



## M E M O R A N D U M

TO: Yousef Rabhi, Chair  
Board of Commissioners

THROUGH: Verna McDaniel  
County Administrator

FROM: Evan Pratt  
Water Resources Commissioner

Daniel R. Myers P.E.  
Director of Public Works

DATE: February 20, 2013

RE: Revisions to Resolution Authorizing Bond Refunding for Lyndon and  
Sylvan Townships for the Lyndon Sylvan Sewer System

### **ACTION REQUESTED**

Replace the two resolutions for the Lyndon Sylvan bond refunding which are currently on the February 20<sup>th</sup> Board of Commissioner's agenda with the attached resolution that reflects that Lyndon Township will pay off all of their remaining debt and will therefore not be a party to the bond refunding and also reflecting that the authorized bond amount will be less.

### **BACKGROUND**

At the February 6<sup>th</sup> Ways & Means committee meeting two resolutions were approved relating to a bond refunding for the Lyndon Sylvan sewer system.

At the time it was not known if Sylvan or Lyndon Townships would contribute additional monies to further reduce the necessary amount of the bonds. Since then Sylvan Township has indicated that they will contribute \$225,000 to further reduce their portion of the debt and Lyndon Township has indicated that they will contribute enough to eliminate entirely their portion of the debt. This will further reduce the County's liability and the refunding bond sale will now be less than \$1 million.

However, because Lyndon Township will now not be a part of the bond sale, John Axe, Washtenaw County's Bond Counsel, has indicated that we will need to revise the previous resolution approved through Ways & Means so that it removes Lyndon Township from participation in the refunding and also would reduce the bond amount. In addition, because the refunding bond will be less than \$1 million the Board of

Commissioners will not need to approve the continuing disclosure resolution that was also approved through Ways & Means.

**DISCUSSION**

The revised bond resolution authorizes the sale of bonds up to an amount of \$990,000. By approving this resolution Lyndon Township will save over \$208,000 in interest payments by retiring all of their debt and Sylvan Township will save over \$76,000 dollars in interest payments. The present value savings in today's dollars will be over \$92,000 for Lyndon Township and over \$47,000 for Sylvan Township.

**IMPACT ON PERSONNEL**

There will be no impact on personnel.

**IMPACT ON BUDGET**

There will be no impact on the County general fund budget.

**IMPACT ON INDIRECT COSTS**

There will be no impact on indirect costs.

**IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES**

There will be no impact on other County Departments. There will be a positive financial impact on both Lyndon and Sylvan Townships through the refunding of these bonds. Over the life of the bonds, total anticipated savings are estimated to be in excess of \$280,000.

**CONFORMITY TO COUNTY POLICIES**

This action is in conformance with County policies. The resolution has been prepared by our bond counsel, and has been reviewed by Corporation Counsel, Finance and County Administration.

**ATTACHMENTS/APPENDICES**

Resolution

Preparer: Daniel R. Myers P.E.  
Director of Public Works

**COUNTY OF WASHTENAW  
BOARD OF COMMISSIONERS**

At a \_\_\_\_\_ meeting of the Board of Commissioners of the County of Washtenaw held in the Washtenaw County Administration Building in the City of Ann Arbor, Michigan on the \_\_\_\_ day of \_\_\_\_\_ 2013, at \_\_:\_\_\_.m. Eastern Standard Time there were:

PRESENT:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

ABSENT:

\_\_\_\_\_

The following preamble and resolution were offered by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_.

**RESOLUTION TO AUTHORIZE THE ISSUANCE  
OF NOT TO EXCEED \$990,000  
WASHTENAW COUNTY – SYLVAN TOWNSHIP SANITARY SEWER SYSTEM  
EXPANSION PROJECT REFUNDING BONDS, SERIES 2013**

WHEREAS, pursuant to the provisions of Act No. 185, Public Acts of Michigan, 1957, as amended (“Act 185”), the Township of Sylvan, (hereinafter “Sylvan” or the “Township”) and the Township of Lyndon (hereinafter “Lyndon”) (together the “Townships”), and the County of Washtenaw (the “County”) have entered into a contract dated as of November 1, 2003 (the “Contract”) governing a portion of the Lyndon Township and Sylvan Township Sanitary Sewer System Expansion Project pursuant to which the Washtenaw County - Sylvan Township Sanitary Sewer System Expansion Project Bonds, Series 2004 dated September 1, 2004 (the “Bonds”) were issued in the original principal amount of \$5,115,000 to defray the cost constructing a sanitary sewer system expansion project serving the Townships; and

WHEREAS, the Bonds remain outstanding in the aggregate principal amount of \$2,250,000 maturing in various principal amounts on May 1 in the years 2013 through 2022 and bear interest at rates of 4.00% to 4.375% (the “Prior Bonds”); and

WHEREAS, Public Act No. 34 of the Public Acts of Michigan, 2001, as amended ("Act 34"), authorizes the County to refund all or any part of its funded indebtedness; and

WHEREAS, Lyndon has decided to use available cash to call all of the remaining bonds allocated to Lyndon; and

WHEREAS, the County and Sylvan have determined that a net savings can be achieved by refunding part or all of the outstanding Prior Bonds allocated to Sylvan; and

WHEREAS, the governing body of Lyndon has adopted a resolution approving the deposit of a sufficient amount to call all bonds allocated to it; and

WHEREAS, the governing body of Sylvan has adopted, or will adopt, resolutions requesting and authorizing the County to issue its refunding bonds allocated to Sylvan for the purpose of refunding all or part of the Prior Bonds allocated to Sylvan issued to finance the Project and paying the costs of issuing the refunding bonds and has covenanted and agreed, or will covenant and agree, to continue to make payments to the County in accordance with the Contract in amounts sufficient to pay the principal of and interest on the Refunding Bonds and all paying agency fees and other expenses and charges (including the Board of Public Work's administrative expenses) which are payable on account of the Prior Bonds and the refunding bonds; and

WHEREAS, the Board of Public Works has recommended that this resolution be adopted in order to effect the refunding of all or a portion of the Prior Bonds and the Board of Public Works has determined that it is in the best interest of the Townships and the County that such refunding be undertaken.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. AUTHORIZATION OF BONDS - PURPOSE. Bonds of the County, aggregating the principal sum of not to exceed Nine Hundred Ninety Thousand Dollars (\$990,000) (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 all or part of the Prior Bonds; subject, however, to adjustment as described under "DECREASE IN AGGREGATE AMOUNT OF REFUNDING BONDS."

2. REFUNDING BOND DETAILS.

a. The Refunding Bonds shall be known as "Washtenaw County –Sylvan Township Sanitary Sewer System Expansion Project Refunding Bonds, Series 2013" and shall be dated March 1, 2013 or such later date not more than eighteen calendar months thereafter as the Director of the Department of Public Works (the "Director") 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 Director, regardless of rate and maturity date. The total amount of Refunding Bonds to be issued shall not exceed \$990,000. Subject, however, to adjustment as described under "DECREASE IN AGGREGATE AMOUNT OF REFUNDING BONDS," if \$815,000 in Refunding Bonds are to be issued, the Refunding Bonds may mature on May 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2014	\$100,000	2019	\$ 90,000
2015	100,000	2020	85,000
2016	95,000	2021	80,000
2017	95,000	2022	80,000
2018	90,000		

b. The Refunding Bonds may be offered for sale at a price of not less than 98.5% of the face amount thereof, and the Director is authorized, in his or her discretion, to provide for a lower or higher minimum purchase price in the Request for Proposal of the Refunding Bonds.

3. PRIOR REDEMPTION. The Refunding Bonds maturing prior to May 1, 2021 shall not be subject to redemption prior to maturity. Refunding Bonds maturing on or after May 1, 2021 shall be subject to redemption prior to maturity at the option of the Townships, in any order, in whole or in part on any date on or after May 1, 2020. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

The Director has the authority to adjust the redemption provisions prior to the sale of the Refunding Bonds.

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 as well as 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 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 redemption date, provided funds are on hand with the bond registrar to redeem the same.

4. PAYMENT OF INTEREST AND DATE OF RECORD. The Refunding Bonds shall bear interest payable November 1, 2013, and semi-annually thereafter on each May 1 and November 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 April 15 with respect to payments to be made on May 1 and October 15 with respect to payments to be made on November 1.

5. ADJUSTMENT OF REFUNDING BOND MATURITIES. The Director or Chairman of the Board of Public Works (the "Chairman") is authorized by order in the form attached as EXHIBIT A to adjust the amounts of the maturities of the Refunding Bonds, as set forth in Section 6.

6. DECREASE IN AGGREGATE AMOUNT OF REFUNDING BONDS. In the event the amount necessary to refund the Prior Bonds shall be less than \$815,000, the Director or Chairman shall decrease the principal amount of the Refunding Bonds by any amount 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 bids received, which decrease may be applied to any one or more of the maturities and any one or more maturities may be eliminated altogether and the Request for Proposal attached as EXHIBIT B shall so provide or be changed accordingly. In the event the Townships determine to contribute additional amounts toward the refunding of the bonds, the bonds shall further be reduced by the amount of such contribution.

7. (A) BOND REGISTRAR AND PAYING AGENT/BOOK ENTRY DEPOSITORY TRUST. The Director shall designate, and shall enter into an agreement with, a bond registrar and paying agent for the Refunding Bonds 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 Treasurer from time to time as required may designate a similarly qualified successor bond registrar and paying agent. If so designated the Refunding Bonds shall be deposited with a depository trustee designated by the Director who shall transfer ownership of interests in the Refunding Bonds by book entry and who shall issue depository trust receipts or acknowledgments to owners of interests in the Refunding Bonds. Such book entry depository trust arrangement, and the form of depository trust receipts or acknowledgments, shall be as determined by the Director after consultation with the depository trustee. The Director is authorized to enter into any depository trust agreement on behalf of the Department of Public Works upon such terms and conditions as the Director shall deem appropriate and not otherwise prohibited by the terms of this Resolution, which Contract shall be executed by the Director. The depository trustee may be the same as the Registrar otherwise named by the Director, and the Refunding Bonds may be transferred in part by depository trust and in part by transfer of physical certificates as the Director may determine.

(B) Exchange and Transfer of Bonds.

(i) The Refunding Bonds, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for Refunding Bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bonds.

(ii) The Refunding Bonds shall be transferable upon the books of the County, which shall be kept for that purpose by the bond registrar and paying agent, only upon surrender of such Refunding Bonds together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

(iii) Upon the exchange or transfer of the Refunding Bonds, the bond registrar and paying agent on behalf of the County shall cancel the surrendered Refunding Bonds and shall authenticate and deliver to the transferee new Refunding Bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bonds. If, at the time the bond registrar and paying agent authenticates and delivers new Refunding Bonds pursuant to this Section, payment of interest on the Refunding Bonds is in default, the bond registrar and paying agent shall endorse upon the new Refunding Bonds the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is \_\_\_\_\_, \_\_\_\_."

(iv) The County and the bond registrar and paying agent may deem and treat the person in whose name the Refunding Bonds shall be registered upon the books of the County as the absolute owner of such Refunding Bonds, whether such Refunding Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Refunding Bonds and for all other purposes, and all payments made to any such registered owner, or upon his or her order, in accordance with the provisions of Section 5 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such Refunding Bonds to the extent of the sum or sums so paid, and neither the County nor the bond registrar and paying agent shall be affected by any notice to the contrary. The County agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

(v) For every exchange or transfer of the Refunding Bonds, the County or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person

requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(vi) The bond registrar and paying agent shall not be required to transfer or exchange the Refunding Bonds or portion of the Refunding Bonds which has been selected for redemption.

8. EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS. The Refunding Bonds shall be executed in the name of the County by the facsimile signatures of the Chairman of the Board of Commissioners and the County Clerk and authenticated by the manual signature of an authorized representative of the bond registrar and paying agent, and the seal of the County (or a facsimile thereof) shall be impressed or imprinted on the Refunding Bonds. After the Refunding Bonds have been executed and authenticated for delivery to the original purchaser thereof, they shall be delivered by the County Treasurer to the purchaser upon receipt of the purchase price. Additional Refunding Bonds bearing the facsimile signature of the Chairman of the Board of Commissioners and the County Clerk and upon which the seal of the County (or a facsimile thereof) is impressed or imprinted may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of the Refunding Bonds. The bond registrar and paying agent shall indicate on each Refunding Bond the date of its authentication.

9. QUALIFIED TAX-EXEMPT OBLIGATIONS. The Refunding Bonds are to be designated as "qualified tax-exempt obligations" as described in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, unless, at the time of the circulation of the Request for Proposal the Refunding Bonds are determined to be ineligible for such designation in which case the Request for Proposal shall reflect such change.

10. FORM OF BONDS. The Refunding Bonds shall be in substantially the following form:

**UNITED STATES OF AMERICA-STATE OF MICHIGAN**

**WASHTENAW COUNTY – SYLVAN TOWNSHIP SANITARY SEWER SYSTEM  
EXPANSION PROJECT REFUNDING BOND, SERIES 2013**

**INTEREST RATE   DATE OF MATURITY   DATE OF ORIGINAL ISSUE   CUSIP**  
=====

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**  
=====

**FOR VALUE RECEIVED**, the County of Washtenaw, State of Michigan (the "County"), acknowledges itself indebted to, and for value received, hereby promises to



pay to, CEDE & CO., as nominee for THE DEPOSITORY TRUST COMPANY, New York, New York (the "Depository Trustee"), the Principal Amount set forth above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided. The Depository Trustee will act as securities depository for this refunding bond (the "Refunding Bond") and the other bonds of this series. Purchases of beneficial interests in the refunding bonds will be made in book-entry-only form, in denominations of \$5,000 each or any integral multiple thereof. The refunding bonds have an original issuance date of \_\_\_\_\_, \_\_\_\_\_, and will bear interest from the Date of Issuance payable on \_\_\_\_\_ 1, \_\_\_\_\_, and semiannually thereafter on the first day of \_\_\_\_\_ and \_\_\_\_\_ in each year to and including the Maturity Date or earlier redemption of this Refunding Bond. The principal, premium (if any) and interest on the refunding bonds will be paid at the principal corporate trust office of \_\_\_\_\_, the paying agent and bond registrar (the "Bond Registrar"). So long as the Depository Trustee or its nominee, CEDE & CO., is the registered owner of the refunding bonds, such payments will be made directly to the Depository Trustee or such nominee. Disbursement of such payments to the Depository Trustee is the responsibility of the Depository Trustee, and disbursements of such payments to the beneficial owners is the responsibility of the Depository Trustee Participants and Indirect Participants. Such payments of principal, premium (if any) or interest are payable in lawful money of the United States of America.

This Refunding Bond is one of a series of refunding bonds, aggregating the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), being issued by said County under, pursuant to, and in full conformity with the Constitution and statutes of the State of Michigan [especially Act No. 185, Public Acts of Michigan, 1957, as amended,] and Act No. 34, Public Acts of Michigan, 2001, as amended, and resolutions adopted by the Board of Commissioners of the County and the Board of Public Works of the County (the "Resolutions") 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 part of the County's \_\_\_\_\_ maturing in the years \_\_\_\_\_ through \_\_\_\_\_, dated \_\_\_\_\_, \_\_\_\_\_ (such outstanding bonds referred to as the "Refunded Bonds") and (ii) on \_\_\_\_\_, \_\_\_\_\_ to redeem said Refunded Bonds at the redemption price of \_\_\_\_\_ percent (\_\_\_\_%) of the principal amount thereof. The Refunded Bonds were issued for the purpose of defraying the cost of \_\_\_\_\_ servicing the \_\_\_\_\_, Michigan (the "\_\_\_\_\_") and are payable primarily from the proceeds of contractual payments to be paid by the Township of Sylvan (the "Township") to the County, pursuant to the Washtenaw County \_\_\_\_\_ Contract, dated \_\_\_\_\_ (the "Contract"), as amended, between the Township and the County. As security for the payment of the principal of, premium (if any) and interest on the Refunded Bonds, the full faith and credit of the County has also been pledged.

Refunding bonds of this issue shall constitute obligations of the same character as the Refunded Bonds and shall be construed to be a continuation of the Refunded Bonds.

The date of record for the payment of principal of, premium (if any) or interest on this Refunding Bond shall be the fifteenth (15) day of the month preceding the date such payment is due.

This Refunding Bond and the other refunding bonds of this series have \_\_\_\_\_ been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Refunding bonds maturing prior to \_\_\_\_\_ 1, \_\_\_\_\_ shall not be subject to redemption prior to maturity. Refunding bonds maturing on or after \_\_\_\_\_ 1, \_\_\_\_\_ shall be subject to redemption prior to maturity at the option of the Townships, in any order, in whole or in part, at par on any interest payment date on or after \_\_\_\_\_ 1, \_\_\_\_\_. Bonds of a denomination greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the refunding bonds maturing in any year are to be redeemed, the refunding bonds or portions of bonds to be redeemed shall be selected by lot. In case less than the full amount of an outstanding refunding bond is called for redemption, the Bond Registrar, upon presentation of the refunding bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original refunding bond not called for redemption of the same maturity and bearing the same interest rate.

Not less than thirty (30) days' notice of redemption for the refunding bonds to be called for redemption shall be given by mail to each registered owner at the registered address. Refunding bonds or portion of bonds called for redemption shall not bear interest on or after the date fixed for redemption, provided funds are on hand with the Bond Registrar to redeem the same.

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, as authenticating agent.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FRONT SIDE HEREOF.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this Refunding Bond and the other bonds of this series, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the County, including the series of 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 by facsimile signatures of the Chairman of its Board of Commissioners and its County Clerk, has caused its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This Refunding Bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the County's bond registrar and paying agent, all as of the Date of Original Issue set forth above.

**COUNTY OF WASHTENAW**

By:

County Clerk

By:

Chairman

**CERTIFICATE OF AUTHENTICATION**

This Refunding Bond is one of the series of bonds designated "Washtenaw County – Sylvan Township Sanitary Sewer System Expansion Project Refunding Bonds, Series 2013".

DATE OF AUTHENTICATION:

Authorized Representative as Transfer Agent and Authenticating Agent

**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)

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

The signature must be guaranteed by a commercial bank, a trust company or a brokerage firm which is a member of a major stock exchange.

11. SECURITY. The Refunding Bonds shall be issued in anticipation of payments to be made by the Township pursuant to the Contract, as amended. As primary security, the full faith and credit of the County are hereby pledged for the prompt payment of the principal of and interest on the Refunding Bonds as the same shall become due. If the Township shall fail to make their payments to the County which are sufficient to pay the principal of and interest on the Refunding Bonds as the same shall become due, then an amount sufficient to pay the deficiency shall be advanced from the general fund of the County. Also, the Township has pledged their full faith and credit toward the repayment of the Refunding Bonds.

12. BOND PAYMENT FUND. The County shall establish and maintain a bond payment fund (the "Bond Payment Fund") to be used solely for the purpose of (i) paying principal of, premium, if any, and interest on the Refunding Bonds as well as costs, including the fees and expenses of the Bond Registrar, incidental to the Refunding

Bonds and (ii) the fees and expenses of the paying agent or paying agents for the Refunding Bonds.

13. INVESTMENTS. Moneys in the Bond Payment Fund may be continuously invested and reinvested in United States government obligations, obligations the principal and interest on which are unconditionally guaranteed by the United States government, or in interest-bearing time deposits selected by the County which are permissible investments for surplus funds under Act No. 20, Public Acts of Michigan, 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than the dates moneys in such fund will be required to pay the principal of and premium, if any, and interest on the Refunding Bonds. Obligations purchased as an investment of moneys in the Bond Payment Fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

14. DEPOSITORIES. All of the banks located in the State of Michigan are hereby designated as permissible depositories of the moneys in the funds established by this Refunding Bond Resolution, except that the moneys in the Bond Payment Fund shall only be deposited in such banks where the principal of, premium, if any, and interest on the Refunding Bonds are payable. The County Treasurer shall select the depository or depositories to be used from those banks authorized in this Section."

15. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or irrevocable call for earlier optional redemption, the principal of and interest on the Refunding Bonds, shall have been deposited in trust, this Bond Resolution shall be defeased and the owners of the Refunding Bonds shall have no further rights under this Bond Resolution except to receive payment of the principal of and interest on the Refunding Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

16. PAYMENT OF ISSUANCE EXPENSES - ESCROW FUND. The proceeds of the Refunding Bonds shall be used to pay the issuance expenses of the Refunding Bonds and to establish an escrow fund for the Prior Bonds. After the issuance expenses have been paid or provided for the remaining proceeds shall be used to establish an escrow fund (the "Escrow Fund") consisting of cash and investments in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing and used to pay the principal of, interest on and redemption premiums on the Prior Bonds. The Escrow Fund shall be held by a trustee (the "Trustee") in trust pursuant to an escrow agreement (the "Escrow Agreement") which irrevocably shall direct the Trustee to take all necessary steps to pay the interest on the Prior Bonds when due until the call date and to call the Prior Bonds for redemption at such time as shall be determined in the Escrow

Agreement. The Board of Public Works is authorized to select the Trustee and enter into the Escrow Agreement on behalf of the County. The amounts held in the Escrow Fund shall be such that the cash and the investments and the income received thereon will be sufficient without reinvestment to pay the principal of, interest on and redemption premiums, if any, on the Prior Bonds when due at maturity or call for redemption as required by the Escrow Agreement.

The Escrow Agreement shall be in substantially the form attached hereto as EXHIBIT C with such changes, additions or deletions as are not inconsistent with this resolution.

17. APPROVAL OF DEPARTMENT OF TREASURY. The issuance and sale of the Refunding Bonds may be subject to permission being granted therefore by the Department of Treasury of the State of Michigan and the Chief Administrative Officer of the County, if necessary, is authorized and directed to make application to the Department of Treasury for permission to issue and sell the Refunding Bonds as provided by the terms of this resolution.

18. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS. The Board of Public Works is authorized to determine the principal amount of the Refunding Bonds to be sold and to sell the Refunding Bonds at not less than 98.5% of par plus accrued interest in accordance with the laws of this State. The County hereby determines that in order to save the cost of publication of an official Notice of Sale that it will sell the Refunding Bonds at a negotiated sale after solicitation of proposals from prospective purchasers by its Bond Counsel. The County's Financial Advisor is authorized to solicit proposals from at least twenty-five prospective purchasers and to circulate a Request for Proposal at least seven days prior to the date fixed for receipt of proposals for the purchase of the Refunding Bonds. The Request for Proposal shall be in substantially the form attached to this resolution as Exhibit B with such changes therein as are not inconsistent with this resolution and as are approved by the Director after conferring with Bond Counsel. Once all proposals are received, the Director shall determine the lowest true interest cost proposed and thereafter award the Refunding Bonds to the proposer meeting that criteria. The Bond Counsel and Financial Advisor are hereby designated to act for and on behalf of the County to receive proposals for the purchase of the Refunding Bonds and to take all other steps necessary in connection with the sale, issuance, transfer and delivery thereof in accordance with the provisions of this resolution.

19. REPLACEMENT OF BONDS. Upon receipt by the Board of Public Works of proof of ownership of an unmatured Refunding Bond, of satisfactory evidence that the bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Board of Public Works, the Board of Public Works may authorize the bond registrar and paying agent to deliver a new executed Refunding Bond to replace the Refunding Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured Refunding Bond is lost, apparently destroyed or wrongfully taken,

the Board of Public Works may authorize the bond registrar and paying agent to pay the Refunding Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Refunding Bond. The bond registrar and paying agent, for each new Refunding Bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the County in the premises. Any Refunding Bond delivered pursuant the provisions of this Section 20 in lieu of any Refunding Bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the Refunding Bond in substitution for which such Refunding Bond was delivered.

20. TAX COVENANT. The County covenants to comply with all applicable requirements of the Internal Revenue Code of 1986, as amended, necessary to assure that the interest on the Refunding Bonds will be and will remain excludable from gross income for federal income tax purposes. The Board of Public Works and other appropriate County officials are authorized to do all things necessary (including the making of such covenants of the County as shall be appropriate) to assure that the interest on the Refunding Bonds will be and will remain excludable from gross income for federal income tax purposes.

21. OFFICIAL STATEMENT. The Director is authorized to cause the preparation of an official statement for the Refunding Bonds for purpose of enabling compliance with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended (the "Rule") and to do all other things necessary to enable compliance with the Rule. After the award of the Refunding Bonds, the County will provide copies of a "final official statement" (as defined in paragraph (e)(3) of the Rule) on a timely basis and in reasonable quantity as requested by the purchaser thereof to enable such purchaser to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

22. PROFESSIONAL FIRMS. Axe & Ecklund, P.C. is hereby appointed to serve as bond counsel and Municipal Financial Consultants Incorporated is hereby appointed to serve as financial advisor in connection with the issuance of the Refunding Bonds.

23. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

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

YEAS: \_\_\_\_\_

\_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

RESOLUTION ADOPTED.

Las.r3-was251



STATE OF MICHIGAN)  
  ) SS  
COUNTY OF WASHTENAW)

The undersigned, being the duly qualified and acting Clerk of the County of Washtenaw, Michigan, 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 \_\_\_\_\_, 2013 at which meeting a quorum was present and remained throughout; (2) the original thereof is on file in the records of the proceedings of the County in my office; (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.

\_\_\_\_\_

County Clerk

las.r3-was251



M E M O R A N D U M  
EXHIBIT A

ORDER ADJUSTING MATURITIES

\$ \_\_\_\_\_  
COUNTY OF WASHTENAW  
WASHTENAW COUNTY –SYLVAN TOWNSHIP SANITARY SEWER SYSTEM  
EXPANSION PROJECT REFUNDING BONDS, SERIES 2013

---

The undersigned, Director of the Department of Public Works of Washtenaw County, as authorized in the Award Order adopted by said Board on \_\_\_\_\_, \_\_\_\_\_, hereby establishes the final maturities for the above captioned refunding bond issue with interest rates thereon, as follows:

Due	<u>Amount</u>	<u>Rate</u>
____ 1		

TOTAL      \$ \_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, Director  
Department of Public Works



**M E M O R A N D U M**  
**EXHIBIT B**

**OFFICIAL REQUEST FOR PROPOSAL**

\$ \_\_\_\_\_

**COUNTY OF WASHTENAW**

**State of Michigan**

**WASHTENAW COUNTY – SYLVAN TOWNSHIP SANITARY SEWER SYSTEM  
EXPANSION PROJECT REFUNDING BONDS, SERIES 2013**

**SEALED OR ELECTRONIC PROPOSALS:** Sealed proposals for the purchase of the refunding bonds described herein (the "Refunding Bonds") will be received by the undersigned for and on behalf of the County of Washtenaw (the "County"), acting by and through its Board of Public Works at the Office of the County \_\_\_\_\_, \_\_\_\_\_, Ann Arbor, Michigan \_\_\_\_\_, 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, Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, where they will be publicly opened simultaneously. Proposals received at Ann Arbor, Michigan will be read first, followed by the 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 Ann Arbor, Michigan.

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, 2<sup>nd</sup> Floor, New York, NY, 10018, (212) 849-5021.

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 Director of the DPW at a proceeding to be held within twenty-four hours of the sale.**

**REFUNDING BOND DETAILS:** The Refunding Bonds will be dated \_\_\_\_\_ 1, \_\_\_\_\_ and will be known as "Washtenaw County – Lyndon Township and Sylvan Township Sanitary Sewer System Expansion Project Refunding Bonds, Series 2013." The Refunding Bonds will 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 and will bear interest from their date of issuance payable \_\_\_\_\_ 1, \_\_\_\_\_ and semi-annually thereafter on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1 until maturity. The Refunding Bonds will mature on \_\_\_\_\_ 1 of each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------	-------------	---------------

**PRIOR REDEMPTION:** .The Refunding Bonds maturing prior to May 1, 2021 shall not be subject to redemption prior to maturity. Refunding Bonds maturing on or after May 1, 2021 shall be subject to redemption prior to maturity at the option of the Townships, in any order, in whole or in part on any date on or after May 1, 2020. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

The Director has the authority to adjust the redemption provisions prior to the sale of the Refunding Bonds.

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 as well as 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 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 redemption date, 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. 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 bonds or term bonds, or both. There may be more than one term bond maturity. However, principal maturities designated as term bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on \_\_\_\_\_ 1st of the year in which the Refunding Bonds are presently scheduled to mature. Each maturity of term bonds and serial 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 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 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 County 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. 185, Public Acts of Michigan, 1957, as amended ("Act 185"); Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34"); and the County's Resolution for the purpose of advance refunding the outstanding Washtenaw County

\_\_\_\_\_, dated \_\_\_\_\_ maturing in the years \_\_\_\_ through \_\_\_\_ (the "Refunded Bonds"), of which \$ \_\_\_\_\_ remains outstanding. The Refunding Bonds are issued in anticipation of, and are primarily payable from, moneys to be received by the County from the Township of Sylvan (the "Township") and the pursuant to a certain contract, as amended between the County and the Township dated as of \_\_\_\_\_ (the "Contract"), to defray part of the cost of acquiring and constructing the \_\_\_\_\_ as described in the Contract. The County has irrevocably pledged to the payment of said bonds the total contractual payments, which payments are payable at such times and are established in such amounts as are required to pay the entire principal of and interest on the bonds promptly when due. As additional security for the payment of the bonds and the interest thereon, the County, as authorized by law, has pledged its full faith and credit for the prompt and timely payment thereof, and, to the extent necessary, is obligated by law to levy ad valorem taxes for such purpose, without limitation as to rate or amount.

**ESCROW AGENT:** Proceeds from the Refunding Bonds will be transferred to \_\_\_\_\_, \_\_\_\_\_, Michigan as escrow agent (the "Escrow Agent") under an escrow agreement dated \_\_\_\_\_ 1, \_\_\_\_ (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 retire 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. Following receipt of proposals and prior to final award, the County reserves the right to increase or decrease the aggregate principal amount of the issue by any amount. The increase or decrease will be increments of \$5,000 and may be made in any maturity or maturities and any one or more maturities may be eliminated altogether. 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 discount proposed, if any, will be adjusted downwards so that it is the same percent as the 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 wire transfer in an amount equal to 2% (\$\_\_\_\_\_) of the face amount of the Refunding Bonds, and payable to the order of the County will be required of the successful proposer 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 Refunding Bonds. If a check is used, it must accompany each proposal. If a wire transfer is used, the successful proposer is required to wire the good faith deposit not later than Noon, prevailing Eastern Time, on the next business day following the sale using the wire instructions provided by Municipal Financial Consultants Incorporated. 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 each unsuccessful proposer 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 inheritance and 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 Purchaser will be required, as a condition of delivery of the Refunding Bonds, to certify the "issue price" of the Bonds within the meaning of Section 1273 of the Code, which will include a representation that at least 10 percent of each maturity of the Refunding Bonds has been sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at a price not exceeding the stated initial offering price. In addition, if the successful proposer will obtain a municipal bond insurance policy or other credit enhancement for the Refunding Bonds in connection with their original issuance, the successful proposer will be required, as a condition of delivery of the Refunding Bonds, to certify that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

**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 written notice of cancellation 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. **Notwithstanding the foregoing, the successful proposer will be required to pay for and accept delivery of the Refunding Bonds on or about \_\_\_\_\_, 2013.**

**UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**: In order to assist proposers in complying with SEC Rule 15c2-12, as amended, the County and the Townships will covenant to undertake (pursuant to resolutions adopted or to be adopted by their governing bodies), 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 and the Townships, 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 Axe & Ecklund, P.C. 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=](http://www.i-dealprospectus.com/pdf.asp?doc=) \_\_\_\_\_ or at [www.tm3.com](http://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 identification 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.

**FURTHER INFORMATION:** Additional information may be obtained from Municipal Financial Consultants Incorporated, 21 Kercheval Ave., Suite 360, Grosse Pointe Farms, MI 48236, telephone (313) 884-1550.

**THE RIGHT IS RESERVED TO REJECT ANY OR ALL PROPOSALS.**

**ENVELOPES:** Envelopes containing the proposals should be plainly marked "Proposal for Washtenaw County – Sylvan Township Sanitary Sewer System Expansion Project Refunding Bonds, Series 2013"

\_\_\_\_\_, Director  
Washtenaw County Department of Public Works

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## MEMORANDUM

### EXHIBIT C [FORM OF ESCROW AGREEMENT]

#### COUNTY OF WASHTENAW

This escrow agreement (the "Agreement"), dated as of \_\_\_\_\_ 1, \_\_\_\_\_, is between the County of Washtenaw (the "County"), Michigan, and \_\_\_\_\_, \_\_\_\_\_, Michigan, as escrow agent (the "Escrow Agent").

WHEREAS, the County has previously issued the following bonds of which the principal amounts listed below remain outstanding:

<u>Prior Bonds</u>	<u>Outstanding Principal</u>
--------------------	----------------------------------

(all of such outstanding bonds hereinafter referred to as the "Prior Bonds") all bearing interest, due as to principal and subject to redemption as more fully described in *APPENDIX I* to this Agreement.

WHEREAS, for the purpose of paying the principal and interest on the Prior Bonds when due on \_\_\_\_\_ 1, \_\_\_\_\_ and on that date of redeeming the Prior Bonds maturing in the years \_\_\_\_\_ through \_\_\_\_\_ in the total aggregate principal amount of \$ \_\_\_\_\_ (the "Refunded Bonds"), the County has, pursuant to a refunding bond resolution adopted on \_\_\_\_\_ (the "Resolution") authorized the issuance of a series of refunding bonds dated \_\_\_\_\_ 1, \_\_\_\_\_, as designated and described in the Resolution and hereafter (the "Refunding Bonds"); and

WHEREAS, pursuant to the Refunding Bond Resolution, the Escrow Agent has been appointed by the County for the purpose of assuring the payment of the principal of, premium (if any) and interest on the Refunded Bonds and the Chairman of the Board of Commissioners of the County has been authorized and directed to execute this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, the County and the Escrow Agent agree as follows for the respective equal and proportionate benefit and security of the holders of the Refunded Bonds;

**Section 1. Appointment of Escrow Agent.** The Escrow Agent is hereby appointed and agrees to act in such capacity to comply with all requirements of this Agreement, and to be custodian of the escrow fund (the "Escrow Fund"), to perform its duties as custodian of the Escrow Fund created under this Agreement, but only upon and subject to the following express terms and conditions:

(a) The Escrow Agent may perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the Standards specified in this Agreement and shall be entitled to advice of counsel concerning all matters of and the duties under this Agreement, and may in all cases pay such reasonable compensation to such counsel and in addition to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the same. The Escrow Agent may act upon the opinion or advice of any counsel. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(b) The Escrow Agent shall not be responsible for any recital in this Agreement, or in the Refunding Bonds or for the validity of the execution by the County of this Agreement or of any supplements to it or instruments of further assurance. The Escrow Agent shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the County, except as set forth in this Agreement. The Escrow Agent shall be only obligated to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

(c) The Escrow Agent may become the owner of the Refunding Bonds or the Refunded Bonds with the same rights which it would have if not Escrow Agent.

(d) The Escrow Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telex, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Escrow Agent pursuant to this Agreement upon the request or consent of any person who at the time of making such request or consent is the owner of any prior bond, shall be conclusive and binding upon all future owners of the same prior bond.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Escrow Agent shall be entitled to rely upon a certificate of the County signed by (i) the Chairman of the Board of Commissioners of the County, or (ii) any other duly authorized person as sufficient evidence of the facts contained in it, but may secure such further evidence deemed necessary or advisable, but shall in no

case be bound to secure the same. The Escrow Agent may accept a certificate of the Chairman of the Board of Commissioners of the County to the effect that a resolution in the form attached to such certificate has been adopted by the County as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Escrow Agent to do things enumerated in this Agreement shall never be construed as a duty. The Escrow Agent shall only be responsible for the performance of the express duties outlined in this Agreement and it shall not be answerable for other than its gross negligence or willful default in the performance of those express duties.

(g) At any and all reasonable times the Escrow Agent and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the County pertaining to the Refunded Bonds, and to take such memoranda from and in regard to the same as may be desired.

(h) The Escrow Agent shall not be required to give any bond or surety in respect of the execution of the powers contained in or otherwise in respect to this Agreement.

(i) Before taking any action under this Agreement (except making investments, collecting investments and making payments to the paying agents with respect to the Refunded Bonds) the Escrow Agent may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability except liability which is adjudicated to have resulted from gross negligence or willful default by reason of any action so taken.

(j) The Escrow Agent shall be, and hereby is indemnified and saved harmless by the County from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance of the Escrow Account or arising from the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the bad faith or gross negligence of the Escrow Agent, and such indemnification shall survive its resignation or removal, or the termination of this Agreement.

(k) The Escrow Agent shall, in the event that (i) any dispute shall arise between the parties with respect to the disposition or disbursement of any of the assets held hereunder or (ii) the Escrow Agent shall be uncertain as to how to proceed in a situation not explicitly addressed by the terms of this Agreement whether because of conflicting demands by the other parties hereto or otherwise, be permitted to interplead all of the assets held hereunder into a court of competent jurisdiction, and thereafter be fully relieved from any and all liability or

obligation with respect to such interpleaded assets. The parties hereto other than the Escrow Agent further agree to pursue any redress or recourse in connection with such a dispute, without making the Escrow Agent a party to the same.

(l) The Escrow Agent shall have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for any of the parties to this Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document between the other parties hereto, in connection herewith. This Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred from the terms of this Agreement or any other Agreement. IN NO EVENT SHALL THE ESCROW AGENT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (i) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES WHICH RESULT FROM THE ESCROW AGENT'S FAILURE TO ACT IN ACCORDANCE WITH THE STANDARDS SET FORTH IN THIS AGREEMENT, OR (ii) SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(m) Any banking association or corporation into which the Escrow Agent may be merged converted or with which the Escrow Agent may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(n) In the event that any escrow property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, at its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled set aside or vacated.

**Section 2. Escrow Fund.** On \_\_\_\_\_, \_\_\_\_\_ the County will irrevocably deposit moneys with the Escrow Agent for the account of the County from the proceeds of the Refunding Bonds (\$\_\_\_\_\_) to establish the Escrow Fund for the Refunded Bonds in an amount which together with the income from the escrow assets, shall be held in the Escrow Fund to be maintained by the Escrow Agent and used to pay (i) the interest on the Refunded Bonds that become due on \_\_\_\_\_ 1, \_\_\_\_\_ and (ii) to redeem on said date all of the outstanding and callable Refunded Bonds prior to their scheduled maturity; and to pay the applicable call premiums on the Refunded Bonds in accordance with Section 3 hereof.

**Section 3. Redemption of Refunded Bonds.** The County will redeem, prior to their scheduled maturity, Refunded Bonds as follows:

<u>Prior Bonds</u>	<u>Outstanding Principal</u>
--------------------	----------------------------------

The County by execution of this Escrow Agreement, hereby authorizes the Escrow Agent to give the paying agent for the Refunded Bonds irrevocable instructions to call the Refunded Bonds and at the expense of the County not more than sixty (60) nor less than forty-five (45) days before \_\_\_\_\_ 1, \_\_\_\_\_, their redemption date. The Escrow Agent shall give to the paying agent for the Refunded Bonds such notice, in substantially the form attached to this Agreement as *APPENDIX II*. The paying agent for the Refunded Bonds shall mail such notice on or before thirty (30) days prior to the redemption date, as set forth in *APPENDIX II*, to the registered owner or owners at the addresses listed on the registration books of the County maintained by the paying agent for the Refunded Bonds.

**Section 4. Investments.** As directed by the County, moneys deposited in the Escrow Fund shall be immediately invested in direct obligations of the United States of America and/or obligations the principal of, premium (if any) and interest on which are fully guaranteed by the United States of America described on *APPENDIX III* ("Investment Securities"), except for \_\_\_\_\_ (\$\_\_\_\_\_) which will be held in the Escrow Fund as the beginning balance for the Refunded Bonds. The Escrow Agent agrees to cause to be purchased United States Government Obligations known as "SLGS" (State and Local Government Series) from the United States Department of Treasury on the date shown in *APPENDIX III*.

The investment income from the Investment Securities in the Escrow Fund shall be credited to the Escrow Fund and shall not be reinvested. The Escrow Agent shall not sell any Investment Securities. All moneys not invested as provided in this Agreement shall be held by the Escrow Agent as a trust deposit.

**Section 5. Use of Moneys.** Except as expressly provided in this Agreement, no paying agents' fees for the payment of principal of, premium (if any) or interest on

the Refunding Bonds or the Refunded Bonds or other charges may be paid from the escrowed moneys or Investment Securities prior to retirement of all Refunded Bonds, and the County agrees that it will pay all such fees from its other legally available funds as such payments become due prior to such retirement.

**Section 6. Deficiency in Escrow Fund.** At such time or times as there shall be insufficient funds on hand in the Escrow Fund for the payment of the principal of, premium (if any) and interest falling due on the Refunded Bonds, the Escrow Agent shall promptly notify the County of such deficiency, as provided for under Section 12 below.

**Section 7. Reports to County.** The Escrow Agent shall deliver to the County's Chief Fiscal Officer a semi-annual statement reflecting each transaction relating to the Escrow Fund; and on or before the first day of February of each year shall deliver to the County a list of assets of the Escrow Fund as of December 31 of said year ended and a transaction statement for the Escrow Fund for the year then ended.

**Section 8. Fees of Escrow Agent.** The Escrow Agent agrees with the County that the charges, fees and expenses of the Escrow Agent throughout the term of this Agreement shall be the total sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) payable on the date of closing, which charges, fees and expenses shall be paid from moneys deposited with the Escrow Agent from bond proceeds.

**Section 9. Payments from Escrow Fund.** The Escrow Agent shall without further authorization or direction from the County, collect the principal of and interest on the Investment Securities promptly as the same shall become due and, to the extent that Investment Securities and moneys are sufficient for such purpose, shall make timely payments out of the Escrow Fund to the proper paying agent or agents or their successors for the Refunded Bonds, of moneys sufficient for the payment of the principal of, premium (if any) and interest on such Refunded Bonds as the same shall become due and payable, all as set out in *APPENDIX IV and APPENDIX V*. The payments so forwarded or transferred shall be made in sufficient time to permit the payment of such principal of, premium (if any) and interest by such paying agent or agents without default. The County represents and warrants that the Escrow Fund will be sufficient to make the foregoing and all other payments required under this Agreement. The paying agent for the Prior Bonds is shown in *APPENDIX I*.

When the aggregate total amount required for the payment of principal of, premium (if any) and interest on the Refunded Bonds have been paid to the paying agent as provided above, the Escrow Agent shall transfer any moneys or Investment Securities then held under this Agreement for the Refunded Bonds to the County, and this Agreement shall cease.

**Section 10. Interest of Bondholders Not Affected.** The Escrow Agent and the County recognize that the holders from time to time of the Refunded Bonds have a beneficial and vested interest in the Investment Securities and moneys to be held by the



Escrow Agent as provided in this Agreement. It is therefore recited, understood and agreed that this Agreement shall not be subject to revocation or amendment and no moneys on deposit in an Escrow Fund for the Refunded Bonds can be used in any manner for another series.

**Section 11. Escrow Agent Not Obligated.** None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own moneys or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers under this Agreement. The Escrow Agent shall be under no liability for interest on any funds or other property received by it under this Agreement, except as expressly provided.

**Section 12. Payment of Other Amounts.** The County agrees that it will promptly and without delay remit to the Escrow Agent such additional sum or sums of money as may be necessary to assure the payment of any Refunded Bonds and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement that are in excess of the sums provided for under Sections 4 and 6 above.

**Section 13. Segregation of Funds.** The Escrow Agent shall hold the Investment Securities and all moneys received by it from the collection of, principal and interest on the Investment Securities, and all moneys received from the County under this Agreement, in a separate escrow account.

**Section 14. Resignation of Escrow Agent.** The Escrow Agent may resign as such following the giving of thirty (30) days prior written notice to the County. Similarly, the Escrow Agent may be removed and replaced following the giving of thirty (30) days prior written notice to the Escrow Agent by the County. In either event, the duties of the Escrow Agent shall terminate thirty (30) days after the date of such notice (or as of such earlier date as may be mutually agreeable); and the Escrow Agent shall then deliver the balance of the Escrow Fund then in its possession to a successor Escrow Agent as shall be appointed by the County.

If the County shall have failed to appoint a successor prior to the expiration of thirty (30) days following the date of the notice of resignation or removal, the then acting Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief and any such resulting appointment shall be binding upon the County.

Upon acknowledgment by any successor Escrow Agent of the receipt of the then remaining balance of the Escrow Fund, the then acting Escrow Agent shall be fully released and relieved of all duties, responsibilities, and obligations under this Agreement.

**Section 15. Benefit.** This Agreement shall be for the sole and exclusive benefit of the County, the Escrow Agent and the holders of the Refunded Bonds. With the

exception of rights expressly conferred in this Agreement, nothing expressed in or to be implied from this Agreement is intended or shall be construed to give to any person other than the parties set forth above, any legal or equitable right, remedy or claim under or in respect to this Agreement.

**Section 16. Severability.** If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions contained in this Agreement or render the same invalid, inoperative or unenforceable to any extent whatsoever.

**Section 17. Notices.** Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by facsimile transmission, except reports as required in Section 7 which may be delivered by regular mail, as follows:

**If to the County:**

**If to the Escrow Agent:**

The County and the Escrow Agent may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent and shall be required to provide written notification of said address change.

**Section 18. Costs of Issuance.** Simultaneously with the transfer of bond proceeds from the Refunding Bonds establishing the Escrow Fund, sufficient moneys from bond proceeds shall be transferred to the Escrow Agent and used to pay all of the costs of issuance for the Refunding Bonds including, but not limited to, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing. All such costs shall be authorized by the County Executive, any Deputy County Executive or the County's Chief Fiscal Officer, under the "*Closing Memorandum*", and shall be paid on \_\_\_\_\_, \_\_\_\_\_.

**Section 19. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it by their duly authorized officers as of the date first above written.

**COUNTY OF WASHTENAW**

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_, as Escrow Agent

By: \_\_\_\_\_

Its: \_\_\_\_\_

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*APPENDIX I*

\$ \_\_\_\_\_

WASHTENAW COUNTY - \_\_\_\_\_

**REMAINING ORIGINAL DEBT SERVICE SCHEDULE**

Bond Registrar and Paying Agent:

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APPENDIX II

[FORM OF NOTICE OF REDEMPTION]

**NOTICE OF REDEMPTION**

\$ \_\_\_\_\_  
**WASHTENAW COUNTY** \_\_\_\_\_

Dated as of \_\_\_\_\_ 1, \_\_\_\_\_

**DUE** \_\_\_\_\_ 1, \_\_\_\_\_ **THROUGH** \_\_\_\_\_ 1, \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the County of Washtenaw, Michigan has called for redemption, on \_\_\_\_\_ 1, \_\_\_\_\_ (the "Redemption Date"), all of the callable outstanding Washtenaw County - \_\_\_\_\_ pursuant to the redemption provisions contained in the Bonds, bearing the original issue date of \_\_\_\_\_ 1, \_\_\_\_\_, maturing in the principal amounts, on the dates, bearing interest at the rates, with the "CUSIP" numbers, as follows:

<u>Principal Rate</u>	<u>CUSIPS*</u>	<u>Due</u>
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Said Bonds will be redeemed at \_\_\_\_\_% of the par value thereof.

Said Bonds should be surrendered for redemption to \_\_\_\_\_, as paying agent, for payment as of the Redemption Date, after which date all interest on said Bonds shall cease to accrue, whether said Bonds are presented for payment or not.

Bonds may be surrendered for payment as indicated below. The method of delivery is at the option of the holder, but if by mail, registered mail is suggested.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983 and the Comprehensive National Energy Policy Act of 1992, paying agents making payments of principal on municipal securities may be obligated to withhold a 31% tax from remittances to individuals who have failed to furnish the paying agent with a certified and valid Taxpayer Identification Number on a fully completed Form W-9. Holders of the above described Bonds, who wish to avoid the application of these provisions, should submit certified Taxpayer Identification Numbers on I.R.S. Form W-9 when presenting their securities for redemption.

\* No representation is made as to the correctness of the CUSIP numbers either as printed on the Bonds or as contained herein.

Dated: \_\_\_\_\_

WASHTENAW COUNTY, **MICHIGAN**

\_\_\_\_\_

APPENDIX III

\$ \_\_\_\_\_  
WASHTENAW COUNTY \_\_\_\_\_  
Dated as of \_\_\_\_ 1, \_\_\_\_

**Investment Securities to be Acquired Pursuant  
to the Escrow Agreement**

<u>Purchase</u> <u>Date</u>	<u>Investment</u> <u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Investment Type</u>
_____	\$ _____	_____ %	_____	_____
	_____	Uninvested Cash		
	\$ _____	Total Escrow Requirement		

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APPENDIX IV

\$ \_\_\_\_\_  
WASHTENAW COUNTY \_\_\_\_\_  
Dated as of \_\_\_\_ 1, \_\_\_\_

**Redemption Schedule**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Redeemed Principal</u>	<u>Redemption Premium</u>	<u>Total Debt Service</u>
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

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# MEMORANDUM

*APPENDIX V*

\$ \_\_\_\_\_  
WASHTENAW COUNTY \_\_\_\_\_  
Dated as of \_\_\_\_\_ 1, \_\_\_\_\_

Escrow Cash Flow

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