

COUNTY OF WASHTENAW
BOARD OF COMMISSIONERS

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

PRESENT: _____

ABSENT: _____

The following preamble and resolution were offered by Commissioner _____ and seconded by Commissioner _____:

Northfield Township Sewer System

BOND RESOLUTION SERIES A

WHEREAS, this Board of Commissioners has adopted a resolution approving the Northfield Township Sanitary Sewer System Improvements, 1998 Project in part for the purpose of improving the sanitary sewer system serving the Township of Northfield (the "Project"); and

WHEREAS, pursuant to a resolution of this Board of Commissioners and pursuant to resolutions adopted or to be adopted by the governing body of the Township of Northfield (the "Township"), the County of Washtenaw (the "County") and the Township are entering into a Contract dated as of May 1, 1998 (the "Contract"), whereby the County agrees to acquire, construct and finance the Project at an estimated cost of \$4,900,000 and the Township agree to pay for the cost of the Project, which is to be financed by bonds to be issued by the County (the "Bonds") up to the aggregate principal amount of \$4,900,000; and

WHEREAS, a contract for the Project was or will be executed between the County and the Township, showing an estimate of \$4,900,000 as the cost of constructing the Project and estimating not less than 30 years as the period of usefulness of the County's share of the Project, and has been approved by the Board of Public Works and by this Board of Commissioners of the County and by the Township and has been or will be approved; and

WHEREAS, under the Contract, the Township are to pay semi-annually to the County an amount equal to each semi-annual installment of principal of, premium, if any, and interest on the Bonds and in addition are to pay all transfer agent and registrar fees and other bond service charges, as determined pursuant to the Contract; and

WHEREAS, the County desires to issue Bonds pursuant to Act No. 185, Michigan Public acts of 1957, as amended (the "Act"), in anticipation of the payments to be made by the Township under the Contract; and

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

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; and

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; and

WHEREAS, on June 17, 1998 this Board of Commissioners adopted a Bond Resolution authorizing the issuance of not to exceed \$4,900,000 of Northfield Township Sanitary Sewer System Improvements 1998 Project Bonds to defray the cost of the Project; and

WHEREAS, the Project has been delayed and divided into two parts thereby requiring the issuance of two series of Bonds - one for Part A in the amount of \$1,400,000. A description of Parts A and B of the Project is attached as Exhibit 1; and

WHEREAS, the County Board of Public Works has approved this resolution and recommended its adoption by the Board of Commissioners;

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

1. (a) Bond Details. Bonds of the County of Washtenaw up to the aggregate principal amount of \$1,400,000 shall be issued for the purpose of defraying the cost of acquiring and constructing Part A of the Project. The Bonds shall be issued in substantially the form of Appendix A attached hereto. The Bonds shall be known as "Washtenaw County - Northfield Township Sanitary Sewer System Improvements Bonds, Series A" and shall be dated September 1, 1999 or such later date up to August 1, 2000 as the Director of the Department of Public Works shall order. The Bonds shall be fully registered Bonds, both as to principal and interest, in any denomination which is \$5,000 or a multiple of \$5,000 up to the amount of a single maturity, and shall be numbered from 1 upwards. The Bonds shall mature on May 1 in each year as follows:

YEAR PRINCIPAL YEAR PRINCIPAL YEAR PRINCIPAL

2001 \$50,000 2007 \$75,000 2013 \$ 75,000

2002 50,000 2008 75,000 2014 75,000

2003 50,000 2009 75,000 2015 100,000

2004 50,000 2010 75,000 2016 100,000

2005 50,000 2011 75,000 2017 100,000

2006 50,000 2012 75,000 2018 100,000

2019 100,000

2. Interest Payment and Date of Record. The Bonds shall bear interest payable May 1, 2000, and each November 1 and May 1 thereafter, until maturity, which interest rate shall not exceed 8% per annum. Interest shall be paid by check mailed by first class mail to the registered owner of each Bond as of the applicable date of record, provided, however, that the Chairman of the Board of Public Works may agree with the Bond Registrar on a different method of payment. If interest is paid differently, the Bond form attached as Appendix A and the Notice of Sale form attached as Appendix B shall be changed accordingly.

The date of record for each interest payment shall be the 15th day of the calendar month preceding the date such payment is due.

3. Discount. The Bonds may be offered for sale at a price of not less than 99% of the face amount thereof, and the Director of the Department of Public Works is authorized, in his or her discretion, to provide for a higher or lower minimum purchase price in the Notice of Sale of the Bonds.

4. Prior Redemption. Bonds maturing prior to May 1, 2008 shall not be subject to redemption prior to maturity. Bonds maturing on or after May 1, 2008 shall be subject to redemption prior to maturity at the option of the County, subject to the rights and direction of the Township as set forth in the Contract, in any order, in whole or in part on any interest payment date on or after May 1, 2007. Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption plus a premium as follows:

½ of 1% of the principal amount of each bond called for redemption on or after May 1, 2007, but prior to May 1, 2010.

Bonds called for redemption on or after May 1, 2010 shall be redeemed at par.

With respect to partial redemptions, any portion of a Bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed constitute authorized denominations. In the event that less than the entire principal amount of a Bond is called for redemption, upon surrender of the Bond to the Bond Registrar, the Bond Registrar shall authenticate and deliver to the registered owner of the Bond a new Bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each Bond being redeemed by first class mail at least 30 days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption. Any defect in any notice shall not affect the validity of the redemption proceedings. Bonds so called for redemption provided funds are on hand with the Bond Registrar to redeem the same.

5. Bond Registrar and Paying Agent/Book Entry Depository Trust. The Board of Public Works shall designate, and may enter into an agreement with, a bond registrar and paying agent for the Bonds (sometimes referred to as the "Bond Registrar") which shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The Board of Public Works from time to time as required may designate a similarly qualified successor bond registrar and paying agent. The Bonds shall be deposited with a depository trustee designated by the Board of Public Works who

shall transfer ownership of interests in the Bonds by book entry and who shall issue depository trust receipts or acknowledgments to owners of interests in the Bonds. Such book entry depository trust arrangement, and the form of depository trust receipts or acknowledgments, shall be as determined by the Chairman of the Board of Public Works after consultation with the depository trustee. The Board of Public Works is authorized to enter into any depository trust agreement on behalf of the County upon such terms and conditions as the Board of Public Works shall deem appropriate and not otherwise prohibited by the terms of this Resolution, which agreement shall be executed by the Chairman and Secretary. The depository trustee may be the same as the Bond Registrar otherwise named by the Chairman or Secretary, and the Bonds may be transferred in part by depository trust and in part by transfer of physical certificates as the Chairman or Secretary may determine.

6. Transfer or Exchange of Bonds. Any Bond shall be transferable on the bond register maintained by the Bond Registrar with respect to the Bonds at any time upon the surrender of the Bond together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned Bond the Bond Registrar shall authenticate and deliver a new Bond or Bonds in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

Bonds may likewise be exchanged at any time for one or more other Bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the Bond or Bonds being exchanged. Such exchange shall be effected by surrender of the Bond to be exchanged to the Bond Registrar with written instructions signed by the registered owner of the Bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a Bond with proper written instructions the Bond Registrar shall authenticate and deliver a new Bond or Bonds to the registered owner of the surrendered Bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of Bonds during the 15 days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the County, subject, however to reimbursement by the Township pursuant to the contract. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

7. a. Reduction in Aggregate Amount of Bonds. In the event it shall be necessary to delay Part A of the Project or it shall be determined by the Director of the Department of Public Works (the "Director") after this Resolution is adopted that the Project cost shall be less than the estimate, the Director shall reduce the principal amount of the Bonds by \$5,000 denominations, one such denomination for each maturity in any order to the extent required to avoid the issuance of more Bonds than will be required in light of the bids received, and the Notice of Sale shall be correspondingly altered.

b. Capitalized Interest. Up to six months of interest on the bonds may be capitalized if so ordered by the Director of the Department of Public Works.

8. Execution and Delivery. The Chairman of the Board of Commissioners and the County Clerk of the County are authorized and directed to execute the Bonds for and on behalf of the County by manually executing the same or by causing facsimile signatures of the Chairman of the Board of Commissioners and of the County Clerk to be affixed, provided in the latter instance the Bonds are thereafter authenticated by the Bond Registrar. The Bonds shall be sealed with the County seal or a facsimile of the County seal. Upon the execution of the Bonds they shall be delivered to the Treasurer of the County, who is authorized and directed to deliver the Bonds to the purchaser upon receipt in full of the purchase price.

9. Full Faith and Credit of Township and County. The Bonds are to be issued pursuant to the provisions of the Act in anticipation of the payments to become due to the County from the Township under the Contract. Such payments are supported by a pledge of the full faith and credit of the Township. The full faith and credit of the County is hereby pledged for the prompt payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due. The ability of the Township and the County to raise funds with which to meet such full faith and credit pledge is subject to applicable statutory and constitutional tax limitations.

10. Bond Payment Fund. All moneys paid to the County by the Township toward the cost of the Project pursuant to the Contract, shall be set aside by the County in a Bond Payment Fund to be used solely for the payment of the principal of, premium, if any, and interest on the Bonds and expenses incidental thereto. From the proceeds of the sale of the Bonds, there shall be deposited in the Bond Payment Fund any premium and accrued interest received from the purchaser of the Bonds as well as any capitalized interest on the Bonds.

11. Construction Fund. There is hereby established a Construction Fund for Part A of the Project into which all proceeds of the borrowing shall be deposited, except (a) capitalized interest on the Bonds, if any, and (b) any premium and accrued interest received from the purchaser of the Bonds. The Construction Fund shall be used to acquire and construct Part A of the Project.

12. Approval of the Department of Treasury; Exception. The issuance and sale of the Bonds shall be subject to the approval of the Michigan Department of Treasury, as required by law, and the Director or Bond Counsel is hereby authorized to make application to the Department of Treasury for permission to issue and sell the Bonds. Alternatively, the Director or Bond Counsel, in his or her discretion, is authorized to apply for an exception to such prior approval from the Michigan Department of Treasury.

13. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Chairman of the Board of Commissioners and the County Clerk may, on behalf of the County, execute and deliver, or order the Bond Registrar to authenticate and deliver, a new Bond having a number not then outstanding, of like date, maturity and denomination as that mutilated, lost, stolen or destroyed.

In the case of a mutilated Bond, a replacement Bond shall not be delivered unless and until such mutilated Bond is surrendered to the Bond Registrar. In the case of a lost, stolen or destroyed Bond a replacement Bond shall not be delivered unless and until the County and the Bond Registrar shall have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument bond for principal and interest remaining unpaid on the lost, stolen or destroyed bond, (ii) an affidavit of the registered owner (or

his or her attorney) setting forth ownership of the Bond lost, stolen or destroyed and the circumstances under which it was lost, stolen or destroyed, (iii) the agreement of the owner of the Bond (or his or her attorney) to fully indemnify the County and the Bond Registrar against loss due to the lost, stolen or destroyed bond and the issuance of any replacement Bond in connection therewith, and (iv) the agreement of the owner of the Bond (or his or her attorney) to pay all expenses of the County and the Bond Registrar in connection with the replacement, including the transfer and exchange costs which otherwise would be paid by the County.

14. Arbitrage and Tax Covenants. Notwithstanding any other provision of this Resolution, the County covenants that it will not at any time or times:

(a) Permit any proceeds of the Bonds or any other fund of the County or under its control to be used directly or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Bond as a bond which is not a qualified bond within the meaning of Section 141(e) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

(b) Take any action, or fail to take any action (including failure to file any required information or other returns with the United States Internal Revenue Service or to rebate amounts to the United States, if required, at or before the time or times required), within its control which action or failure to act would (i) cause the interest on the Bonds to be includible in gross income for federal income tax purposes or cause the proceeds of the Bonds to be used directly or indirectly by an organization described in Section 501(c)(3) of the Code, or (ii) adversely affect the exemption of the Bonds and the interest thereon from the State of Michigan income taxation.

15. Qualification of Bonds. The Bonds are not designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265 of the Code, unless, at the time the Notice of Sale is published, the Bonds have been determined to be eligible to be so designated on the basis of the County's reasonable expectations at the time of such publication. In such event, the Notice of Sale shall be changed appropriately and the Bonds shall there be so designated.

16. Notice of Sale. Sealed bids for the purchase of the Bonds shall be accepted up to a time to later be determined by the Chairman of the Board of Public Works. Notice of the sale shall be published once in accordance with law in The Bond Buyer, in substantially the form attached as Appendix B to this Resolution. The Chairman of the Board of Public Works may make such changes to the attached Notice of Sale, or cause it to be published in additional publications, as he deems appropriate.

17. Defeasance. If the whole amount of the principal of and premium, if any, and interest due and payable upon all outstanding Bonds shall be paid, or if sufficient moneys, or Government Obligations not callable prior to maturity, the principal of and interest on which, when due and payable will provide such sufficient moneys, shall be deposited with and held by a trustee for the purpose of paying principal of and premium, if any, and interest due and payable upon all outstanding Bonds, if all outstanding Bonds to be redeemed prior to maturity shall have been duly

called for redemption or irrevocable instructions to call such Bonds for redemption shall have been given to such trustee, then the right, title and interest of the holders of the Bonds shall thereupon cease, terminate and become void and the County shall be released from the obligations of this resolution and any moneys or other funds held pursuant to this resolution for the purpose of paying principal of a premium, if any, and interest on the Bonds then outstanding (other than the aforementioned funds on deposit with the trustee for redemption of the outstanding Bonds) shall be released from the conditions of this resolution and paid over to the County and considered excess proceeds of the Bonds. In the event Government Obligations shall be deposited with and held by the trustee as herein above provided, the trustee shall within 30 days after such Government Obligations or moneys shall have been deposited with it, cause a notice signed by the trustee to be published once in a newspaper of general circulation in the City of Detroit, Michigan, setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, (b) a description of the Government Obligations and moneys so held by it, and (c) that this resolution has been released in accordance with the provisions of this Section. All moneys and Government Obligations held by such trustee pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith as provided herein above. As used herein the term "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

18. Reimbursement. (a) The Treasurer of the County is hereby authorized to declare official intent of the County with respect to reimbursement or expenditures incurred prior to issuance of the Bonds.

(b) Each declaration of official intent shall be substantially in the form set forth in APPENDIX C 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.

(c) The official making the declaration is hereby directed to file each declaration of official intent in the office of the Washtenaw County Clerk, County Court House, 101 E. Huron, Ann Arbor, Michigan, which location constitutes the customary location of the records of the Township which are available to the general public.

(d) The 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 Obligations.

19. Retention of Bond Counsel. The firm of John R. Axe and Associates, attorneys, of Grosse Pointe Farms, Michigan, is hereby retained to act as bond counsel for the County in connection with the issuance and sale of the Bonds.

20. Retention of Financial Consultant. Bendzinski & Co., of Detroit, Michigan, is hereby retained to act as financial consultant and advisor for the County in connection with the issuance and sale of

the Bonds.

- 1. Repeal of Former Bond Resolution. The Bond Resolution adopted by this Board of Commissioners on June 17, 1999 is hereby repealed.**

BE IT FURTHER RESOLVED, the budget is to be established not to exceed the authorized bond amount and/or contributions from other sources.

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

YES: _____

NO: _____

ABSTAIN: _____

The Resolution was declared adopted.

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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 _____, 1999, 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

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EXHIBIT 1

PROJECT DESCRIPTION

Part A of the Project will consist of replacement of the existing sanitary sewage pumping station located at 8 Mile Road.

Project Cost Estimates

**Total Costs Including Engineering,
Construction, Financing, Miscellaneous
Costs and Contingency \$1,400,000**

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EXHIBIT 1, page 2 PROJECT DESCRIPTION

Part B of the Project will consist of construction of new gravity sanitary sewers and pumping stations and force mains to serve portions of Northfield Township residents and businesses located

along North Territorial in the vicinity of the intersection with the US 23 freeway. In addition, the Michigan Department of Transportation rest area located approximately 3 miles south of the North Territorial Road exit will be connected to the system by a pumping station and force main.

Project Cost Estimates

**Estimated Total Costs Including Engineering,
Construction, Financing, Miscellaneous
Costs and Contingency \$3,500,000**

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APPENDIX A

[FORM OF BOND]

**UNITED STATES OF AMERICA-STATE OF MICHIGAN
COUNTY OF WASHTENAW
WASHTENAW COUNTY - NORTHFIELD TOWNSHIP
SANITARY SEWER SYSTEM IMPROVEMENTS BOND, SERIES A**

RATE MATURITY DATE DATE OF ISSUANCE CUSIP

____ 1, ____

=====

REGISTERED OWNER:

PRINCIPAL AMOUNT:

=====

FOR VALUE RECEIVED, the County of Washtenaw, State of Michigan (the "County"), hereby acknowledges itself indebted and promises to pay (but only from the sources referred to herein) on the Maturity Date specified above, unless paid prior thereto as hereinafter provided, to the Registered Owner specified above or its registered assigns, the Principal Amount specified above upon presentation and surrender of this Bond at the principal corporate trust office of _____, _____, Michigan, as paying agent and bond registrar (the "Bond Registrar"), together with interest thereon to the Registered Owner of this Bond, as shown on the books of the County maintained by the Bond Registrar, on the applicable date of record from the Date of Issuance specified above, or such later date through which interest has been paid, at the Rate per annum specified above, commencing _____ 1, _____, and semiannually thereafter on the first day of _____ and _____ in each year to and including the Maturity Date or earlier redemption of this Bond. The date of record for each payment of interest shall be the 15th day of the month preceding the date such payment is due. Interest is payable by check or draft mailed by the Bond Registrar to the Registered Owner at the address shown on the books of the County maintained by the Bond Registrar on the applicable date of record and shall be calculated on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

This Bond is one of a series of bonds of like date and tenor except as to denomination, date of maturity and interest rate, numbered from 1 upwards, aggregating the principal sum of _____ Dollars (\$_____), issued by the County, pursuant to and in full conformity with the Constitution and Statutes of the State of Michigan (especially Act No. 185, Michigan Public Acts of 1957, as amended), for the purpose of defraying the cost of _____ serving the Township of Northfield (the "Township"), Washtenaw County, Michigan (the "Project") which serves the Township.

This Bond and the series of which this is one are payable as to principal, premium, if any, and interest from moneys to be paid to the County by the Township pursuant to a contract dated as of May 1, 1998 (the "Contract"), between (among others) the County and the Township, whereby the Township agree to pay to the County the cost of that part of the Project financed by the bonds in semiannual installments equal to the principal of, premium, if any, interest and service charges on the bonds. The full faith and credit of the Township is pledged for the prompt payment of its obligations pursuant to the Contract. Pursuant to the resolution authorizing the issuance of this series of bonds, the full faith and credit of the County has also been pledged for the prompt payment of the principal of, premium, if any, and interest on the bonds of this series. The ability of the Township and the County to raise funds with which to meet such full faith and credit pledge is subject to applicable statutory, constitutional and charter tax limitations.

Bonds maturing prior to _____ 1, _____ shall not be subject to redemption prior to maturity. Bonds

maturing on or after ____ 1, ____ shall be subject to redemption prior to maturity at the option of the County, subject to the rights and direction of the Township as set forth in the Contract, in any order, in whole or in part, on any interest payment date on or after ____ 1, ____. Bonds so called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption plus a premium as follows:

__ of the principal amount of each bond called for redemption on or after _____ 1, _____, but prior to ____ 1, _____.

No premium called after _____ 1, _____.

With respect to partial redemptions, any portion of a bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitutes an authorized denomination. In the event that less than the entire principal amount of a bond is called for redemption, upon surrender of the bond to the Bond Registrar, the Bond Registrar shall authenticate and deliver to the Registered Owner of the bond a new bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption, if different than otherwise provided in the resolution authorizing the issuance of the bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Bond Registrar to redeem the same.

This Bond shall be transferable on the books of the County maintained by the Bond Registrar upon surrender of this Bond to the Bond Registrar together with an assignment executed by the Registered Owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned bond, the Bond Registrar shall authenticate and deliver a new bond or bonds in authorized denominations in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

This Bond may likewise be exchanged for one or more other bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the bond or bonds being exchanged. Such exchange shall be effected by surrender of the bond to be exchanged to the Bond Registrar with written instructions signed by the Registered Owner of the bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a bond with proper written instructions the Bond Registrar shall authenticate and deliver a new bond or bonds to the Registered Owner of the bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of bonds during the fifteen (15) days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the County, unless otherwise agreed upon by the County and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

This Bond and the bonds of this series have ____ been designated as "qualified tax-exempt

obligations" for purposes of Paragraph 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit until the certificate of authentication hereon has been duly executed by the Bond Registrar, as authenticating agent.

It is hereby certified, recited and declared that all things, conditions and acts required to exist, happen and be performed precedent to and in connection with the issuance of this Bond and the other bonds of this series, existed, have happened and have been performed in due time, form and manner as required by the Constitution and Statutes of the State of Michigan, and that the total indebtedness of the County, including this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County of Washtenaw, State of Michigan by its Board of Commissioners, has caused this Bond to be executed in its name with the facsimile signatures of the Chairman of its Board of Commissioners and its County Clerk, has caused a facsimile of its seal to be affixed hereto and has caused this Bond to be authenticated by the Bond Registrar, as the County's authenticating agent, all as of the Date of Issuance set forth above.

COUNTY OF WASHTENAW

By:
Chairman of the Board of
Commissioners

[SEAL]

By:
County Clerk

DATE OF AUTHENTICATION:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the series of bonds designated "Washtenaw County - Northfield Township Sanitary Sewer System Improvements Bonds, Series A."

_____, Michigan
as Bond Registrar and Authenticating Agent

By:
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ this Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer this Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature:

Notice: The signature(s) to this assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The transfer agent will not effect transfer of this Bond unless the information concerning the transferee requested below is provided:

Name and Address: _____

(Include information for all joint owners if bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Insert number for first named transferee if held by joint account)

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APPENDIX B

[FORM OF OFFICIAL NOTICE OF SALE]

OFFICIAL NOTICE OF SALE

\$ _____

COUNTY OF WASHTENAW

STATE OF MICHIGAN

WASHTENAW COUNTY - NORTHFIELD TOWNSHIP

SANITARY SEWER SYSTEM IMPROVEMENT BONDS, SERIES A

SEALED BIDS: Sealed bids for the purchase of the bonds described herein (the "Bonds") will be received by the undersigned, on behalf of the County of Washtenaw Department of Public Works (the "Issuer"), at the office of the _____ of the County of Washtenaw, _____, Ann Arbor, Michigan 48107 on _____, _____, until _____:00 _____m., Eastern _____ Time, at which time and place the bids will be publicly opened and read.

In the alternative, sealed bids will also be received on the same date and until the same time by an agent of the undersigned at the offices of Bendzinski & Co., Municipal Finance Advisors, One Kennedy Square, 719 Griswold, Suite 2130, Detroit, Michigan 48226-3333, where they will be publicly opened simultaneously. Bids received at Ann Arbor, Michigan will be read first followed by the bids received at the alternate location. Bidders may choose either location to present bids and good faith checks, but not both locations. Any bidder may submit a bid in person to either bidding location. However, no bidder is authorized to submit a Fax bid to Ann Arbor, Michigan.

The Bonds will be awarded or all bids will be rejected by the Issuer at a meeting to be held within twenty-four hours of the sale.

BOND DETAILS: The Bonds will be fully registered bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000, not exceeding the aggregate principal amount for each maturity, dated _____ 1, _____, numbered from 1 upwards and will bear interest from their date of issuance payable on _____ 1, _____ and semiannually thereafter on each _____ 1 and _____ 1 and until maturity. The Bonds will mature on _____ 1 of each year as follows:

YEAR PRINCIPAL YEAR PRINCIPAL YEAR PRINCIPAL

PRIOR REDEMPTION: Bonds maturing prior to _____ 1, _____ shall not be subject to redemption prior to maturity. Bonds maturing on or after _____ 1, _____ shall be subject to redemption prior to

maturity at the option of the County, subject to the rights and direction of the Township of Northfield (the "Township") as set forth in the Contract, in any order, in whole or in part, on any interest payment date on or after ____ 1, _____. Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption plus a premium as follows:

__ of the principal amount of each bond called for redemption on or after _____ 1, _____, but prior to ____ 1, _____.

No premium called after _____ 1, _____.

With respect to partial redemptions, any portion of a bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitutes an authorized denomination. In the event that less than the entire principal amount of a bond is called for redemption, upon surrender of the bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the bond a new bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each bond being redeemed by first class mail at least 30 days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption, if different than otherwise provided in the Bond Resolution. Any defect in such notice shall not affect the validity of the redemption proceedings. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar to redeem the same.

INTEREST RATE AND BIDDING DETAILS: The Bonds shall bear interest at a rate or rates not exceeding _% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. **THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR SHALL NOT BE AT A RATE LOWER THAN THE RATE BORNE BY BONDS MATURING IN ANY PRECEDING YEAR.** No proposal for the purchase of less than all of the Bonds, at a price less than __% of their par value or at an interest rate or rates that will result in a net interest cost of more than _% per annum, will be considered.

BOOK-ENTRY-ONLY: The Bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. The book-entry-only system is described further in the nearly final official statement for the Bonds.

BOND REGISTRAR, PAYING AGENT AND DATE OF RECORD: _____, _____, Michigan has been selected as bond registrar and paying agent (the "Bond Registrar") for the Bonds. The Bond Registrar will keep records of the registered holders of the Bonds, serve as transfer agent for the Bonds, authenticate the original and any re-issued bonds and pay interest by check or draft mailed to the registered holders of the Bonds as shown on the

registration books of the County kept by the Bond Registrar on the applicable date of record. The date of record for each interest payment shall be the 15th day of the month before such payment is due. The principal of and redemption premium, if any, on the Bonds will be paid when due upon presentation and surrender thereof to the Bond Registrar. As long as DTC, or its nominee Cede & Co., is the registered owner of the Bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants and indirect participants as described in the nearly final official statement for the Bonds. The County may from time to time as required designate a successor bond registrar and paying agent.

PURPOSE AND SECURITY: The Bonds are to be issued pursuant to the provisions of Act No. 185, Public Acts of Michigan, 1957, as amended (the "Act"), to defray part of the cost of _____ serving the Township, being the _____ Project (the "Project"). The Bonds are to be issued in anticipation of, and are primarily payable from, payments to be made by _____ the Township pursuant to a certain Contract dated as of _____ 1, _____, between the County of Washtenaw (the "County") and the Township (the "Contract"), wherein the Township agree to pay to the County the cost of that part of the Project financed by the Bonds in semiannual installments equal to the principal of, interest and service charges on the Bonds of this issue. The full faith and credit of the Township and the County have been pledged for the making of such payments. The ability of the Township and the County to raise funds with which to meet such full faith and credit pledge is subject to applicable statutory, constitutional and charter tax limitations.

GOOD FAITH CHECK: A certified or cashier's check drawn upon an incorporated bank or trust company or a financial surety bond in an amount equal to 1% (\$____) of the face amount of the Bonds, and payable to the order of the County Treasurer must accompany each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Bonds. If a check is used, it must accompany each bid. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Michigan and such bond must be submitted to the County Treasurer prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser (the "Purchaser") is required to submit its good faith deposit to the County in the form of a cashier's check (or wire transfer such amount as instructed by the County or its financial advisor) not later than noon, Eastern Time, on the next business day following the award. If such good faith deposit is not received by that time, the financial surety bond may be drawn upon by the County to satisfy the good faith deposit requirement. The good faith deposit will be applied to the purchase price of the Bonds. No interest shall be allowed on the good faith checks, and checks of each unsuccessful bidder will be promptly returned to such bidder's representative or by registered mail. The good faith check of the successful bidder will be cashed immediately, in which event, payment of the balance of the purchase price of the Bonds shall be made at the closing.

AWARD OF THE BONDS: The Bonds will be awarded to the bidder whose bid produces the lowest interest cost computed by determining, at the rate or rates specified in the bid, the total dollar amount of all interest on the Bonds from _____ 1, _____, to their maturity and deducting

therefrom any premium or adding thereto any discount.

MICHIGAN PROPERTY TAX AND FINANCE REFORM: On March 15, 1994, the Michigan electorate voted to amend the State Constitution to increase the state sales tax from 4% to 6% and to place a cap on property value assessment increases. A new state education authority is levying a property tax to finance education, and a higher real estate transfer tax will be imposed on the sale of real property. Legislation has been adopted which contains other proposals that may reduce or alter the revenues of local units of government. While the ultimate nature, extent and impact of the constitutional amendment, the accompanying legislation and or other tax and revenue measures which have been adopted cannot currently be predicted, purchasers of the Bonds offered herein should be alert to the potential effect of such measures upon the Bonds, the security therefor, and the operations of the County.

BOND INSURANCE AT PURCHASER'S OPTION: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser. Any rating agency fees shall be the responsibility of the purchaser. **FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE COUNTY.**

LEGAL OPINION: Bids shall be conditioned upon the unqualified approving opinion of John R. Axe and Associates, Grosse Pointe Farms, Michigan (the "Bond Counsel"), a copy of which will be printed on the reverse side of each bond and the original of which will be furnished without expense to the purchaser of the Bonds at the delivery thereof. The fees of Bond Counsel for its services in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue such opinion and as described in the official statement, Bond Counsel has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, marketing or issuance of the Bonds and, therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of the official statement or any such financial documents, statements or materials.

TAX MATTERS: In the opinion of Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, the Bonds and the interest thereon are exempt from all taxation in the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

THE BONDS HAVE ___ BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT

OBLIGATIONS" WITHIN THE MEANING OF SECTION 265 (b)(3) OF THE INTERNAL REVENUE CODE OF 1986.

CERTIFICATE REGARDING "ISSUE PRICE": The successful bidder will be required to furnish, prior to the delivery of the Bonds, a certificate in a form acceptable to Bond Counsel, as to the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended.

DELIVERY OF BONDS: The Issuer will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser at Detroit, Michigan. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o'clock noon, Eastern Time, on the 45th day following the date of sale or the first business day thereafter if the 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the Bonds, withdraw its proposal by serving written notice of cancellation on the undersigned, in which event the Issuer shall promptly return the good faith deposit. Payment for the Bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the Bonds shall be paid by the purchaser at the time of delivery. Unless the purchaser of the Bonds furnishes the Bond Registrar with a list of names and denominations in which it wishes to have the Bonds issued at least ten (10) business days before delivery of the Bonds, the Bonds will be delivered in the form of one bond for each maturity, registered in the name of the purchaser.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the Issuer and the Township will covenant to undertake (pursuant to resolutions adopted or to be adopted by their governing boards), to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the Issuer and the Township, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

OFFICIAL STATEMENT: A copy of the nearly final official statement (the "Nearly Final Official Statement") may be obtained by contacting Bendzinski & Co. at the address listed below. The Nearly Final Official Statement is in a form deemed final as of its date by the Issuer for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion of a final official statement (the "Final Official Statement"). The successful bidder shall supply to the Issuer within twenty-four hours after the award of the Bonds, all pricing information and any underwriter identification determined by Bond Counsel to be necessary to complete the Final Official Statement.

The Issuer will furnish to the successful bidder, at no cost, ___ copies of the Final Official Statement within seven (7) business days after the award of the Bonds. Additional copies will be supplied upon the bidder's agreement to pay the cost incurred by the Issuer for those additional copies.

The Issuer shall deliver at closing an executed certificate to the effect that as of the date of delivery the information contained in the Final Official Statement, including revisions, amendments and completions as necessary, relating to the Issuer and the Bonds is true and correct in all material

respects, and that such Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers nor any improperly printed number shall constitute cause for the purchaser to refuse to accept delivery of, or to pay for, the Bonds. All expenses for printing CUSIP numbers on the Bonds will be paid by the Issuer, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and paid for by the purchaser.

ADDITIONAL INFORMATION: Further information may be obtained from the undersigned at the address specified above or from Bendzinski & Co., Municipal Finance Advisors, One Kennedy Square, 719 Griswold, Suite 2130, Detroit, Michigan, 48226-3333, telephone (313) 961-8222, fax (313) 961-8220.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES: Envelopes containing the bids should be plainly marked "Proposal for the Washtenaw County - Northfield Township Sanitary Sewer System Improvements Bonds, Series A."

_____, Chairman

Washtenaw County Board of Public Works

las.r3-was69

APPENDIX C

**FORM OF DECLARATION
OF OFFICIAL INTENT**

I, the undersigned _____ 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:

7. The expected source of funds to be used to pay debt service on the Reimbursement Obligation is as follows: _____.

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 _____199_, 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 (C) 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 _____.

[Return to the Board of Commissioners August 4, 1999 Agenda](#)

