

COUNTY OF WASHTENAW

At a _____ meeting of the Board of Commissioners of the County of Washtenaw, Michigan, held on the ___ day of _____, 1999, at __:__ .m., Eastern _____ Time, in the Washtenaw County Building in Ann Arbor, Michigan there were:

PRESENT: _____

ABSENT: _____

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

RESOLUTION TO APPROVE PLANS, COST ESTIMATE, ESTIMATE OF THE PERIOD OF USEFULNESS AND LEASE CONTRACT

WHEREAS, there have been prepared and presented to the Board of Commissioners (the "Board") of the County of Washtenaw, Michigan (the "County"), preliminary plans to remodel, construct, equip and furnish various county buildings (the "Project"), all as more fully described in EXHIBIT A to the Lease Contract (as hereinafter defined), and a proposed Lease Contract between the County and the Washtenaw County Building Authority (the "Authority") dated as of June 1, 1999 (the "Lease Contract"), pursuant to which the Authority will remodel, construct, furnish, and equip the Project as contemplated by the terms of Act No. 31, Public Acts of

Michigan, 1948 (First Extra Session), as amended ("Act 31"), and lease the Project to the County for a term not to exceed 50 years as permitted by Act 31; and

WHEREAS, it has been estimated that the period of usefulness of the Project to be not less than 30 years and that the total cost of equipping the Project (as defined in the Lease Contract) is an amount not to exceed \$15,050,000 of which not to exceed \$15,050,000 will be provided by the proceeds from the sale of one or more series of bonds by the Authority pursuant to Act 31; and

WHEREAS, the County proposes to undertake the Project and to request the Authority to incur taxable or tax-exempt debt (the "Reimbursement Obligations") to finance all or a portion of the costs of the Project;

WHEREAS, the County may make certain expenditures for said Project prior to issuance of the Reimbursement Obligations and may wish to use the proceeds of the Reimbursement Obligations to reimburse all or a portion of said expenditures.

WHEREAS, it is in the public interest and for the public benefit that the County designate an authorized officer for the purposes of declaring official intent of the County with respect to expenditures;

WHEREAS, there has been prepared and attached hereto as APPENDIX I a form of Lease Contract and as APPENDIX II a form of notice entitled "NOTICE OF INTENTION OF THE COUNTY OF WASHTENAW TO ENTER INTO A LEASE CONTRACT WITH THE WASHTENAW COUNTY BUILDING AUTHORITY AND NOTICE OF RIGHT TO PETITION FOR REFERENDUM THEREON" (the "Notice of Intention");

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

- 1. The preliminary plans and estimates relating to the Project and identified in EXHIBIT A to APPENDIX I hereto are hereby approved and ordered filed with the County Clerk.**
- 2. The Lease Contract in the form of APPENDIX I hereto is hereby approved, and the Chair of the**

Board of Commissioners and the County Clerk are hereby authorized and directed to execute and deliver the same for and on behalf of the County.

3. It is hereby determined that the Notice of Intention provides information sufficient to adequately inform the electors and taxpayers of the County of the nature of the contractual obligations to be undertaken by the County in the Lease Contract and of their right under Act 31 to file a petition requesting a referendum election on the Lease Contract.

4. The form and content of the Notice of Intention are hereby approved, and the County Clerk is hereby authorized and directed to cause the Notice of Intention to be published once in the *Ann Arbor News*, Ann Arbor, Michigan, a newspaper of general circulation within the County which is hereby determined to be the newspaper reaching the largest number of electors and taxpayers of the County. The Notice shall be at least one third of a page in size.

5. The Controller/Administrator of the County is hereby authorized to declare official intent of the County with respect to reimbursement.

6. Each declaration of official intent shall be substantially in the form set forth in APPENDIX III attached hereto and by this reference incorporated herein, and said form may be modified from time to time on the advice of bond counsel to the County and as necessary to conform to requirements of our reimbursement regulations as the same may be adopted by the Internal Revenue Service or amended from time to time, or with the requirements of applicable rulings or regulations relating to tax-exempt borrowings.

7. The Controller/Administrator is hereby directed to file each declaration of official intent in the office of the Washtenaw County Clerk, which location constitutes the customary location of the records of the Authority which are available to the general public.

8. The Washtenaw County Clerk is further directed to assure that each declaration of intent is continuously available during normal business hours of the County on every business day of the period beginning the earlier of 10 days after the date of execution of said declaration of intent and ending on the date of issuance of the Reimbursement Bonds.

1. The Controller/Administrator or Bond Counsel or either of them, are authorized to execute and submit the Notice of Intent Forms required by the State of Michigan,

Department of Treasury ("Treasury") to pay the related fee, to request an order providing an exception from prior approval from the Treasury, and to execute and deliver such other documents as may be requested by the Treasury.

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YES: _____

NO: _____

ABSTAIN: _____

THE RESOLUTION WAS DECLARED ADOPTED.

las.r1-was78

STATE OF MICHIGAN)

) ss.

COUNTY OF WASHTENAW)

The undersigned, being the duly qualified and acting Clerk of the County of Washtenaw, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the Washtenaw County Board of Commissioners at its _____ meeting held on the ___ day of _____, 1999, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, and that minutes of such meeting were kept and will be or have been made available as required thereby.

Washtenaw County Clerk

DATED: _____, 1999

las.r1-was78

APPENDIX I

LEASE CONTRACT

THIS FULL FAITH AND CREDIT GENERAL OBLIGATION LEASE CONTRACT ("Lease") made as of June 1, 1999, by and between the WASHTENAW COUNTY BUILDING AUTHORITY (the "Authority"), a building authority organized and existing under and pursuant to the provisions of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), and the COUNTY OF WASHTENAW, a County of the State of Michigan (the "County"),

WITNESSETH:

WHEREAS, the Authority has been incorporated by the County pursuant to Act 31 for the purpose of acquiring, furnishing, equipping, owning, improving, enlarging, operating and maintaining a building or buildings, automobile parking lots or structures, recreational facilities and stadiums, and the necessary site or sites therefor, for the use of the County; and

WHEREAS, the County desires to undertake a project to remodel, construct, equip and furnish various county buildings, as more fully described in EXHIBIT A to this Lease (the "Project"), and it is proposed that the Authority undertake the Project; and

WHEREAS, it is proposed that the Authority finance the total cost of the Project by the issuance of building authority bonds payable from cash rental payments to be made by the County to the Authority pursuant to this Lease and Act 31; and

WHEREAS, a description of the Project, and estimate of the period of usefulness thereof and an estimate of the total cost of the Project, all as set forth on EXHIBIT A to this Lease, have been reviewed and approved by the Board of Commissioners of the County; and

WHEREAS, in order to make possible the issuance of building authority bonds to finance a portion of the total cost of the Project, it is necessary under Act 31 for the parties to enter into this Lease;

THEREFORE, IN CONSIDERATION OF THE MUTUAL UNDERTAKINGS AND AGREEMENTS SET FORTH BELOW, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO THIS LEASE AS FOLLOWS:

1. Authorization and Issuance of Bonds. As soon as practicable after the effective date of this Lease, the Authority shall proceed to authorize and issue one or more series of its building authority bonds in the aggregate principal amount of not to exceed \$15,050,000 (the "Bonds"), pursuant to and in accordance with provisions of Act 31, for the purpose of remodeling, constructing, furnishing and equipping the Project. The Authority shall pledge for the payment of the principal of and interest on the Bonds the receipts from the cash rental payments described and required to be paid by the County pursuant to this Lease. The Bonds of any series shall be dated August 1, 1999 or the first day of any later month in 1999 or 2000 as the Authority shall approve in the resolution authorizing issuance of the Bonds (the "Bond Resolution"). The Bonds shall bear interest at a rate or rates that will result in a net interest cost not exceeding 8% per annum. Interest shall be payable semi-annually and shall begin as specified in the Bond Resolution until maturity of the bonds and shall mature in accordance with the Debt Retirement Schedule set forth on EXHIBIT B to this Lease. Each date on which any payment of principal of and/or interest on any bond is due is referred to herein as a "Bond Payment Date." The Bonds may be payable on the first day of a different month, if necessary, to match rental income paid to the County.

The County and the Authority recognize and acknowledge that (a) such Debt Retirement Schedule is based upon an assumed interest rate and date of issuance of the Bonds and upon assumed Bond Payment Dates, all as set forth in EXHIBIT B, (b) the Bond Payment Dates will be specified in the Bond Resolution, (c) the date and amount of each payment of cash rental required under this Lease will be determined (subject to the limitations expressed in the preceding paragraph of this Section) when the Bond Resolution is adopted by the Authority and the Bonds are sold, by application of the rate or rates of interest (that will result in a net interest cost not exceeding 8% per annum) actually borne by the Bonds.

The Bonds may be sold subject to redemption prior to maturity at the option of the Authority with such redemption premiums and upon such terms as shall be set forth in the Bond Resolution.

Upon receipt of the proceeds of the sale of the Bonds, all premium, capitalized interest, if any, and accrued interest received from the purchaser or purchasers of the Bonds shall be transferred to a bond and interest redemption fund, and the balance of such proceeds shall be deposited into an acquisition fund, each of which shall be established by the Bond Resolution and maintained as a separate depository account of the Authority. The money in the acquisition fund shall be used to pay costs of the Project, and upon payment of all such costs, any excess money in the acquisition fund will be used as provided in Section 4.

In the event that for any reason after the date upon which this Lease is executed, but before the Bonds have been issued, it appears to the County and the Authority that the part of the Project to be paid by bond proceeds can be equipped for less than \$15,050,000, or the County shall be able to

make payment in advance on the cash rental payments payable pursuant to this Lease, the Authority may reduce the amount of bonds to be issued in multiples of \$5,000 and reduce the annual maturities or the years of maturities as the County shall direct.

2. Transfer of Title to and Completion of Project. As soon as practicable after the Bonds have been sold, the County shall transfer title to the Project to the Authority, and the Authority shall commence the Project. The plans, cost estimate and estimated period of usefulness for the Project, all of which have been filed with the County Clerk and the Secretary of the Authority, are hereby approved and adopted. The Project shall be implemented in substantial accordance with such plans which are incorporated as part of (but not attached to) this Lease. No major changes in such plans shall be made without the written approval of both the County and the Authority.

3. Increased Project Costs. In the event that it shall appear, upon taking the necessary bids for the acquisition of the Project and after issuance of the Bonds, that the Project cannot be completed at the estimated cost, the Authority shall immediately so notify the County. The County may elect to pay the increased cost in cash to the Authority in which event the amount of such cash payment shall be deposited in the acquisition fund for the Project and the Authority shall proceed to acquire and complete the Project. In the alternative, the County and the Authority may agree, by an amendment to this Lease, that additional bonds shall be issued by the Authority in an amount sufficient to pay the increased Project costs. If, after the sale and issuance of the Bonds, it shall become necessary to raise additional funds to pay for an increase in the Project costs and this Lease cannot be amended to provide for the issuance of additional bonds, or if for any other reason additional bonds cannot be issued, the County shall pay to the Authority in cash an amount which will be sufficient to enable the Authority to complete the Project in accordance with the plans of the Project.

4. Funds Remaining After Completion. Any unexpended balance of the proceeds of the sale of the Bonds remaining after completion of the Project may be used to improve or enlarge the Project or for other projects of the Authority provided that such use of the funds in the acquisition fund has been approved by the Municipal Finance Division of the Michigan Department of Treasury, if necessary, and the County. Any unexpended balance not so used shall be paid into the bond and interest redemption fund, and the County shall receive a credit against the cash rental payments next due under this Lease to the extent of the moneys so deposited in the manner provided in the Bond Resolution.

5. Insurance Requirements During Acquisition. The Authority shall require the contractor or contractors for the Project to furnish all necessary bonds guaranteeing performance and all labor and material bonds and all owner's protective, workers' compensation and liability insurance required for the protection of the Authority and the County. Such bonds and insurance, and the

amounts thereof, shall be subject to approval of the County on the advice of its counsel. The Authority also shall require a sufficient fidelity bond from any person handling funds of the Authority.

6. Lease Term; Possession; Reconveyance. (a) The Authority does hereby lease the Project to the County for a term commencing on the effective date of this Lease (determined as provided in Section 22) and ending on December 31, 2030, or such earlier or later date as the principal of and premium, if any, and interest on the Bonds, the fees and expenses of the paying agent for the Bonds and all amounts owing hereunder have been paid in full, but in any event the term of this Lease shall not exceed 50 years. Possession of the Project shall vest in the County upon the execution of the Lease. At the end of the term of this Lease, the Authority shall convey to the County all of its right, title and interest in and to the Project and any lands, easements or rights-of-way appertaining thereto, and upon such conveyance, this Lease shall terminate, and the Authority shall have no further interest in, or obligations with respect to, the Project.

(b) The County shall, upon the terms and conditions set forth in this Lease, acquire and convey to the Authority all lands, buildings, tenements, hereditaments, easements and rights-of-way necessary to enable the Authority to complete the Project in accordance with the plans.

7. Cash Rental; Pledge of Full Faith and Credit. The County hereby agrees to pay to the Authority as cash rental for the Project such periodic amounts as shall be sufficient to enable the Authority to pay the principal of and interest on the Bonds as such principal and interest shall become due, whether at maturity or by redemption. For so long as any bonds are outstanding, the County shall pay to the Authority, on the Bond Payment Date, an amount sufficient to pay the principal and/or interest due on the Bonds on such Bond Payment Date.

The County hereby pledges its full faith and credit for the payment of the cash rental when due and agrees that it will levy each year such ad valorem taxes as shall be necessary for the payment of such cash rental, which taxes, however, will be subject to applicable constitutional and statutory limitations on the taxing power of the County, and which shall not be in an amount or at a rate exceeding that necessary to pay its contractual obligation pursuant to this Lease. If the County, at the time prescribed by law for the making of its annual tax levy, shall have other funds on hand which have been set aside and earmarked for payment of its obligations under this Lease for which a tax levy would otherwise have to be made, then the tax levy shall be reduced by the amount of such other funds. Such other funds may be raised from any lawful source. The obligation of the County to make such cash rental payments shall not be subject to any set-off by the County nor shall there be any abatement of the cash rental payments for any cause, including, but not limited to, casualty that results in the Project being untenable.

8. Expenses of Issuing and Payment of Bonds. The Authority shall pay from the proceeds of the sale of any series of the Bonds all expenses incurred with respect to the issuance of the Bonds. The County agrees to pay to the Authority, in addition to the cash rental provided for in Section 7, all expenses incurred with respect to the issuance and payment of the Bonds, to the extent not so paid from the proceeds from the sale of the Bonds. The obligation of the County to make such payments shall be a general obligation of the County.

9. Acquisition Expenses of the County. Upon the sale of the Bonds, the County shall give the Authority a full and complete accounting of the acquisition costs and expenses incurred on or before that date by the County in connection with the Project, and the Authority shall thereupon reimburse the County for such costs and expenses to the extent that such costs and expenses were included in the portion of the total cost of the Project to be paid from bond proceeds.

10. Maintenance and Repairs. The County shall, at its own expense, operate and maintain the Project and shall keep the same in good condition and repair. Operation and maintenance shall include (but not be limited to) the providing of all personnel, equipment and facilities, all light, power, heat, water, sewerage, drainage and other utilities, and all properties and services of whatever nature, as shall be necessary or expedient in the efficient and lawful operation and maintenance of the Project. Premiums for insurance required to be carried upon or with respect to the Project or the use thereof and taxes levied upon either party hereto on account of the ownership or use of the Project, or on account of rentals or income from the Project, shall likewise be deemed operation and maintenance expenses. The obligation of the County to pay all costs and expenses of the operation and maintenance of the Project shall be a general obligation of the County.

11. Property Insurance and Insurance Proceeds. The County shall provide, at its own expense, fire and extended coverage insurance in an amount which is at least equal to the amount of bonds outstanding from time to time or to the amount of the full replacement cost of the Project if that amount be less than the amount of bonds outstanding. Such insurance shall be payable to the County and the Authority as their interests may appear and shall be made effective from the date of commencing acquisition of the Project. In the event of the partial or total destruction of the Project during or after acquisition, or if the Project is for any reason made unusable, the cash rental payments provided in Section 7 shall continue unabated. The County shall have the option to use the proceeds of insurance, in the event of loss or damage to the Project, for the repair or restoration of the Project. If the County shall determine not to use the proceeds of insurance for the repair or restoration of the Project, the amount of such insurance proceeds shall be held by the County until it is paid to the Authority and deposited in the bond and interest redemption fund (as required by Paragraph 1), and the County shall receive appropriate credits on future cash rental payments due under this Lease.

12. Liability Insurance. The County shall provide and maintain during the term of this Lease adequate liability insurance protecting the County and the Authority against loss on account of damage or injury to persons or property, imposed by reason of the ownership, possession, use, operation, maintenance or repair of the Project and the site of the Project, or resulting from any acts of omission or commission on the part of the County or the Authority or their respective officers, employees or agents in the connection with the Project and shall indemnify, hold harmless and defend the Authority, its officers, employees or agents against any and all claims for any such damage or injury. Such insurance shall be made effective from the date acquisition of the Project commences.

13. No Unlawful Use Permitted. The Project shall not be used or permitted to be used in any unlawful manner or in any manner which would violate the provisions of any contract or agreement between the County or the Authority and any third party. The County shall hold the Authority harmless and keep it fully indemnified at all times against any loss, injury or liability to any persons or property by reason of the use, misuse or non-use of the Project or from any act or omission in, on or about the Project. The County shall, at its own expense, make any changes or alterations in, on or about the Project which may be required by any applicable statute, charter, ordinance or governmental regulation or order and shall save the Authority harmless and free from all costs or damages with respect thereto.

14. Alterations of Project. The County, in its sole discretion, may install or construct in or upon, or may remove from the Project, any equipment, fixtures or structures, and may make any alterations to or structural changes in, the Project as the County may desire.

15. Right of Inspection. The Authority, through its officers, employees, or agents, may enter upon the Project at any reasonable time during the term of this Lease for the purpose of inspecting the Project and determining whether the County is complying with the covenants, agreements, terms and conditions of this Lease.

16. Contractual Rights of Bondholders. Inasmuch as this Lease, and particularly the obligation of the County to make cash rental payments to the Authority, provides the security for payment of the principal of and interest on the Bonds, it is hereby declared that this Lease is made for the benefit of the holders from time to time of the Bonds as well as for the benefit of the parties and that such holders shall have contractual rights under this Lease. In the event of any default under this Lease on the part of the County, the Authority and the holders of the Bonds shall have all rights and remedies provided by law, including in particular all rights and remedies provided by

Act 31. The parties further agree that they will not do, or permit to be done, any act, and that this Lease will not be amended in any manner, which would impair the security of the Bonds or the rights of the holders of the Bonds. An amendment of this Lease to authorize the issuance of additional bonds and providing the payment of additional cash rentals for the payment of such bonds shall not be deemed to impair the security of the Bonds or the rights of the holders of the Bonds.

17. Appurtenant Facilities. The site on which this Project is to be located includes, or will include, roadways, walks, drives, parking areas and landscaping which are of benefit to and necessary to the full use and enjoyment of the Project, and it is hereby agreed that so long as any bonds remain outstanding and unpaid, such appurtenant facilities will be maintained in good repair and condition by the County or by its lessees and available to the users and occupants of the Project.

18. Successors and Assigns. This Lease shall inure to the benefit of, and be binding upon, the respective parties hereto and their successors and assigns, provided, however, that no assignment shall be made in violation of the terms of this Lease nor shall any assignment be made which would impair the security of the Bonds or the rights of the holders of the Bonds.

19. Abandonment of Project. In the event the Bonds to finance the Project cannot be or are not issued by the Authority on or before January 1, 2001, the Project shall be abandoned, the County shall pay from available funds all expenses of the Authority incurred to the date of abandonment, and neither party shall have any further obligations under this Lease.

20. Consents, Notices, Etc. The right to give any consent, agreement or notice required or permitted in this Lease shall be vested, in the case of the County, in its Board of Commissioners, and in the case of the Authority, in its Commission. Any notice required or permitted to be given under this Lease shall be given by delivering the same, in the case of the County, to the County Clerk, and in the case of the Authority, to any member of its Commission.

21. Changes in Law or Corporate Status. In the event there shall occur changes in the Constitution or statutes of the State of Michigan which shall affect the organization, territory, powers or corporate status of the County, the terms and provisions of this Lease shall be unaffected thereby insofar as the obligation of the County to make the cash rental payments is concerned. The proceeds of any sale or other liquidation of any interest of the County or the Authority in the Project are hereby impressed with a first and prior lien for payment of any outstanding bonds or other obligations of the Authority incurred by reason of the Project or any additions or improvements thereto.

22. Effective Date of Lease. This Lease shall become effective on the 61st day after publication of a Notice of Intention in the *Ann Arbor News*, a newspaper published in Ann Arbor, Michigan, as required by Act 31, provided that if a petition for a referendum is filed as provided in (and meeting all requirements of) Section 8b of Act 31, then this Lease shall not become effective unless and until approved by a majority of the electors of the County voting thereon at a general or special election.

23. Undertaking to Provide Continuing Disclosure. The County and the Authority hereby covenant and agree, for the benefit of the holders 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 in the form attached hereto as Appendix A. This Undertaking shall be enforceable by the holders of the Bonds or by the Purchaser(s) on behalf of such holders (provided that the Purchaser(s) right 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 Authority to comply with the provision of this Undertaking shall not be an event of default with respect to the Bonds).

The County Controller/Administrator and the Chairperson or Treasurer of the Authority, or other officer of the County or Authority 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's and Authority's Undertaking.

24. Refunding and Advance Refunding. In the event it appears advantageous in the opinion of the Authority to issue bonds to refund any series of bonds issued by the Authority pursuant to this Lease (including advance refunding bonds), the County consents to such refunding as long as:

(1) In the case of any refunding bonds and the first issue of advance refunding bonds, there is a net overall saving to the County in its remaining payments to the Authority of at least 5% or \$25,000, whichever is less.

(2) In the case of any refunding not covered in subparagraph (1), the County consents to such refunding.

IN WITNESS WHEREOF, the WASHTENAW COUNTY BUILDING AUTHORITY, by its

Commission, and the COUNTY OF WASHTENAW, by its Board of Commissioners, have caused this Lease to be signed by their duly authorized officers, and their seals to be affixed hereto, all as of the day and year first above written.

**WITNESSES TO SIGNATURES WASHTENAW COUNTY BUILDING AUTHORITY
OF AUTHORITY OFFICERS:**

_____ **By:** _____

Chairperson of its Commission

_____ **By:** _____

Secretary of its Commission

**WITNESSES TO SIGNATURES COUNTY OF WASHTENAW
OF COUNTY OFFICERS:**

_____ **By:** _____

Chair, Board of Commissioners

By: _____

County Clerk

las.r1-was78

STATE OF MICHIGAN)

)ss.

COUNTY OF WASHTENAW)

On this ____ day of _____, 1999, before me appeared _____ and _____, to me personally known, who being by me duly sworn, did each say that they are, respectively, the Chairperson and the Secretary of the Commission of the WASHTENAW COUNTY BUILDING AUTHORITY and that the foregoing Lease Contract was signed and sealed by them on behalf of the Authority by authority of its Commission, and that such persons acknowledged such instrument to be the free act and deed of the Authority.

Notary Public, Washtenaw County,

Michigan

My Commission Expires: _____

(Seal)

STATE OF MICHIGAN)

)ss.

COUNTY OF WASHTENAW)

On this ____ day of _____, 1999, before me appeared _____ and _____, to me personally known, who being by me duly sworn, did each say that they are, respectively, the Chair of the Board of Commissioners and the County Clerk of the COUNTY OF WASHTENAW and that the foregoing Lease Contract was signed and sealed by them on behalf of the County by authority of its Board of Commissioners, and that such persons acknowledged such instrument to be the free act and deed of the County.

Notary Public, Washtenaw County,

Michigan

My Commission Expires:_____

(Seal)

Instrument Drafted By:

John R. Axe

John R. Axe and Associates

21 Kercheval, Suite 360

Grosse Pointe Farms, Michigan 48236

las.r1-was78

APPENDIX A

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 the 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 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]

las.r1-was78

EXHIBIT A
to
LEASE CONTRACT

PROJECT DESCRIPTION

The project will consist of: (1) acquiring, furnishing and equipping an addition to as well as renovating the Washtenaw County Jail located at 2201 Hogback Road, Ann Arbor, Michigan; (2) construction, furnishing and equipping of a New Juvenile Detention Center and a New Day Treatment Facility to be located at the County Service Center which is located at 4133 Washtenaw Avenue, Ann Arbor, Michigan; (3) additional funds to complete construction of an Environmental Services Building to be located at 555 N. Zeeb Road, Ann Arbor, Michigan; (4) additional funds to complete construction of a new downtown office building at 200 N. Main Street, Ann Arbor, Michigan; and (5) funds to remodel, furnish and equip the County Annex Building located at 110 North Fourth Avenue, Ann Arbor, Michigan.

[For Additional Details See Attached]

ESTIMATED PROJECT COSTS

**Remodeling, Construction,
Furnishings and Equipment Costs,
Including Contingency \$14,535,400**

**Financing Costs, Bond Discount &
Capitalized Interest 514,600**

TOTAL \$15,050,000

MAXIMUM COST OF PROJECT \$15,050,000

las.r1-was78

EXHIBIT B
to
LEASE CONTRACT

WASHTENAW BUILDING AUTHORITY PROJECT

SCHEDULE OF PRINCIPAL AND INTEREST

DUE AMOUNT

\$

TOTAL \$_____

las.r1-was78

APPENDIX II

**NOTICE OF INTENTION OF THE COUNTY OF WASHTENAW
TO ENTER INTO A LEASE CONTRACT WITH THE
WASHTENAW COUNTY BUILDING AUTHORITY AND NOTICE**

OF RIGHT TO PETITION FOR REFERENDUM THEREON

**TO ALL ELECTORS AND TAXPAYERS OF
THE COUNTY OF WASHTENAW:**

NOTICE IS HEREBY GIVEN that the Board of Commissioners of the County of Washtenaw, Michigan (the "County"), has authorized the execution of a full faith and credit general obligation lease contract (the "Lease") between the County and the Washtenaw County Building Authority (the "Authority"). The Lease provides, among other things, for the following purposes: **SEE APPENDIX A** all of which to be located as set forth in Appendix A (the "Project"). The Lease provides further that the Authority will finance all or a portion of the total cost of the Project by the issuance of one or more series of building authority bonds (the "Bonds") pursuant to the provisions of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), in anticipation of the receipt of cash rental payments to be made by the County to the Authority pursuant to the Lease. The maximum amount of bonds to be issued in one or more series shall not exceed \$15,050,000, the term of the Lease shall not exceed 30 years and the Bonds shall bear interest at a rate or rates that will result in a net interest cost of not more than 8% per annum.

**FULL FAITH AND CREDIT AND TAXING POWER OF
THE COUNTY OF WASHTENAW WILL BE PLEDGED**

NOTICE IS FURTHER GIVEN that in the Lease the County will obligate itself to make cash rental payments to the Authority in amounts sufficient to pay the principal of and interest on the Bonds. The full faith and credit of the County will be pledged for the making of such cash rental payments. Pursuant to such pledge of its full faith and credit, the County will be obligated to levy such ad valorem taxes upon all taxable property in the County as shall be necessary to make such cash rental payments, which taxes, however, will be subject to applicable statutory and constitutional limitations on the taxing power of the County. In addition to its obligation to make cash rental payments, the County will agree in the Lease to pay all costs and expenses of operation and maintenance of the Project and all expenses of the Authority incidental to the issuance and payment of the Bonds, to the extent such expenses are not payable from the proceeds of the Bonds.

RIGHT TO PETITION FOR REFERENDUM

NOTICE IS FURTHER GIVEN to the electors and taxpayers of the County to inform them of the right to petition for a referendum on the question of entering into the Lease. The County intends to enter into the Lease without a vote of the electors thereon, but the Lease shall not become effective until 60 days after publication of this notice. If, within 45-days after publication of this notice, a petition for referendum requesting an election on the Lease, signed by not less than 10% or 15,000 of the registered electors of the County, whichever is less, has been filed with the County Clerk, the Lease shall not become effective unless and until approved by a majority of the electors of the County voting thereon at general or special election.

This notice is given by order of the Board of Commissioners pursuant to Act 31. Further information may be obtained at the office of the Washtenaw County Clerk, County Court House, 101 E. Huron, Ann Arbor, Michigan 48107.

Peggy M. Haines

Washtenaw County Clerk

DATED: [date of publication]

APPENDIX A, page 1

PROJECT DESCRIPTION

The project will consist of: (1) refurbishing, equipping and renovating the Washtenaw County Jail located at 2201 Hogback Road, Ann Arbor, Michigan; (2) construction, furnishing and equipping of a New Juvenile Detention Center and a New Day Treatment Facility to be located at the County Service Center which is located at 4133 Washtenaw Avenue, Ann Arbor, Michigan; (3) additional funds to complete construction of an Environmental Services Building to be located at 555 N. Zeeb Road, Ann Arbor, Michigan; (4) additional funds to complete construction of a new downtown office building at 200 N. Main Street, Ann Arbor, Michigan; and (5) funds to remodel, furnish and equip the County Annex Building located at 110 North Fourth Avenue, Ann Arbor, Michigan.

ESTIMATED PROJECT COSTS

**Remodeling, Construction,
Furnishings and Equipment Costs,
Including Contingency \$14,535,400**

**Financing Costs, Bond Discount &
Capitalized Interest 514,600**

TOTAL \$15,050,000

MAXIMUM COST OF PROJECT \$15,050,000

las.r1-was78

APPENDIX III

FORM OF DECLARATION OF OFFICIAL INTENT

I, the undersigned Controller/Administrator of the County of Washtenaw, Michigan, do hereby certify as follows:

1. I am an officer of the County authorized to declare official intent of the County to reimburse expenditures made, prior to the issuance of debt, from the proceeds of said debt.

2. This Declaration relates to the following expenditures (the "Expenditures"):

Amount General Purpose

3. The Expenditures are with respect to property (the "Property") having:

(A) the following general character, type or purpose:

_____;

(B) the following size, quantity or cost: _____

_____; and

(C) a reasonably expected economic life at least one (1) year.

4. I understand that a substantial deviation between the above description of the Property for which the Expenditures are being made and the actual Property which is acquired or constructed will invalidate this declaration of official intent with the result that any proceeds of tax-exempt debt which are used to reimburse for the Expenditures will not be deemed to have been expended upon such reimbursement.

5. The County intends to reimburse the Expenditures by incurring taxable or tax-exempt debt (the "Reimbursement Obligations").

6. The expected source of funds that will be used to pay the Expenditures is as follows: issuance of up to \$_____ of Building Authority Bonds by the Washtenaw County Building Authority.

7. The expected source of funds to be used to pay debt service on the Reimbursement Obligation is as follows: payment made by the Washtenaw County _____ through the Washtenaw County General Fund.

8. This declaration of intent is consistent with the budgetary and financial circumstances of the County as of the date hereof in that there are no funds which are now or are reasonably expected to be, (A) allocated on a long-term basis, (B) reserved or (C) otherwise available pursuant to the County's budget, to pay the Expenditure.

9. The County does not have a pattern of failure to reimburse expenditures for which official intent has been declared in that at least seventy-five percent (75%) of all expenditures made after July 1, 1992, for which the County has declared an intent to reimburse from the proceeds of taxable or tax-exempt debt have been, or are expected to be, so reimbursed.

10. I acknowledge that in the event that the County fails to use the proceeds of Reimbursement Obligations issued within three (3) years of the date hereof to reimburse expenditures the same may adversely affect the ability of the County to use the proceeds of tax-exempt obligations in the future to reimburse for expenditures made prior to the issuance of such obligations.

11. I further acknowledge that unless the Expenditures constitute preliminary expenditures (in the nature of architect services and soil testing but excluding land acquisition) for the Property not in excess of ten percent (10%) of the expected cost of the project of which the Property constitutes a part, the Expenditures will be paid within not in excess of two (2) years following the date hereof or, as an alternative, this declaration of intent will be renewed.

12. I further acknowledge that it is expected that the proceeds of Reimbursement Obligations will be used for reimbursement of each Expenditure not later than (A) the date that is one (1) year after the date on which such Expenditure is paid or (B) the date that is one (1) year after the date on

which the Property is placed in service.

13. I further acknowledge that I will assure that the allocation referenced in item 12 (A) will be evidenced by an entry on the records of the County maintained with respect to the Reimbursement Obligations, (B) will specifically identify the Expenditure being reimbursed, and (C) on the advice of the appropriate counsel will be sufficient to relieve the allocated proceeds of the Reimbursement Obligations covered by such entry from any restrictions under the relevant legal documents and applicable state law that apply only to unspent proceeds of Reimbursement Obligations.

14. I further acknowledge that I will assure that except as referenced in item 15 the proceeds of the Reimbursement Obligations that are used to reimburse the Expenditures will not be used, directly or indirectly, (A) to pay debt service on an issue of tax-exempt obligations, (B) to create or increase the balance in a sinking fund established for the payment of debt service on the Reimbursement Obligations or another issue of tax-exempt obligations of the County or to replace funds that have been, are being, or will be so used for reserve or replacement fund purpose, or (D) to reimburse any expenditures or any payment with respect to financing of an expenditure that was originally paid with proceeds of any tax-exempt obligations of the County to any person or entity other than the County.

15. I understand that item 14 does not prohibit the use of those proceeds of the Reimbursement Obligations that are used to reimburse the Expenditures for (A) deposit in a bona fide debt service fund (that is, a fund established to pay debt service on any tax-exempt obligation of the County, other than the Reimbursement Obligation, which is depleted annually except for a reasonable carry over amount not in excess of one (1) year's interest earnings on said fund or one-twelfth (1/12th) of annual debt service), (B) to pay current debt service coming due within the next succeeding one-year period on any tax-exempt obligation of the County, other than the Reimbursement Obligations, or (C) to reimburse for expenditures originally made from the proceeds of a tax-exempt obligation of the County which were not reasonably expected by the County, on the date of issue of such obligation, to be used for such expenditure.

IN WITNESS WHEREOF, the undersigned has executed this declaration of official intent this _____ day of _____, ____.

County Controller/Administrator

las.r1-was78