

CLINTON COUNTY BOARD OF COMMISSIONERS

1998-52 RESOLUTION

COUNTY OF CLINTON
STATE OF MICHIGAN

The County of Clinton, State of Michigan (the "County"), has determined that it is in the best interests of the County and its residents to acquire, construct, furnish and equip a County courthouse and administrative facilities (the "Improvements") to serve residents of the County. In accordance with the provisions of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31") the County has established the Clinton County Building Authority (the "Authority"), with full powers to finance the Improvements. In order to finance the Improvements, the County Board of Commissioners and the Authority have entered into a Limited Tax Full Faith and Credit General Obligation Contract of Lease (the "Contract") providing for the acquisition, construction, furnishing and equipping of the Improvements and such matters as are deemed necessary thereto, including the issuance of Bonds (the "Bonds"), as described in the Contract; to finance the Improvements.

The County Board has authorized and directed the County Administrator, the County Clerk and the Treasurer to execute and deliver such documents, instruments, and certificates, including without limitation documents, instruments and certificates necessary or desirable in conjunction with the issuance of the Bonds, including any necessary undertaking required to be taken regarding continuing disclosure. In preparation for sale of the Bonds, the Building Authority, together with the County Administrator and the County Treasurer, have participated in the preparation of a Preliminary Official Statement, which will be the initial disclosure document for the Bonds. A draft of the Preliminary Official Statement has been delivered to the County Board and is on file with the County Clerk. The County's Bond Counsel and Financial Consultant have informed the County that it is necessary for the County to execute and deliver the Continuing Disclosure Undertaking, substantially in the form of which is attached hereto as Exhibit A, under Section 15c2(12) of the Rules of the Security and Exchange Commission.

In addition, the Building Authority has entered into a Ground Lease between the Authority and the City of St. Johns (the "City") for the purpose of enabling the City and the County to cooperate in the purchase of portions of the Improvements for use as City Offices. As part of the promises granted by the Building Authority under the Ground Lease, it is necessary for the County to agree to enter into agreements for the construction of the Improvements (the "Construction Agreement"), use of shared space (the "Shared Use Agreement"), and operating costs of the Improvements (the "Shared Operating Agreement").

FOR THE REASONS SET FORTH ABOVE, THE COUNTY BOARD HEREBY RESOLVES:

1. The County Board hereby agrees to be bound by the Continuing Disclosure Undertaking, and reaffirms and confirms that the County Administrator, the County Clerk and the Treasurer are directed to execute and deliver the Continuing Disclosure Undertaking. The County hereby designates the County Administrator as the County officer having the responsibility to carry out the obligations of the County under the Continuing Disclosure.

2. The County Board reaffirms and confirms that the County Administrator is directed to complete the preparation of the Preliminary Official Statement with the assistance of the Financial Consultant, and to deem the Preliminary Official Statement as "final" for purposes of compliance with Securities and Exchange Commission Rule 15c2-12. The County Administrator is also directed to assist in the preparation of a final Official Statement with the assistance of the Financial Consultant for delivery to the initial purchasers of the Bonds.

3. The County Board hereby approves the Shared Use Agreement, the Shared Operating Agreement and the Construction Agreement, and hereby authorizes the County Clerk and County Administrator to execute and deliver each agreement to the City.

4. All resolutions and parts of resolutions insofar as the same conflict with the provisions of this resolution be and the same hereby are rescinded.

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of County Commissioners of the County of Clinton, at a regular meeting held on December 18, 1998, at 9:00 a. m., prevailing Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

I further certify that the following Members were present at said meeting: John Arehart, Lois Bracey, Clifford Flood, Sara Clark Pierson, Richard Hawks, Larry Martin and Mary Rademacher.

I further certify that Commissioner Pierson moved for adoption of said resolution and that Commissioner Martin supported said motion. I further certify that the following Members voted for adoption of said resolution: Arehart, Bracey, Flood, Pierson, Hawks, Martin and Rademacher; and that the following Members voted against adoption of said resolution: None.

Diane Zuker, County Clerk
County of Clinton

State of Michigan

EXHIBIT A

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the County of Clinton, State of Michigan (the “County”) in connection with the issuance of the 1998 Building Authority (Government Center) Bonds (General Obligation Limited Tax) (the “Bonds”) to be issued by the Clinton County Building Authority (the “Issuer”), a Building Authority incorporated by the County pursuant to the provisions of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended. The County, on behalf of itself and the Issuer, covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions.* The following terms used herein shall have the following meanings:

“Audited Financial Statements” means the annual audited financial statement pertaining to the County prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

“Bondholders” shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

“Disclosure Representative” means the Chairperson of the Authority of the County or his or her designee, or such other officer, employee, or agent as the County shall designate from time to time in writing.

“MSRB” means the Municipal Securities Rulemaking Board.

“NRMSIR” means each nationally recognized municipal securities information repository as designated by the SEC in accordance with the Rule.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended.

“SEC” means the United States Securities and Exchange Commission.

“SID” means the state information depository for the State of Michigan as designated by the SEC in accordance with the Rule.

(b) *Continuing Disclosure.* The County hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to each NRMSIR and to the SID for the State of Michigan (“SID”), on or before the last day of the sixth month after the end of the fiscal year of the County, the following annual financial information and operating data, commencing with the fiscal year ended _____;

(1) Updates of the numerical financial information and operating data included in the official statement of the County relating to the Bonds (the “Official Statement”) appearing in the Tables or under the headings in the Official Statement as described below:

- a. Property Valuations - Historical Valuation (excluding any pictorial representation);
- b. Major Taxpayers;
- c. Tax Rates – County of Clinton;
- d. Tax Levies and Collections;
- e. Debt Statement;
- f. Legal Debt Margin.

(2) Audited Financial Statements; provided, however, that if the Audited Financial Statements are not available by the last day of the sixth month after the end of the fiscal year, they shall be provided when available and unaudited financial statements in a format similar to the financial statements contained in the Official Statement will be filed by such date and the Audited Financial Statements will be filed as soon as available.

Such annual financial information and operating data described above are expected to be provided directly by the County in the following documents to be filed with each NRMSIR and the SID: the Audited Financial Statements; materials containing the updates described in (b)(1) above; and in subsequent official statements of the County filed with the MSRB.

If the fiscal year of the County is changed, the County shall send notices of such change to each NRMSIR or the MSRB, and to the SID, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose.* The County agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or the MSRB and (ii) the SID, notice of a failure by the County to provide the annual financial information with respect to the County described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The County agrees to provide or cause to be provided in a timely manner to (i) each NRMSIR or the MSRB and (ii) the SID, if any, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds, if applicable, if material:

- (1) principal and interest payment delinquencies;

- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the security;
- (7) modifications to rights of security holders;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the securities; and
- (11) rating changes.

(e) *Materiality Determined Under Federal Securities Laws.* The County agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Termination of Reporting Obligation.* The obligation of the County to provide annual financial information and notices of material events, as set forth above, shall be terminated if and when the County no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(g) *Benefit of Bondholders.* The County agrees that its undertaking pursuant to the Rule set forth in this Undertaking is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the County’s obligations hereunder and any failure by the County to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(h) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the County, provided that the County agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the

interests of Bondholders, as determined by parties unaffiliated with the County (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the County in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the County to meet its obligations. A notice of the change in accounting principles shall be sent (i) to each NRMSIR or the MSRB and (ii) the SID.

IN WITNESS WHEREOF, the County has caused this Undertaking to be executed by its authorized officer.

COUNTY OF CLINTON
State of Michigan

By _____
David Benda
Its County Administrator

Dated: _____, 1998

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