

COUNTY OF WASHTENAW

At a _____ meeting of the Board of Commissioners of the County of Washtenaw, Michigan, held in the _____ Building, Ann Arbor, Michigan on _____, 2004 at ___:___ .m., Eastern Standard Time there were

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and seconded by _____:

AMENDMENT TO REFUNDING BOND RESOLUTION
BONDS NOT TO EXCEED \$12,200,000
Washtenaw County Refunding Bonds, Series 2005
(Series 1999 Refunding)

WHEREAS, on September 16, 1999, at the request of the County of Washtenaw (the "County"), the Washtenaw County Building Authority (the "Authority"), pursuant to Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), and pursuant to a certain Full Faith and Credit General Obligation Lease Contract between the Authority and the County dated June 1, 1999 (the "Lease"), issued its \$15,050,000 Washtenaw County Building Authority Bonds, Series 1999, dated September 1, 1999 (the "1999 Bonds"), of which \$12,400,000 remains outstanding; and

WHEREAS, pursuant to Act No. 34, Public Acts of Michigan, 2001, as amended, ("Act 34") the County is authorized to issue refunding bonds in order to call outstanding bonds of the Authority; and

WHEREAS, the County may call \$10,550,000 of the 1999 Bonds on September 1, 2007; and

WHEREAS, the 1999 Bonds were issued at a time when interest rates were much higher than is currently the case and, accordingly, bear rates of interest in excess of current interest rates; and

WHEREAS, the County adopted a refunding bond resolution on October 15, 2003 (the "Refunding Bond Resolution") which authorized pursuant to Act 34 the refunding of part of the 1999 Bonds; and

WHEREAS, it is now necessary to amend the Refunding Bond Resolution in order to update the name of the issue, the years of the maturities, the amounts of the maturities, the first interest payment, and the adjustment of the size of the issue.

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

A. The Refunding Bond Resolution adopted on October 15, 2003 is hereby amended by amending sections 1, 2, 5, 6, and 7 to read as follows:

"1. **Issuance of Refunding Bonds.** Refunding bonds of the County aggregating in the principal amount not to exceed Twelve Million Two Hundred Thousand Dollars (\$12,200,000) (the "Refunding Bonds") shall be issued and sold pursuant to the provisions of Act 34, and other applicable statutory provisions, for the purpose of refunding the 1999 Bonds except those Bonds maturing in the years 2005 through 2007 (the "1999 Refunded Bonds").

2. **Refunding Bond Details.** The Refunding Bonds shall be known as "Washtenaw County Refunding Bonds, Series 2005" and shall be dated January 1, 2005 or such later date not more than twelve calendar months thereafter as the County Administrator shall provide in the Request for Proposal. The Refunding Bonds shall be fully registered Refunding Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000 numbered from 1 upwards as determined by the County Administrator, regardless of rate and maturity date. The total amount of Bonds to be issued shall not exceed \$12,200,000. Subject, however, to adjustment as described under "INCREASE OR DECREASE IN AGGREGATE AMOUNT OF REFUNDING BONDS", Section 7, if \$11,620,000 in Refunding Bonds are to be issued, the Refunding Bonds shall mature on September 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2005	\$240,000	2013	\$ 915,000
2006	100,000	2014	925,000
2007	105,000	2015	990,000
2008	780,000	2016	1,005,000
2009	800,000	2017	1,040,000
2010	815,000	2018	1,080,000
2011	855,000	2019	1,095,000
2012	875,000		

The Refunding Bonds shall be in substantially the form attached hereto as *EXHIBIT A* with such changes, additions or deletions as are not inconsistent with this resolution.

5. **Payment of Interest and Date of Record.** The Refunding Bonds shall bear interest payable March 1, 2005 and semi-annually thereafter on each September 1 and March 1, until maturity, which interest rate shall not exceed 6% per annum. Interest shall be mailed by first class mail to the registered owner of each Refunding Bond as of the applicable date of record.

The date of record shall be February 15 with respect to payments to be made on March 1 and August 15 with respect to payments to be made on September 1.

6. **Adjustment of Refunding Bond Maturities.** The County Administrator is authorized by order in the form attached as *EXHIBIT B* to adjust the amounts of the maturities of the Refunding Bonds, as set forth in Section 7.

7. **Increase or Decrease in Aggregate Amount of Refunding Bonds.** In the event the amount necessary to refund the Refunded Bonds shall be more or less than \$11,620,000, the County Administrator shall increase the principal amount of the Refunding Bonds by up to \$580,000 or decrease the principal amount of the Refunding Bonds up to \$1,000,000, and to the extent required to avoid the issuance of more Refunding Bonds than will be required in light of the amount of Refunding Bonds to be issued and proposals received, which increase

or decrease may be applied to any one or more of the maturities and the Request for Proposal attached as *Exhibit D* shall so provide or be changed accordingly. In the event the County determines to contribute additional amounts toward the refunding of the bonds, the bonds shall further be reduced by the amount of such contribution."

B. **Conflicting Resolutions.** All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

C. **Effective Date.** This Resolution shall become effective immediately upon its adoption and shall be recorded in the minutes of the Board of Commissioners of the County as soon as practicable after adoption.

Discussion followed. The results of a roll-call vote on the foregoing resolution were as follows:

YES: _____

NO: _____

ABSTAIN: _____

THE RESOLUTION WAS DECLARED ADOPTED.

CERTIFICATION OF PROCEEDINGS

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 _____, 2004, 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.

DATED: _____, 2004

Washtenaw County Clerk

[SEAL]

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EXHIBIT A

**UNITED STATES OF AMERICA-STATE OF MICHIGAN
WASHTENAW COUNTY REFUNDING BOND, SERIES 2005**

RATE MATURITY DATE DATE OF ISSUANCE CUSIP
_____ 1, _____
=====

REGISTERED OWNER:

PRINCIPAL AMOUNT:

=====

FOR VALUE RECEIVED, the County of Washtenaw (the "County"), State of Michigan, hereby acknowledges itself indebted and promises to pay (but only from the sources referred to herein) on the Maturity Date specified above to the Registered Owner specified above or its registered assigns, the Principal Amount specified above upon presentation and surrender of this bond (this "Refunding Bond") at the designated office of _____, _____, Michigan, as paying agent and bond registrar (the "Bond Registrar"), together with the interest thereon to the Registered Owner of this Refunding 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 on _____, _____, and semi-annually thereafter on the first day of _____ and _____ in each year to and including the Maturity Date. 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 Refunding 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 and especially Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") to provide funds to be deposited with _____, _____, Michigan, as escrow agent (the "Escrow Agent"), under an escrow agreement dated as of _____, _____. The Escrow Agent will use such proceeds to acquire non-callable direct obligations of the United States which, when paid in accordance with their terms, will provide sufficient funds (i) to pay when due, to and including _____, _____, the interest on the Washtenaw County Building Authority's (the "Authority") outstanding _____, dated _____, maturing in the years _____ through _____ (the "Refunded Bonds") and (ii) on _____, to redeem the Refunded Bonds maturing in the years _____ through _____, at a redemption price of _____% of the principal amount thereof.

This Refunding Bond and the series of which this is one are payable from the County's general fund which amount will not be in excess of the cash rental payments pledged to the payment of the principal of, premium, if any, and interest on the Refunded Bonds and shall be and remain subject to the statutory lien until the principal of, premium, if any, and interest on the Refunding Bonds have been paid in full. The

County hereby pledges its full faith and credit for the payment of the Bonds when due and agrees that it will levy each year such ad valorem taxes as shall be necessary for the payment of such Bonds, 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 Bond Resolution. 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 Bond Resolution 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.

Refunding bonds maturing prior to _____, _____, shall not be subject to redemption prior to maturity. Refunding bonds maturing on and after _____, _____ shall be subject to redemption prior to maturity at the option of the County, in any order, in whole or in part on any interest payment date on and after _____, _____. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

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

Notice of redemption shall be sent to the registered holder of each refunding 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 that otherwise provided in the Resolutions authorizing the issuance of the refunding bonds of this series. Any defect in such notice shall not affect the validity of the redemption proceedings. Refunding bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the bond registrar to redeem the same.

This Refunding Bond shall be transferable on the books of the County maintained by the Bond Registrar with respect to the refunding bonds upon the surrender of this Refunding 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 Refunding 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 refunding 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 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 Refunding Bond and the other 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 Refunding 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.

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 Refunding 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 the series of refunding bonds of which this is one, 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 Refunding Bond to be executed in its name with the facsimile signatures of its Chair and the County Clerk, has caused a facsimile of its seal to be affixed hereto, and has caused this Refunding 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:
Chair of the Board of Commissioners

[SEAL]

By:
County Clerk

DATE OF AUTHENTICATION:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is Refunding Bond is one of a series of bonds designated "Washtenaw County Refunding Bonds, Series 2005".

By:

_____, Michigan
as Bond Registrar and Authenticating Agent
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ this Refunding Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer this Refunding 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 Refunding 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 Refunding 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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ORDER ADJUSTING MATURITIES

**\$ _____
COUNTY OF WASHTENAW, STATE OF MICHIGAN
WASHTENAW COUNTY REFUNDING BONDS, SERIES 2005**

The undersigned, Washtenaw County Administrator, as authorized in the Award Order for the above referenced refunding bonds signed by the County Administrator on _____ 1, _____, hereby establishes the final maturities for said refunding bonds with interest rates thereon, as follows:

Due	<u>Amount</u>	<u>Rate</u>
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Dated: _____

County Administrator

[FORM OF REQUEST FOR PROPOSAL]

OFFICIAL REQUEST FOR PROPOSAL

\$ _____

COUNTY OF WASHTENAW

State of Michigan

WASHTENAW COUNTY REFUNDING BONDS, SERIES 2005

SEALED OR ELECTRONIC PROPOSALS: Sealed written proposals for the purchase of the bonds described herein (the "Refunding Bonds") will be received by the undersigned for and on behalf of the County of Washtenaw (the "County") at the Office of the County _____, on _____, _____ until ____:____.m., Eastern _____ Time, at which time and place said proposals will be publicly opened and read.

In the alternative, sealed written proposals will also be received on the same date and until the same time by an agent of the undersigned at the Municipal Advisory Council of Michigan, First National Building, 660 Woodward, Suite 1445, Detroit, Michigan 48226, where they will be publicly opened simultaneously. Proposals received at _____, Michigan, will be read first, followed by those proposals received at the alternate location. Proposers may choose either location to present proposals and good faith checks, but not both locations. Any proposer may submit a proposal in person to either proposing location. However, no proposer is authorized to submit a FAX proposal to _____.

Also in the alternative, electronic proposals will also be received on the same date and until the same time by an agent of the undersigned Bidcomp/Parity. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Eric Washington, 1359 Broadway, 2nd Floor, New York, New York, 10018, (212) 849-5021.

NO ELECTRONIC PROPOSALS WILL BE ACCEPTED UNLESS THE PROPOSER HAS SUBMITTED A FINANCIAL SURETY BOND OR A GOOD FAITH CHECK IN THE AMOUNT REQUIRED.

If any provision of this Request for Proposal shall conflict with information provided by Bidcomp/Parity as the approved provider of electronic proposing services, this Request for Proposal shall control.

The Refunding Bonds will be awarded or all proposals will be rejected by the County Administrator or County Finance Director at a proceeding to be held within forty-eight hours of the sale.

BOND DETAILS: The Refunding Bonds will be dated _____ 1, _____ and will be known as "Washtenaw County Refunding Bonds, Series 2005". The Refunding Bonds will be fully registered Refunding Bonds in any one or more denominations of \$5,000 or a multiple of \$5,000, numbered from 1 upwards and will bear interest from their date payable _____ 1, _____ and semi-annually thereafter until maturity. The Refunding Bonds will mature on the 1st day of _____ in each year as follows:

YEAR AMOUNT YEAR AMOUNT

PRIOR REDEMPTION: Refunding Bonds maturing prior to _____, shall not be subject to redemption prior to maturity. Refunding Bonds maturing on and after _____ shall be subject to redemption in whole or in part on any interest payment date on and after _____, and in any order, at the option of the Authority, at par, plus accrued interest to the date fixed for redemption.

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

Notice of redemption shall be sent to the registered holder of each refunding 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 Refunding Bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Refunding 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 PROPOSING DETAILS: The Refunding Bonds shall bear interest at a rate or rates not exceeding ___% per annum, to be fixed by the proposals 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. 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 AND NO MORE THAN TWO MATURITIES MAY CARRY THE SAME INTEREST RATE. No proposal for the purchase of less than all of the Refunding 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 exceeding __%, will be considered.

TERM BOND OPTION: Refunding Bonds maturing in the years _____-_____, inclusive, are eligible for designation by the original purchaser at the time of sale as serial Refunding Bonds or term Refunding Bonds, or both. There may be more than one Term Bond maturity. However, principal maturities designated as Term Refunding Bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on _____ of the year in which the Refunding Bonds are presently scheduled to mature. Each maturity of Term Refunding Bonds and Serial Refunding Bonds must carry the same interest rate. Any such designation must be made at the time the proposals are submitted.

BOOK-ENTRY-ONLY: The Refunding 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 Refunding Bonds. Purchase of the Refunding 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 Refunding Bonds purchased. The book-entry-only system is described further in the nearly final official statement for the Refunding Bonds.

BOND REGISTRAR, PAYING AGENT AND DATE OF RECORD: _____, Michigan has been selected as paying agent and bond registrar (the "Bond Registrar") for the Refunding Bonds. The Bond Registrar will keep records of the registered holders of the Refunding Bonds, serve as transfer agent for the Refunding Bonds, authenticate the original and any re-issued refunding bonds and pay interest by check or draft mailed to the registered holders of the Refunding Bonds as shown on the registration books of the City 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 Refunding 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 Refunding 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 Refunding Bonds is the responsibility of DTC participants and indirect participants as described in the nearly final official statement for the Refunding Bonds. The City may from time to time as required designate a successor bond registrar and paying agent.

PURPOSE AND SECURITY: The Refunding Bonds are being issued pursuant to Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") for the purpose of refunding part of the Washtenaw County Building Authority's Bonds, Series _____, issued pursuant to Act No. 31, Public Acts of Michigan, 1948, (First Extra Session), as amended, ("Act 31") maturing in the years _____ through _____ (the "Refunded Bonds"), of which \$_____ remains outstanding. The Refunding Bonds are payable from the County's general fund which amount will not be in excess of the cash rental payments pledged to the payment of the principal of, premium, if any, and interest on the Refunded Bonds and shall be and remain subject to the statutory lien until the principal of, premium, if any, and interest on the Refunding Bonds have been paid in full. The County hereby pledges its full faith and credit for the payment of the Bonds when due and agrees that it will levy each year such ad valorem taxes as shall be necessary for the payment of such Bonds, 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 Bond Resolution. 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 Bond Resolution 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.

ESCROW AGENT: Proceeds from the Refunding Bonds will be transferred to _____, _____, Michigan as escrow agent (the "Escrow Agent") under an escrow agreement (the "Agreement"), who will use such proceeds to acquire investment obligations sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds when due or upon the first permissible redemption date for the Refunded Bonds.

ADJUSTMENT IN PRINCIPAL AMOUNT: The aggregate principal amount of this issue has been determined as the amount necessary to defease the Refunded Bonds and pay a portion or all of the costs of issuance of the Refunding Bonds, assuming certain conditions and events exist on the date of sale. The County reserves the right to increase or decrease the total par amount of the Refunding Bonds by an amount not to exceed \$_____ prior to the sale or following the opening of proposals. The increase or decrease may be made in any one or more maturities. The purchase price will be adjusted proportionately to the increase or decrease in issue size, but the interest rates specified by the successful proposer for all maturities will not change. The successful proposer may not withdraw the proposal as a result of any changes made within these limits.

ADJUSTMENT IN DISCOUNT: In the event the principal amount of this issue is increased or decreased, the premium or discount proposed, if any, will be adjusted upwards or downwards so that it is the same percent as the premium or discount originally proposed.

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

GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust company or a financial surety bond in an amount equal to 2% (\$_____) of the face amount of the Refunding Bonds, and payable to the order of the County Administrator must accompany each proposal as a guarantee of good faith on the part of the proposer, to be forfeited as liquidated damages if such proposal be accepted and the proposer fails to take up and pay for the Bonds. If a check is used, it must accompany each proposal. 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 Administrator prior to the opening of the proposals. The financial surety bond must identify each proposer whose good faith deposit is guaranteed by such financial surety bond. If the Refunding Bonds are awarded to a proposer utilizing a financial surety bond, then that purchaser (the "Purchaser") is required to submit its good faith deposit to the County Administrator 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 twelve o'clock 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 Refunding Bonds. No interest shall be allowed on the good faith checks, and checks of the unsuccessful proposers will be promptly returned to such proposer's representative or by registered mail. The good faith check of the successful proposer will be cashed immediately, in which event, payment of the balance of the purchase price of the Refunding Bonds shall be made at the closing.

AWARD OF THE REFUNDING BONDS – TRUE INTEREST COST: The Refunding Bonds will be awarded to the proposer whose proposal produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on _____ and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to _____ in an amount equal to the price proposed, excluding accrued interest. _____ is the anticipated date of delivery of the Refunding Bonds.

LEGAL OPINION: Proposals shall be conditioned upon the approving opinion of Axe & Ecklund, P.C., attorneys of Grosse Pointe Farms, Michigan (the "Bond Counsel") a copy of which opinion 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 Refunding Bonds at the delivery thereof. The fees of Bond Counsel for services rendered 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, issuance or marketing of the Refunding 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 Refunding 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 Refunding Bonds and 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.

"QUALIFIED TAX EXEMPT OBLIGATIONS": The Refunding 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 proposer will be required to furnish, prior to the delivery of the Refunding Bonds, a certificate in a form acceptable to Bond Counsel, as to the "issue price" of the Refunding Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended.

DELIVERY OF BONDS: The County will furnish Refunding Bonds ready for execution at its expense. Refunding Bonds will be delivered without expense to the purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Refunding Bonds, will be delivered at the time of delivery of the Refunding Bonds. If the Refunding 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 said 45th day is not a business day, the successful proposer may on that day, or any time thereafter until delivery of the Refunding Bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the County shall promptly return the good faith deposit. Payment for the Refunding Bonds shall be made in Federal Reserve Funds. Accrued interest to the

date of delivery of the Refunding Bonds shall be paid by the purchaser at the time of delivery.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE: In order to assist proposers in complying with SEC Rule 15c2-12, as amended, the County will covenant to undertake (pursuant to a resolution adopted or to be adopted by its governing body), to provide annual reports and timely notice of certain events for the benefit of beneficial owners of the Refunding Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the County, a form of which is included in the nearly final official statement and in the final official statement.

OFFICIAL STATEMENT:

Hard Copy

A copy of the nearly final official statement (the "Nearly Final Official Statement") may be obtained by contacting Municipal Financial Consultants Incorporated at the address listed below. The Nearly Final Official Statement is in a form deemed final as of its date by the County 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 proposer shall supply to the County, within twenty-four (24) hours after the award of the Refunding Bonds, all pricing information and any underwriter identification determined by Bond Counsel to be necessary to complete the Final Official Statement.

Internet

In addition, the County has authorized the preparation and distribution of a Nearly Final Official Statement containing information relating to the Refunding Bonds via the Internet. The Nearly Final Official Statement can be viewed and downloaded at www.i-dealprospectus.com/pdf.asp?doc=____ or at www.tm3.com.

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

The County 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 County and the Refunding 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 Refunding 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 Refunding Bonds. All expenses for printing CUSIP numbers on the Refunding Bonds shall be paid for by the County, except that the CUSIP Service

Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

ADDITIONAL INFORMATION: Further information may be obtained from the undersigned at the address specified above or from Meredith A. Shanle, Municipal Financial Consultants Incorporated, 21 Kercheval Avenue, Suite 360, Grosse Pointe Farms, Michigan 48236, telephone (313) 884-9824.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL PROPOSALS.

ENVELOPES: Envelopes containing the proposals should be plainly marked "Proposal for Washtenaw County Refunding Bonds, Series 2005."

County of Washtenaw

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