

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 \_\_\_\_\_, 2014 at \_\_:\_\_\_ .m., Eastern Daylight Savings Time there were

PRESENT: \_\_\_\_\_  
\_\_\_\_\_

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

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**REFUNDING BOND RESOLUTION**  
**BONDS NOT TO EXCEED \$16,500,000**  
**County of Washtenaw**  
**Capital Improvement Refunding Bonds, Series 2014**  
**(Refunds Series 2006A Bonds)**

WHEREAS, on February 6, 2007, the County of Washtenaw (the "County") pursuant to Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34"), issued its \$21,675,000 County of Washtenaw Capital Improvement Bonds, Series 2006A, dated February 1, 2007 (the "Prior Bonds"), of which \$16,900,000 remains outstanding; and

WHEREAS, pursuant to Act 34, the County is authorized to issue refunding bonds in order to call outstanding bonds of the County; and

WHEREAS, the County may call \$15,975,000 of the Prior Bonds on July 1, 2014; and

WHEREAS, the Prior 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 has determined that it is necessary and appropriate at this time to issue a series of refunding bonds pursuant to Act 34 to refund in part the Prior Bonds.

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

- 1. Issuance of Refunding Bonds.** Refunding bonds of the County aggregating in the principal amount not to exceed Sixteen Million Five Hundred Thousand Dollars (\$16,500,000) (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 outstanding Prior Bonds maturing in the years 2015 through 2027 (the "Refunded Bonds").

2. **Refunding Bond Details.** The Refunding Bonds shall be known as "County of Washtenaw Capital Improvement Refunding Bonds, Series 2014" and shall be dated May 1, 2014 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 \$16,500,000. Subject, however, to adjustment as described under "INCREASE OR DECREASE IN AGGREGATE AMOUNT OF REFUNDING BONDS", Section 7, if \$16,160,000 in Refunding Bonds are to be issued, the Refunding Bonds may mature on July 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2015	\$1,030,000	2020	\$1,200,000	2024	\$1,350,000
2016	1,080,000	2021	1,215,000	2025	1,390,000
2017	1,090,000	2022	1,250,000	2026	1,455,000
2018	1,125,000	2023	1,315,000	2027	1,495,000
2019	1,165,000				

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.

3. **Discount.** The Refunding Bonds may be offered for sale at a price of not less than 99% of the face amount thereof, and the County Administrator is authorized, in his or her discretion, to provide for a higher minimum purchase price in the Request for Proposal of the Refunding Bonds.

4. **Prior Redemption.** Refunding Bonds maturing prior to July 1, 2022, shall not be subject to redemption prior to maturity. Refunding Bonds maturing on and after July 1, 2022 shall be subject to redemption in whole or in part on any date on and after July 1, 2021, and in any order, at the option of the County, 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.

5. **Payment of Interest and Date of Record.** The Refunding Bonds shall bear interest payable January 1, 2015, and semi-annually thereafter on each July 1 and January 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 December 15 with respect to payments to be made on January 1 and June 15 with respect to payments to be made on July 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 \$16,160,000, the County Administrator shall increase the principal amount of the Refunding Bonds by up to \$340,000 or decrease the principal amount of the Refunding Bonds by any amount, 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.

8.(A) **Bond Registrar and Paying Agent/Book Entry Depository Trust.** The County Administrator (the "County Administrator") 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 County Administrator 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 County Administrator 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 County Administrator after consultation with the depository trustee. The County Administrator is authorized to enter into any depository trust agreement on behalf of the County upon such terms and conditions as the County Administrator shall deem appropriate and not otherwise prohibited by the terms of this Resolution, which Contract shall be executed by the County Administrator. The depository trustee may be the same as the Registrar otherwise named by the County Administrator, and the Refunding Bonds may be transferred in part by depository trust and in part by transfer of physical certificates as the County Administrator 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.

**9. Mutilated, Lost, Stolen or Destroyed Refunding Bonds.**

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

In the case of a mutilated Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until such mutilated Refunding Bond is surrendered to the Bond Registrar. In the case of a lost, stolen, or destroyed Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until the County and the Bond Registrar have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument Refunding Bond for principal and interest remaining unpaid on the lost, stolen or destroyed Refunding Bond; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the Refunding Bond lost, stolen or destroyed and the circumstances under which it was lost, stolen or destroyed; (iii) the agreement of the owner of the Refunding Bond (or his or her attorney) to fully indemnify the County and the Bond Registrar against loss due to the lost, stolen or destroyed Refunding Bond and the issuance of any replacement Refunding Bond in connection therewith; and (iv) the agreement of the owner of the Refunding

Bond (or his or her attorney) to pay all expenses of the County and the Bond Registrar in connection with the replacement, including the transfer and exchange costs which otherwise would be paid by the County.

10. **Execution and Delivery.** The County Clerk and the Chair of the County Board of Commissioners are hereby authorized and directed to execute the Refunding Bonds for and on behalf of the County by manually executing the same or by causing their facsimile signatures to be affixed. If facsimile signatures are used, the Refunding Bonds shall be authenticated by the Bond Registrar before delivery. The Refunding Bonds shall be sealed with the County's seal or a facsimile thereof shall be imprinted thereon. When so executed and (if facsimile signatures are used) authenticated, the Refunding Bonds shall be delivered to the County Administrator, who is hereby authorized and directed to deliver the Refunding Bonds to the purchaser upon receipt in full of the purchase price for the Refunding Bonds.

11. **Amounts Pledged for Repayment - Limited Tax Full Faith and Credit.** The County agrees to pay the principal of and premium, if any, and interest on the Refunding Bonds (and on any additional bonds of equal standing which may be issued by the County) from its general fund. 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.

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; (ii) the annual fees and expenses of the escrow agent under an escrow agreement; and (iii) the fees and expenses of the paying agent or paying agents for the Refunding Bonds.

13. **Use of Proceeds.** The proceeds of the sale of the Refunding Bonds shall be used as follows:

- a. Accrued interest shall be transferred to the Bond Fund created pursuant to Section 13 above;

- b. There shall next be transferred to an escrow fund (the "Escrow Fund") an amount which will be sufficient to pay when due the principal of, premium, if any, and interest on the Refunded Bonds when due upon redemption; and
- c. The balance of the proceeds shall be used to pay some or all of the costs of financing including, but not limited to, publication costs, 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.

14. **Escrow Agreement; Redemption of Refunded Bonds.** In order that the Refunded Bonds may be properly defeased in accordance with Act 34, the County shall enter into an escrow agreement as may be determined by the County Administrator (the "Escrow Agreement"), with a bank or trust company designated by the County Administrator. The Escrow Agreement shall be in substantially the form attached as *EXHIBIT C* to this Resolution (with such changes, modifications and additions as may be approved by the County Administrator). The Escrow Agreement shall be completed by the County Administrator with appropriate figures prior to execution on behalf of the County by the County Administrator.

Upon execution of the Escrow Agreement and delivery of the Refunding Bonds, the County and/or the escrow agent shall take all necessary steps to cause the Refunded Bonds to be redeemed at the earliest possible redemption date or dates.

15. **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 Administrator 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, 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.

16. **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 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 Administrator shall select the depository or depositories to be used from those banks authorized in this Section.

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

(a) Permit any proceeds of the Refunding Bonds or any other funds of the County or under its control to be used directly or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Refunding Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Refunding Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Refunding Bond as a "private activity bond" within the meaning of Section 141(a) of the Code, as a "private loan bond" within the meaning of Section 141(a) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

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

18. **Not Qualified Tax-Exempt Obligations.** The Refunding Bonds are not designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265 of the Code unless, at the time of the circulation of the Request for Proposal, the Refunding Bonds are determined to be eligible for such designation in which case the Request for Proposal shall reflect such change.

19. **Defeasance or Redemption of Refunding Bonds.** If at any time,

(a) the whole amount of the principal of, premium, if any, and interest on all outstanding Refunding Bonds shall be paid, or



- (b) (i) sufficient moneys, or Government Obligations (as defined in this Section) not callable prior to maturity, the principal of, premium, if any, and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the principal of, premium, if any, and interest on all outstanding Refunding Bonds as and when due at maturity or upon redemption prior to maturity shall be deposited with and held by a trustee or an escrow agent for the purpose of paying the principal of, premium, if any, and interest on such Refunding Bonds as and when due, and (ii) in the case of redemption prior to maturity, all outstanding Refunding Bonds shall have been duly called for redemption (or irrevocable instructions to call such Refunding Bonds for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the County shall be released from all further obligations under this Resolution, and any moneys or other assets then held or pledged pursuant to this Resolution for the purpose of paying the principal of, premium, if any, and interest on the Refunding Bonds (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this Resolution, paid over to the County and considered excess proceeds of the Refunding Bonds. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within 30 days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be given to the registered holders hereof not more than sixty (60) days nor less than forty-five (45) days prior to the redemption setting forth the date or dates, if any, designated for the redemption of the Refunding Bonds, a description of the moneys or Government Obligations so held by it and that the County has been released from its obligations under this Resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of, premium, if any, and interest on the Refunding Bonds at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The trustee or escrow agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by resolution of the County, and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as trustee or escrow agent under this Section and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal, premium, if any, and interest on which are unconditionally guaranteed by, the United States of America.

20. **Filing with Municipal Finance Division.** If necessary, the County Administrator/Controller is authorized and directed to:

- (a) apply to the Municipal Finance Division of the Michigan Department of Treasury for approval of the sale of the Refunding Bonds;
- (b) file with such application all required supporting material; and
- (c) pay all fees required in connection therewith.

21. **Negotiated Sale - Request for Proposal:** 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 Financial Consultant. The County's Financial Consultant 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 D with such changes therein as are not inconsistent with this resolution and as are approved by the County Administrator after conferring with Bond Counsel. Once all proposals are received, the County Administrator, or in the absence of the County Administrator, the County Finance Director, shall determine the lowest true interest cost proposed and thereafter award the Refunding Bonds to the proposer meeting that criteria. The Financial Consultant is hereby designated to act for and on behalf of the County to receive proposals for the purchase of the Refunding Bonds and together with Bond Counsel to take all other steps necessary in connection with the sale and delivery thereof.

22. **Retention of Bond Counsel.** The firm of Axe & Ecklund, P.C., attorneys of Grosse Pointe Farms, Michigan, is hereby retained to act as bond counsel for the County in connection with the issuance, sale and delivery of the Refunding Bonds.

23. **Retention of Financial Consultants.** Municipal Financial Consultants Incorporated, Grosse Pointe Farms, Michigan, is hereby retained to act as financial consultant and advisor to the County in connection with the sale and delivery of the Refunding Bonds.

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

25. **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.

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**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 \_\_\_\_\_, 2014, 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: \_\_\_\_\_, 2014

\_\_\_\_\_  
Washtenaw County Clerk

[SEAL]

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UNITED STATES OF AMERICA-STATE OF MICHIGAN  
COUNTY OF WASHTENAW  
CAPITAL IMPROVEMENT REFUNDING BOND, SERIES 2014

RATE                      MATURITY DATE                      DATE OF ISSUANCE                      CUSIP

\_\_\_\_\_ 1, \_\_\_\_\_

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REGISTERED OWNER:

PRINCIPAL AMOUNT:

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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 County's 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. 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 not 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 "County of Washtenaw Capital Improvement Refunding Bonds, Series 2014".

\_\_\_\_\_  
\_\_\_\_\_, Michigan  
as Bond Registrar and Authenticating Agent

By:  
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)

ORDER ADJUSTING MATURITIES

§ \_\_\_\_\_  
COUNTY OF WASHTENAW, STATE OF MICHIGAN  
COUNTY OF WASHTENAW  
CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2014

---

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	Amount	Rate
_____ . 1		

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

\_\_\_\_\_  
County Administrator

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ESCROW AGREEMENT

COUNTY OF WASHTENAW

This escrow agreement (the "Agreement"), dated as of \_\_\_\_\_, \_\_\_\_\_, is between the COUNTY OF WASHTENAW, State of Michigan (the "County") and \_\_\_\_\_, as escrow agent (the "Escrow Agent").

WHEREAS, the County (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 County Administrator 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 County Clerk, County Administrator, or County Finance Director 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 County Clerk, County Administrator, or County Finance Director 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, in 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) principal and 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>Principal to be Refunded</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 Administrator 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 Administrator, 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:                                   
County Administrator

\_\_\_\_\_  
**as Escrow Agent**

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

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

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APPENDIX I

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

REMAINING ORIGINAL DEBT SERVICE SCHEDULE

Bond Registrar and Paying Agent:

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APPENDIX II

[FORM OF NOTICE OF REDEMPTION]

**NOTICE OF REDEMPTION**

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

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

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 \_\_\_\_\_ 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</u>	<u>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.

COUNTY OF WASHTENAW, MICHIGAN

APPENDIX III

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

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

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

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

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APPENDIX IV

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

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

Redemption Schedule

Redemption Premium: \_\_\_\_\_%

Date	Principa l	Interest	Redeemed Principal	Redemption Premium	Total Debt Service	Annual Total
<hr/> <hr/>						

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APPENDIX V

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

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

ESCROW CASH FLOW ANALYSIS

\_\_\_- Beginning Cash \$\_\_\_  
\_\_\_- Balance:

	Beginnin g							Ending	
	Cash	SLG	SLG	SLG	Total	Debt Service Defeasance	Net Cash Flow	Cash	_____ %
Date	Balance	Princip al	Rate	Intere st				Balance	Present Value

Total Cost of Escrow  
Securities:

\_\_\_\_\_

Las.r1-was231

[FORM OF REQUEST FOR PROPOSAL]

OFFICIAL REQUEST FOR PROPOSAL

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

COUNTY OF WASHTENAW

State of Michigan

COUNTY OF WASHTENAW

CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2014

**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, Buhl Building, 535 Griswold, Suite 1850, 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, 2<sup>nd</sup> Floor, New York, New York, 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 County Administrator or County Finance Director at a proceeding to be held within twenty-four hours of the sale.

**BOND DETAILS:** The Refunding Bonds will be dated \_\_\_\_\_ 1, \_\_\_\_\_ and will be known as "County of Washtenaw Capital Improvement Refunding Bonds, Series 2014". 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:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
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**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 date on and after  
\_\_\_\_\_, and in any order, at the option of the County, 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. 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 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. 34, Public Acts of Michigan, 2001, as amended ("Act 34") for the purpose of refunding part of the \_\_\_\_\_ maturing in the years \_\_\_\_ through \_\_\_\_ (the "Refunded Bonds"), of which \$\_\_\_\_\_ remains outstanding and is being refunded. The Refunding Bonds are payable from the County's general fund. 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 any amount 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. In the case of a proposal with a premium, the aggregate amount of the Refunding Bonds will generally be reduced by at least the amount of the premium offered. 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 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 Refunding 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 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=\\_\\_\\_](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 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 County of Washtenaw Capital Improvement Refunding Bonds, Series 2014."

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County of Washtenaw

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