunding and Advance Refunding. The Bonds may be refunded in the event it appears advantageous in the opinion of the County's Financial Consultant to issue bonds to refund any series of bonds issued by the County pursuant to this Contract (including advance refunding bonds) and the City consents to such refunding.

13. Ownership of Project.

(a) The County hereby leases the Project to the City and the City hereby leases the Project from the County for operation, maintenance and administration for a term commencing upon the completion of the Project or any substantial part of it and ending upon the expiration of this Contract. The City shall be responsible for the operation, maintenance and administration of the Project. The County shall have the right to take over operation of the Project and serve individual customers in the event of any default under this Contract by the City as provided in paragraph 13(c) below.

(b) So long as not in default hereunder, the City shall have the exclusive right and option to establish, maintain, revise and collect rates and charges for water service to its inhabitants or other persons using any facilities of the Project, and the City shall have the exclusive right to determine how the funds derived from the collection of such rates and charges shall be expended. The City shall operate and maintain the Project in compliance with all applicable rules and regulations of the Environmental Protection Agency and other authorities.

(c) (i) In the event of any default under this Contract by the City, after thirty (30) days written notice to the City, the County shall have the right to set a date (the "Transfer Date") on and after which the County will have the right to take over operation of the entire water system which uses any of (1) the facilities acquired by the Project (the "Water System") within the City.

(ii) The Transfer Date set by the County shall be on the first of any month not more than ten months after the date of the notice and not less than sixty days after the notice provided for in subparagraph 13(c)(i) above.

(iii) Unless the default is cured 15 days before the Transfer Date, the County shall have the right, but not the duty, to take over operation of the water system on the Transfer Date, to establish, maintain, revise and collect rates and charges for water service to all inhabitants connected to or to be connected to the water system in the City.

(d) The parties agree that the Project shall be acquired, constructed, operated, maintained and administered for the sole use and benefit of the City and its various water users, and the City shall pay all costs in connection with the same, the County remaining the titular owner of the Project only to comply with the provisions of Act 185. So long as no default exists hereunder, the City shall have the exclusive right and discretion, subject only to review by the County on the basis of sound public utility operational procedures and the other terms of this Contract, to determine policy for the use, expansion, improvement, operation, maintenance and administration of the Project.

14. Costs and Expenses. The parties agree that the costs and expenses of any lawsuits arising directly or indirectly out of this Contract or the construction or financing of the Project, to the extent that such costs and expenses are chargeable against the County or the DPW, shall be deemed to constitute a part of the Cost of the Project and shall be paid by the City in the same manner as provided in this Contract with respect to other Costs of the Project. In the event of such litigation, the DPW shall consult with the City and shall retain legal counsel agreeable to the County and the City to represent the County. If the County and the City cannot agree as to such representation within a reasonable time, the DPW shall exercise its discretion as to the retention of such counsel.

15. City Indemnification. The parties hereto hereby expressly agree that the County shall not be liable for and the City shall pay, indemnify and save the County harmless of, from and against all liability of any nature whatever regardless of the nature in which such liability may arise, for any and all claims, actions, demands, expenses, damages, and losses of every conceivable kind, whatsoever (including, but not limited to, liability for injuries to or death of persons and damages to or loss of property) asserted by or on behalf of any person, firm, corporation or governmental authority arising out of, resulting from, or in any way connected with the ownership, acquisition, construction, operation, maintenance and repair of the System, this contract, or the issuance, sale and delivery of the bonds herein described. It is the intent of the parties that the County be held harmless by the City from liability for such claims, actions, demands, expenses, damages, and losses, however caused or however arising including, but not limited to, to the extent not prohibited by law, such claims, actions, demands, expenses, damages, and losses even though caused, occasioned or contributed to by the negligence, sole or concurrent, of the County or by negligence for which the County may be held liable. In any action or proceeding brought about by reason of any such claim or demand, the City will also pay, indemnify and save the County harmless from and against, all costs, reasonable attorneys' fees, and disbursements of any kind or nature incidental to or incurred in said defense, and will likewise pay all sums required to be paid by reason of said claims, demands or any of them, in the event it is determined that there is any liability on the part of the County. Upon the entry of any final judgment by a court of competent jurisdiction or a final award by an arbitration panel against the County on any claim, action, demand, expense, damage or loss contemplated by this Section and notwithstanding that the County has not paid the same, the City shall be obligated to pay to the County upon written demand therefor, the amount thereof not more than sixty (60) days after such demand is made. Notwithstanding the foregoing, nothing contained in this Section 15 shall be construed to indemnify or release the County against or from any liability which it would otherwise have arising from the wrongful or negligent actions or failure to act on the part of the County's employees, agents or representatives with respect to matters not related to the ownership, acquisition, construction, operation, maintenance or repair of the System, this contract or the issuance, sale or delivery of the bonds herein described.

16. DPW Authority. All powers, duties and functions vested by this Contract in the County shall be exercised and performed by the DPW, for and on behalf of the County, unless otherwise provided by law or in this Contract.

17. Invalidity of Provisions. In the event that any one or more of the provisions of this Contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Contract, but this Contract shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

18. No Impairment of Bondholder's Interests. The County and the City each recognize and declare that the holders from time to time of the Bonds issued by the County under the provisions of Act 185, and secured by the full faith and credit limited tax pledge of the City to the payment of the principal of and interest on the Bonds as set forth in this Contract, will have contractual rights in this Contract and it is therefore covenanted and agreed by each of the parties that so long as any of the Bonds remain outstanding and unpaid, the provisions of this Contract shall not be subject to any alteration of or revision which would in any manner adversely affect either the security of the Bonds or the prompt payment of principal of or interest on the Bonds. The right to make changes in this Contract, by amendment, supplemental contract or otherwise, is nevertheless reserved insofar as the same do not have such adverse affect. The City and the DPW further covenant and agree that they will each comply with their respective duties and obligations under the terms of this Contract at the times and in the manner set forth in this Contract, and will not suffer to be done any act which would in any way impair the Bonds, the security for them, or the prompt payment of principal of and interest on the Bonds.

19. County Treasurer. It is understood that the County Treasurer may act as the Treasurer of the DPW and that the County Treasurer will have the responsibility to invest all funds coming into the County's possession in connection with the Project. The Treasurer is accordingly authorized to invest any such surplus funds in any obligations permitted by law and credit investment earnings for the benefit of the City to the fund earning the same.

20. Undertaking to Provide Continuing Disclosure. The County and the City hereby covenant and agree, for the benefit of the beneficial owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The undertaking shall be substantially in the form attached hereto as Appendix C. This Undertaking shall be enforceable by the beneficial owners of the Bonds or by the Purchaser(s) on behalf of such beneficial owners (provided that the right of the Purchasers and beneficial owners to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the obligations hereunder and any failure by the County and the City to comply with the provision of this Undertaking shall not be an event of default with respect to the Bonds).

The County Treasurer and Clerk, and the City Treasurer or Clerk, or other officer of the County or City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the County and City's Undertaking.

21. Miscellaneous.

a. Effective Date. This Contract shall become effective after approval by the legislative body of the City and by the Board of Commissioners of the County, and execution by the authorized officials of the parties. It shall terminate upon the payment in full of all principal of, premium, if any, and interest on the Bonds, at which time the full right, title and ownership to the Project shall revert to the City. The County shall take any and all necessary actions to fully transfer ownership of the Project to the City, at no cost to the City, upon the termination of this Contract.

b. Counterparts. This Contract may be executed in several counterparts each of which shall be deemed one and the same agreement. It shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

c. Contingency. This Contract is contingent upon the County issuing its Bonds to defray the cost of acquiring and constructing the Project, and nothing contained in this Contract shall require the County to acquire or construct the Project if it is unable, after use of its best efforts, to sell the Bonds to finance the same.

d. Governing Law. This Contract shall be interpreted under the laws of the State of Michigan.

e. Authority. Each party warrants and represents that the execution and performance of this Contract have been duly authorized by all necessary action and do not contravene any policy, resolution or controlling rule.

f. Entire Agreement. This Agreement sets forth the entire agreement between the County and the City with respect to the subject matter of this Contract.

g. Captions and Bylines. The captions and bylines used in this Contract are for the convenience of reference only and in no way define, limit or describe the scope of intent of any provision of this

Agreement.

h. Use of the Singular. The use in this Contract of the singular shall be deemed to be and include the plural (and vice versa) where applicable.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed and delivered, by their respective duly authorized officers, all as of the day and year first above written.

CITY OF SALINE COUNTY OF WASHTENAW

By Its Board of Public Works

By:_____ By:_____

Its: Mayor Its: Chairman

By:_____ By:_____

Its: Clerk Its: Secretary

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APPENDIX A

PROJECT DESCRIPTION

The project will consist of improvements to the existing City of Saline water distribution system. It is anticipated that the project will be constructed in segments and will ultimately include the following:

Two new production wells and appurtenances

One 600,000 gallon elevated storage tank

Well site selection activities

Ten pressure sustaining valves

One membrane water treatment facility

Telemetry system

4,000 feet of transmission main improvements

8,000 feet of water main replacement

2,000 feet of water loop closures

Estimated Project Costs

Construction \$5,700,000

Engineering, Legal Administrative,

Financial and contingencies \$1,700,000

Total Project Cost \$7,400,000

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APPENDIX B

PROJECT SEGMENT COST ESTIMATE

Here is a Breakdown of

Estimated Project Costs by Project Segment

Segment I \$1,373,000

Segment II 2,227,000

Segment III 3,800,000

TOTAL PROJECT COST \$7,400,000

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APPENDIX C

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the _____ (the "Issuer") [_____ (the "Obligated Municipality")] in connection with the issuance of \$_____ [Name of Issue] (the "Securities"). The Securities are being issued pursuant to a _____ Resolution adopted by the Governing Body of the Issuer on _____, 19____; a _____ Resolution adopted by the governing body of the Issuer [Obligated Municipality]; and an Award Resolution adopted by the Governing Body of the Issuer on _____, 19____ (collectively the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer [Obligated Municipality] has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer [Obligated Municipality] hereby specifically covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer [Obligated Municipality] for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer [Obligated Municipality] pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's [Obligated Municipality's] annual financial statements, which are currently prepared in accordance with generally accepted accounting principles [GAAP for governmental units as prescribed by GASB] and which the Issuer [Obligated Municipality] intends to continue to prepare in substantially the same form.

"Fiscal Year" means the fiscal year of the Issuer [Obligated Municipality].

"Final Official Statement" means the final official statement dated _____, 19__ delivered in connection with the Securities, which is available from the MSRB.

"Governing Body" means the _____ of the Issuer [Obligated Municipality] or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means _____ which is the obligated person with respect to the Securities.

["Obligated Municipality" means _____ which is an obligated person with respect to the Securities.]

"Issuer Contact" means the [Clerk, or _____] of the Issuer who can be contacted at _____.

["Obligated Municipality Contact" means the [Clerk, or _____] of the Obligated Municipality who can be contacted at _____.]

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1150 18th Street, N.W., Suite 400, Washington, D.C. 20036.

"NRMSIR" means any nationally recognized municipal securities information repository as recognized from time to time by the SEC for purposes of the Rule.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Repository" means each NRMSIR and each SID, if any.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"SID" means any public or private repository or entity designated by the State of Michigan as a state information depository for the purpose of the Rule.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer [Obligated Municipality] shall, not later than two hundred seventy (270) days after the end of the Fiscal Year, commencing with the year that ends _____, 19___, provide each Repository with annual financial information which is consistent with the requirements of Section 4 of this Disclosure Certificate. The annual financial information may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer [Obligated Municipality] may be submitted separately from the balance of the annual financial information; and provided further that unaudited financial statements will be included with the other financial information, if audited statements have not already been furnished.

(b) If the Issuer [Obligated Municipality] is unable or fails to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer [Obligated Municipality] shall send a notice of that fact in a timely manner to the NRMSIRs, the MSRB and any SID.

(c) The Issuer [Obligated Municipality] shall determine each year prior to the

date for providing the Annual Report the name and address of each NRMSIR and each SID, if any.

Section 4. Content of Annual Reports. The Issuer's [Obligated Municipality's] Annual Report shall contain or incorporate by reference the following:

Updates of the "State Equalized Valuation", "Taxable Valuation", "County and City Tax Rates and Levies", "Tax Collection Record", "General Fund Revenues and Expenditures", and "Debt Statement (Direct and Overlapping Debt)" contained in the Final Official Statement and the current Audited Financial Statements.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer [Obligated Municipality] or related public entities, which have been submitted to each of the Repositories or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer [Obligated Municipality] shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events in a timely manner if material with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions or events affecting the tax-exempt status of the Securities;

7. Modification to rights of holders of the Securities;

8. Securities calls;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities; and

11. Rating changes.

(b) Whenever a Material Event occurs, the Issuer [Obligated Municipality] shall promptly file a notice of such occurrence with either all NRMSIRs or with the MSRB and with any SID. Notwithstanding the foregoing, notice of Material Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is required to be given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer [Obligated Municipality] shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's [Obligated Municipality's] information.

Section 6. Termination of Reporting Obligation. The Issuer's [Obligated Municipality's] obligations under the Resolution and this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer [Obligated Municipality] Contact; Agent. Information may be obtained from the Issuer [Obligated Municipality] Contact. Additionally, the Issuer [Obligated Municipality] may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent. The initial dissemination agent shall be the Municipal Advisory Council of Michigan, 1445 First National Building, Detroit, Michigan 48226.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the

Resolution or this Disclosure Certificate, as provided in this Section 8, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, if and of itself, cause the undertakings to violate the Rule. The provisions of this Disclosure Certificate constituting the Undertaking or any provision hereof, shall be null and void in the event that the Issuer [Obligated Municipality] delivers to each then existing NRMSIR and the SID, if any, an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Securities. The provisions of this Disclosure Certificate constituting the Undertaking may be amended without the consent of the holders of the Securities, but only upon the delivery by the Issuer [Obligated Municipality] to each then existing NRMSIR and the SID, if any, of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate and by the Issuer [Obligated Municipality] with the Rule. Any such amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer [Obligated Municipality] for other obligated person, as defined in the Rule), or type of business conducted. No such amendment may be made unless the Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances. No such amendment shall be made unless it does not materially impair the interests of holders of the Securities, as determined by nationally recognized bond counsel. The annual financial information containing any amended operating data or amended financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the Undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new account principles and those prepared on the basis of the former accounting principles. The comparison will include a qualitative discussion of the differences in the accounting principles and the impact of the change in the account principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Issuer [Obligated Municipality] or any obligated person to meet its obligations. To the extent reasonably feasible, the comparison will also be quantitative. A notice of the change in the accounting principles will be sent to each then existing NRMSIR or the MSRB, and to the SID, if any.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer [Obligated Municipality] from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer [Obligated Municipality] chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is

specifically required by this Disclosure Certificate, the Issuer [Obligated Municipality] shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 10. Default. In the event of a failure of the Issuer [Obligated Municipality] to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer [Obligated Municipality] to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer [Obligated Municipality] to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer [Obligated Municipality], the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, I have executed this Certificate in my official capacity effective the _____ day of _____, 19__.

[Executive Officer]

Clerk/Secretary

[SEAL]

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