

COUNTY OF WASHTENAW

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

PRESENT: _____

ABSENT: _____

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

RESOLUTION APPROVING THE UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE BY THE COUNTY OF WASHTENAW

WHEREAS, the County of Washtenaw (the "County") by resolution of its Board of Commissioners has approved, or will approve, the issuance of the Washtenaw County Sewage Disposal System No. 8 (Ypsilanti Area) Refunding Bonds, Series II in the principal amount of not to exceed \$1,100,000 (the "Refunding Bonds"); and

WHEREAS, Bond Counsel, in order to comply with new federal securities regulations, has prepared this resolution and Continuing Disclosure Certificate (the "Disclosure Certificate") which Disclosure Certificate is attached as Appendix A.

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

1. This Board of Commissioners, for and on behalf of the County of Washtenaw, hereby covenants and agrees, for the benefit of the beneficial owners of the Refunding Bonds to be issued by the County of Washtenaw for the Project, to enter into a written undertaking (the "Undertaking") required by 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 A. The Undertaking shall be enforceable by the beneficial owners of Refunding Bonds or by the Underwriter on behalf of such beneficial owners (provided that the Underwriter's right to enforce the provisions of the Undertaking shall be limited to a right to obtain specific enforcement of the County's obligations hereunder and under the Undertaking), and any failure by the County to comply with the provisions of the Undertaking shall not be deemed a default with respect to the Refunding Bonds.

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

2. The Disclosure Certificate attached as Appendix A is hereby approved as is the execution thereof by the designated officials.

3. 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 Washtenaw County Board of Commissioners 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.

Clerk, County of Washtenaw

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APPENDIX A

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Washtenaw (the "Issuer") in connection with the issuance of not to exceed \$1,100,000 Washtenaw County Sewage Disposal System No. 8 (Ypsilanti Area) Refunding Bonds, Series II (the "Securities"). The Securities are being issued pursuant to a Refunding Bond Resolution adopted by the Governing Body of the Issuer on _____; a Resolution Approving the Undertaking to Provide Continuing Disclosure by the County of Washtenaw a Resolution adopted by the governing body of the Issuer; 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 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 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 for the benefit of the beneficial 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 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 intends to continue to prepare in substantially the same form.

"Fiscal Year" means the fiscal year of the Issuer.

"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 **Board of Commissioners** of the Issuer or such other body as may thereafter be the chief legislative body of the Issuer.

"Issuer" means **County of Washtenaw** which is the obligated person with respect to the Securities.

"Issuer Contact" means the **Clerk, Treasurer or Secretary** of the Issuer who can be contacted at **County**.

"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. The SID shall be the Municipal Advisory Council of Michigan, 1445 First National Building, Detroit, Michigan 48226.

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

(a) The Issuer shall, not later than two hundred seventy (270) days after the end of the Fiscal Year, commencing with the year that ends **December 31, 1998**, 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 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 is unable or fails to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact in a timely manner to any NRMSIR, the MSRB and any SID.

(c) The Issuer 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 Annual Report shall contain or incorporate by reference the following:

Updates of the "State Equalized Valuation", "Taxable Valuation", "County 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 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 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 beneficial 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 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 beneficial holders of affected Securities pursuant to the Resolution.

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

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

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer 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, any provision of this Disclosure Certificate may be amended or 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, in 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 delivers to each then existing NRMSIR and 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 beneficial holders of the Securities, but only upon the delivery by the Issuer to each then existing NRMSIR and 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 compliance by the Issuer under this Disclosure Certificate 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 or 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 beneficial 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 accounting 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 accounting 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 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 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 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 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 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 mandamus or specific performance by court order, to cause the Issuer 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 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 the Participating Underwriters and beneficial owners 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

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[Return to September 2, 1998 Board of Commissioners Agenda Page.](#)