

Introduced by the Law & Courts and Finance Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION #02-274

At a regular meeting of the Board of Commissioners of the County of Ingham, Michigan, held on the 12th day of November, 2002, at 7:30 p.m., in Mason, Michigan, there were:

PRESENT:

Commissioners Celentino, Czarnecki, Dedden, De Leon, Grebner, Hertel,
Krause, Lynch, Minter, Schafer, Severio, Stid, Swope

ABSENT:

Commissioners None

The following preambles and resolution were offered by Minter and seconded by Grebner:

RESOLUTION TO APPROVE PLANS, COST ESTIMATE,
ESTIMATE OF THE PERIOD OF USEFULNESS,
LEASE CONTRACT AND FILING WITH THE
MICHIGAN DEPARTMENT OF TREASURY

WHEREAS, the County of Ingham, Michigan (the "County") desires to renovate, improve, furnish and equip the Ingham County Correctional Facility located at 630 N. Cedar, Mason, Michigan (the "Facility"); and

WHEREAS, it is the desire of the County to transfer ownership of the Facility to the Ingham County Building Authority (the "Authority") for One Dollar (\$1.00) in order that the Authority may finance the renovation, improvement, furnishing and equipping of the Facility, all as described in Exhibit A to Appendix I attached hereto (the "Project").

WHEREAS, there have been prepared and presented to the Board of Commissioners (the "Board") of the County, preliminary plans for the Project and a proposed Lease Contract, attached to this Resolution as Appendix I, between the County and the Ingham County Building Authority (the "Authority") dated as of February 1, 2003 (the "Lease Contract"), pursuant to which the Authority will acquire the Project as contemplated by the terms of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), and lease such property to the County for a period not to exceed 50 years as permitted by Act 31; and

WHEREAS, the period of usefulness of the Project has been estimated to be not less than 25 years and the total cost of designing, constructing and installing the Project (including the costs of relocation of occupants and other incidental expenses) and issuing the Bonds (as defined in the Lease Contract) has been estimated to be not more than \$2,325,000, of which not more

than \$2,325,000 will be provided by the proceeds from the sale of the Bonds by the Authority pursuant to Act 31; and

WHEREAS, the County has prepared forecasts of its revenues and expenses which demonstrate the ability of the County to pay the debt service on the Bonds required by the Lease Contract, and the County has available the funds required to pay any Project costs not covered by the anticipated proceeds from the sale of the Bonds; and

WHEREAS, there has been prepared and attached to this Resolution as Appendix II a form of notice entitled "NOTICE OF INTENTION OF THE COUNTY OF INGHAM TO ENTER INTO A LEASE CONTRACT WITH THE INGHAM COUNTY BUILDING AUTHORITY AND NOTICE OF RIGHT TO PETITION FOR REFERENDUM THEREON" (the "Notice of Intention"), which Notice of Intention contains a maximum amount of Bonds of \$2,400,000, which is higher than the \$2,325,000 of Bonds approved herein in order to allow the County and the Authority to hereafter approve a higher amount of Bonds if it is deemed necessary or desirable;

NOW, THEREFORE, be it resolved by the Board of Commissioners of the County of Ingham, Michigan, as follows:

1. Sale of the Facility by the County to the Authority for \$1.00 for the purposes contemplated by this Resolution is hereby approved.
2. The preliminary plans and estimates relating to the Project and identified in Exhibit A to Appendix I to this Resolution are approved and ordered filed with the County Clerk.
3. The Lease Contract is approved, and the Chairperson of the Board of Commissioners and the County Clerk are authorized and directed to execute and deliver the same at any time prior to the issuance of the Bonds for and on behalf of the County.
4. It is determined that the Notice of Intention provides information sufficient to adequately inform the electors and taxpayers of the County of the nature of the contractual obligations to be undertaken by the County in the Lease Contract and of their right under Act 31 to file a petition requesting a referendum election on the Lease Contract.
5. The form and content of the Notice of Intention are approved, and the County Clerk is authorized and directed to cause the Notice of Intention to be published once in the *Lansing State Journal*, a newspaper of general circulation within the County which is determined to be the newspaper reaching the largest number of electors and taxpayers of the County.
6. The County Treasurer, the Chairperson of the County Board of Commissioners, the County Clerk, and the County Controller, or any one of them, are hereby authorized, if necessary, to make application to the Michigan Department of Treasury for permission to issue and sell the Bonds or alternatively to apply for qualified status to issue municipal securities under Act 34, Michigan Public Acts of 2001, as amended.

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS: Celentino, Czarnecki, Dedden, De Leon, Grebner, Hertel,

Krause, Lynch, Minter, Schafer, Severino, Stid, Swope

NAYS: None

ABSTAINING: None

THE RESOLUTION WAS DECLARED ADOPTED.

STATE OF MICHIGAN)
) SS.
COUNTY OF INGHAM)

The undersigned, being the duly qualified and acting Clerk of Ingham County, Michigan, certifies that the foregoing is a true and complete copy of a resolution duly adopted by the Ingham County Board of Commissioners, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. The undersigned further certifies that the meeting was conducted, and public notice of the meeting was given, pursuant to and in full compliance with Act No. 267, Michigan Public Acts of 1976, as amended, and that minutes were kept and will be or have been made available as required thereby.

Mike Bryanton
Ingham County Clerk

Dated: November 12, 2002

LAW & COURTS: Yeas: Krause, De Leon, Dedden, Stid, Grebner, Minter, Schafer
Nays: None **Absent:** None **Approved 10/31/02**

FINANCE: Grebner, Stid, Swope, Krause, Schafer
Nays: None **Absent:** Hertel, Minter **Approved 11/6/02**

APPENDIX II

COUNTY OF INGHAM, MICHIGAN

NOTICE OF INTENTION OF THE COUNTY OF INGHAM TO ENTER INTO A LEASE CONTRACT WITH THE INGHAM COUNTY BUILDING AUTHORITY AND NOTICE OF RIGHT TO PETITION FOR REFERENDUM THEREON

TO ALL ELECTORS AND TAXPAYERS OF THE COUNTY OF INGHAM:

NOTICE IS HEREBY GIVEN that the Board of Commissioners of the County of Ingham, Michigan (the "County"), has authorized the execution of a full faith and credit general obligation lease contract (the "Lease") between the County and the Ingham County Building Authority (the "Authority"). The Lease provides, among other things, for the renovation, improvement, furnishing and equipping of the Ingham County Correctional Facility, located at 630 N. Cedar, Mason, Michigan (the "Project") within the County. The Lease provides further that the Authority will finance a portion of the total cost of the Project (including capitalized interest, engineering, architectural, legal, and other expenses incidental thereto and costs of issuance of the Bonds described below) by the issuance of building authority bonds (the "Bonds") pursuant to the provisions of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), in anticipation of the receipt of cash rental payments to be made by the County to the Authority pursuant to the Lease. The maximum amount of Bonds to be issued is \$2,400,000 the term of the Lease shall not exceed 25 years and the Bonds shall bear interest at a rate or rates to be determined, but in no event above 8% per annum.

FULL FAITH AND CREDIT AND TAXING POWER OF THE COUNTY OF INGHAM WILL BE PLEDGED

NOTICE IS HEREBY GIVEN that in the Lease the County will obligate itself to make cash rental payments to the Authority in amounts sufficient to pay the principal of and interest on the Bonds. The full faith and credit of the County will be pledged for the making of such cash rental payments. Pursuant to such pledge of its full faith and credit, the County will be obligated to levy such ad valorem taxes upon all taxable property in the County as shall be necessary to make such cash rental payments, which taxes, however, will be subject to applicable statutory and constitutional limitations on the taxing power of the County. In addition to its obligation to make cash rental payments, the County will agree in the Lease to pay all costs and expenses of operation and maintenance of the Project and all expenses of the Authority incidental to the issuance and payment of the Bonds, to the extent such expenses are not payable from the proceeds of the Bonds.

RIGHT TO PETITION FOR REFERENDUM

NOTICE IS FURTHER GIVEN that this notice is given to and for the benefit of the electors and taxpayers of the County in order to inform them of the intention of the County to enter into the Lease and also to inform registered electors of the County of their right to petition for a referendum on the question of entering into the Lease. The County intends to enter into the

Lease without a vote of the electors thereon, but the Lease shall not become effective until at least 60 days after publication of this notice. If, within 45 days after publication of this notice, a petition for referendum requesting an election on the Lease, signed by not less than 10% or 15,000 of the registered electors of the County, whichever is less, has been filed with the County Clerk, the Lease shall not become effective unless and until approved by a majority of the electors of the County voting thereon at a general or special election.

This notice is given by order of the Board of Commissioners pursuant to Act 31. Further information may be obtained at the office of the Ingham County Clerk, Mason, Michigan.

/s/ Mike Bryanton
Ingham County Clerk

Dated: November ____, 2002

APPENDIX I

LEASE CONTRACT

THIS FULL FAITH AND CREDIT GENERAL OBLIGATION LEASE CONTRACT ("Lease") made as of February 1, 2003, by and between the INGHAM COUNTY BUILDING AUTHORITY (the "Authority"), a building authority organized and existing under and pursuant to the provisions of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), and the COUNTY OF INGHAM, a county of the State of Michigan (the "County"),

WITNESSETH:

WHEREAS, the Authority has been incorporated by the County pursuant to Act 31 for the purpose of acquiring, furnishing, equipping, owning, improving, enlarging, operating and maintaining a building or buildings, automobile parking lots or structures, recreational facilities and stadiums, and other facilities, and the necessary site or sites therefor, for the use of the County; and

WHEREAS, the County desires the renovation, improvement, furnishing and equipping of the Ingham County Correctional Facility, located at 630 N. Cedar, Mason, Michigan (the "Project") as more fully described in Exhibit A to this Lease, and it is proposed that the Authority undertake the Project; and

WHEREAS, it is proposed that the Authority finance a portion of the total cost of the Project by the issuance of building authority bonds payable from cash rental payments to be made by the County to the Authority pursuant to this Lease and Act 31; and

WHEREAS, a description of the Project, an estimate of 25 years and upwards as the period of usefulness of the Project and an estimate of not more than \$2,325,000, of which not more than \$2,325,000 would be paid by bond proceeds, as the total cost of the Project, all as set forth on Exhibit A to this Lease, have been reviewed and approved by the Board of Commissioners of the County; and

WHEREAS, in order to make possible the issuance of Building Authority bonds to finance a portion of the total cost of the Project, it is necessary under Act 31 for the parties to enter into this Lease;

Therefore, in consideration of the mutual undertakings and agreements set forth below, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO THIS LEASE AS FOLLOWS:

- 1. Authorization and Issuance of Bonds.** After the effective date of this Lease, the Authority shall, at such time as the Authority shall determine appropriate, proceed to authorize and issue its Building Authority bonds in the aggregate principal amount of not to exceed \$2,325,000 (the "Bonds"), pursuant to and in accordance with the provisions of Act 31, for the purpose of defraying a portion of the cost of the Project. The Authority shall pledge for the payment of the principal of and interest on the Bonds the receipts from the cash rental payments described and required to be paid by the County pursuant to this Lease. The Bonds shall be

dated as of such date, and shall bear interest (at a rate or rates not exceeding 8% per annum) payable on such dates, and shall mature on such dates as shall be agreed to by the Authority and the County. The County and the Authority recognize and acknowledge that the amount of each payment of interest on the Bonds and the amount of each payment of cash rental required under this Lease will be determined by application of the rate or rates of interest (not exceeding 8% per annum) actually borne by the Bonds. The Bonds may be sold subject to redemption prior to maturity at the option of the Authority, with such redemption premiums and upon such terms as shall be set forth in the resolution to be adopted by the Authority to authorize issuance of the Bonds (the "Bond Resolution").

Upon receipt of the proceeds of the sale of the Bonds, all premium, capitalized interest, if any, and accrued interest received from the purchaser or purchasers of the Bonds shall be transferred to a bond and interest redemption fund, and the balance of such proceeds shall be deposited into a construction fund, each of which shall be established by the Bond Resolution and maintained as a separate depository account of the Authority. The money in the construction fund shall be used to pay costs of the Project.

In the event that for any reason after the date upon which this Lease is executed, but before the Bonds have been issued, it appears to the County and the Authority that the part of the Project being financed may be constructed and installed for less than \$2,325,000, or the County shall be able to make payments in advance on the cash rental payments payable pursuant to this Lease, the Authority, after approval of the County, may reduce the amount of Bonds to be issued in multiples of \$5,000 and reduce the annual maturities or the years of maturities as the County shall direct.

2. **Transfer of Title to and Completion of Project.** At such time as the Authority shall determine appropriate, the Authority shall commence the Project. The County agrees that it shall, at that time and when directed by the Authority, advance up to \$500,000 to the Authority, or such lesser amounts as may be agreed to from time to time by the County and the Authority, which the Authority shall use, along with the proceeds of the Bonds, and earnings thereon, to undertake the Project (such amounts to be reimbursed from proceeds of the Bonds as agreed by the County and the Authority so that the County's final cash contribution does not exceed the amount set forth on Exhibit A). The plans, cost estimate and estimated period of usefulness for the Project, all of which have been filed with the County Clerk and the Secretary of the Authority, are hereby approved and adopted. The Project shall be implemented in substantial accordance with such plans which are incorporated as part of (but not attached to) this Lease. No major changes in such plans shall be made without the written approval of both the County and the Authority.

3. **Increased Project Costs.** In the event that it shall appear, upon taking the necessary bids for the construction of the Project and after issuance of the Bonds, that the Project cannot be completed at the estimated cost, the Authority shall immediately so notify the County. The County may elect to pay the increased cost in cash to the Authority in which event the amount of such cash payment shall be deposited in a construction fund for the Project and the Authority shall proceed to acquire and complete the Project. In the alternative, the County and the Authority may agree, by an amendment to this Lease, that additional Bonds shall be issued by the Authority in an amount sufficient to pay the increased Project costs. If, after the sale and

issuance of the Bonds, it shall become necessary to raise additional funds to pay for an increase in the Project costs and this Lease cannot be amended to provide for the issuance of additional Bonds, or if for any other reason additional Bonds cannot be issued, the County shall pay to the Authority in cash an amount which will be sufficient to enable the Authority to complete the Project in accordance with the plans for the Project.

4. **Funds Remaining After Completion.** Any unexpended balance of the proceeds of the sale of the Bonds remaining after completion of the Project may be used to improve or enlarge the Project or for other projects of the Authority provided that such use of the funds is approved by Finance Division of the Department of Treasury, if necessary, and the County. Any unexpended balance not so used shall be paid into the bond and interest redemption fund, and the County shall receive a credit against the cash rental payments next due under this Lease to the extent of the moneys so deposited in the manner provided in the Bond Resolution.

5. **Insurance Requirements During Construction.** The Authority shall require the contractor or contractors for the Project to furnish all necessary bonds guaranteeing performance and all labor and material bonds and all owner's protective, workers' compensation and liability insurance required for the protection of the Authority and the County. Such bonds and insurance, and the amounts thereof, shall be subject to approval of the County on the advice of its counsel. The Authority also shall require a sufficient fidelity bond from any person handling funds of the Authority.

6. **Lease Term; Possession; Reconveyance.** (a) The Authority does hereby lease the Project to the County for a term commencing on the effective date of this Lease and ending on the last maturity date of the Bonds, or such earlier date as provided below. Possession of the Project shall vest in the County upon the execution of the Lease. When all of the Bonds issued by the Authority to finance the Project have been retired, the Authority shall convey to the County all of its right, title and interest in the Project and any lands, easements or rights-of-way appertaining thereto. Upon such conveyance by the Authority to the County, this Lease and the leasehold term shall terminate, and the Authority shall have no further interest in, or obligations with respect to, the Project.

(b) The County shall, upon the terms and conditions set forth in this Lease, acquire and convey to the Authority all lands, buildings, tenements, hereditaments, easements and rights-of-way necessary to enable the Authority to complete the Project in accordance with the plans.

7. **Cash Rental; Pledge of Full Faith and Credit.** The County hereby agrees to pay to the Authority as cash rental for the Project such periodic amounts as shall be sufficient to enable the Authority to pay the principal of and interest on the Bonds as such principal and interest shall become due, whether at maturity or by optional or mandatory redemption. On or before each principal or interest payment date, or redemption date, the County shall pay to the Authority an amount sufficient to pay the principal or interest due on the Bonds on such principal or interest payment date or redemption date at a time sufficient to allow for such payment.

The County hereby pledges its full faith and credit for the payment of the cash rental when due and agrees that it will levy each year such ad valorem taxes as shall be necessary for

the payment of such cash rental, which taxes, however, will be subject to applicable constitutional 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 Lease. 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 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. The obligation of the County to make such cash rental payments shall not be subject to any set-off by the County nor shall there be any abatement of the cash rental payments for any cause, including, but not limited to, casualty that results in the Project being untenable.

8. **Expenses of Issuing and Payment of Bonds.** The Authority shall pay from the proceeds of the sale of the Bonds all expenses incurred with respect to the issuance of the Bonds. In addition to the cash rental provided for in Section 7, the County agrees to pay to the Authority, upon demand, all expenses incurred with respect to the issuance and payment of the Bonds, to the extent not so paid from the proceeds from the sale of the Bonds. The obligation of the County to make such payments shall be a general obligation of the County.

9. **Construction Expenses of the County.** Upon the sale of the Bonds, the County shall give the Authority a full and complete accounting of the construction costs and expenses incurred to that date by the County in connection with the Project, and the Authority shall thereupon reimburse the County for such costs and expenses.

10. **Maintenance and Repairs.** The County shall, at its own expense, operate and maintain the Project and shall keep the same in good condition and repair. Operation and maintenance shall include (but not be limited to) the providing of all personnel, equipment and facilities, all light, power, heat, water, sewerage, drainage and other utilities, and all properties and services of whatever nature, as shall be necessary or expedient in the efficient and lawful operation and maintenance of the Project. Premiums for insurance required to be carried upon or with respect to the Project or the use thereof and taxes levied upon either party hereto on account of the ownership or use of the Project, or on account of rentals or income from the Project, shall likewise be deemed operation and maintenance expenses. The obligation of the County to pay all costs and expenses of the operation and maintenance of the Project shall be a general obligation of the County.

11. **Property Insurance and Insurance Proceeds.** The County shall provide, at its own expense, fire and extended coverage insurance in an amount which is at least equal to the amount of Bonds outstanding from time to time or to the amount of the full replacement cost of the Project if that amount be less than the amount of the Bonds outstanding. Such insurance shall be payable to the County and the Authority as their interests may appear and shall be made effective from the date of commencing construction of the Project. In the event of the partial or total destruction of the Project during or after construction, or if the Project is for any reason made unusable, the cash rental payments provided in Section 7 shall continue unabated. The County shall have the option to use the proceeds of insurance, in the event of loss or damage to the Project, for the repair or restoration of the Project. If the County shall determine not to use the proceeds of insurance for the repair or restoration of the Project, the amount of such insurance proceeds shall be paid to the Authority and deposited by the Authority in the bond and

interest redemption fund, and the County shall receive appropriate credits on future cash rental payments due under this Lease.

12. **Liability Insurance.** The County shall provide adequate liability insurance protecting the County and the Authority against loss on account of damage or injury to persons or property, imposed by reason of the ownership, possession, use, operation, maintenance or repair of the Project and the site(s) of the Project, or resulting from any acts or omission or commission on the part of the County or the Authority or their respective officers, employees or agents in connection with the Project. Such insurance shall be made effective from the date construction of the Project commences.

13. **No Unlawful Use Permitted.** The Project shall not be used or permitted to be used in any unlawful manner or in any manner which would violate the provisions of any contract or agreement between the County or the Authority and any third party. The County shall hold the Authority harmless and keep it fully indemnified at all times against any loss, injury or liability to any persons or property by reason of the use, misuse or non-use of the Project or from any act or omission in, on or about the Project. The County shall, at its own expense, make any changes or alterations in, on or about the Project which may be required by any applicable statute, charter, ordinance or governmental regulation or order and shall save the Authority harmless and free from all costs or damages with respect thereto.

14. **Alterations of Project.** The County, in its sole discretion, may install or construct in or upon, or may remove from, the Project any equipment, fixtures or structures, and may make any alterations to or structural changes in, the Project, as the County may desire.

15. **Right of Inspection.** The Authority, through its officers, employees or agents, may enter upon the Project at any reasonable time during the term of this Lease for the purpose of inspecting the Project and determining whether the County is complying with the covenants, agreements, terms and conditions of this Lease.

16. **Contractual Rights of Bondholders.** Inasmuch as this Lease, and particularly the obligation of the County to make cash rental payments to the Authority, provides the security for payment of the principal of and interest on the Bonds to be issued by the Authority to finance the Project, it is hereby declared that this Lease is made for the benefit of the holders of the Bonds as well as for the benefit of the parties and that such holders shall have contractual rights under this Lease. In the event of any default under this Lease on the part of the County, the Authority and the holders of the Bonds shall have all the rights and remedies provided by law, including in particular any provided by Act 31. The parties further covenant and agree that they will not do, or permit to be done, any act, and that this Lease will not be amended in any manner, which would impair the security of the Bonds or the rights of the holders of the Bonds. An amendment of this Lease to authorize the issuance of additional Bonds and providing for the payment of additional cash rentals for the payment of such Bonds shall not be deemed to impair the security of the Bonds or the rights of the holders.

17. **Appurtenant Facilities.** The site(s) on which this Project is to be located includes, or will include, roadways, walks, drives, parking areas and landscaping which are of benefit to and necessary to the full use and enjoyment of the Project, and it is hereby covenanted

and agreed that so long as any of the Bonds remain outstanding and unpaid, such appurtenant facilities will be maintained in good repair and condition by the County or by its lessees and available to the users and occupants of the Project.

18. **Successors and Assigns.** This Lease shall inure to the benefit of, and be binding upon, the respective parties hereto and their successors and assigns, provided, however, that no assignment shall be made in violation of the terms of this Lease nor shall any assignment be made which would impair the security of the Bonds or the rights of the holders of the Bonds.

19. **Abandonment of Project.** In the event the Bonds to finance the Project cannot be or are not issued by the Authority before June 30, 2003, the Project shall be abandoned, the County shall pay from available funds all expenses of the Authority incurred to the date of abandonment and neither party shall have any further obligations under this Lease.

20. **Consents, Notices, Etc.** The right to give any consent, agreement or notice required or permitted in this Lease shall be vested, in the case of the County, in its Board of Commissioners, and in the case of the Authority, in its Commission. Any notice required or permitted to be given under this Lease shall be given by delivering the same, in the case of the County, to the County Clerk, and in the case of the Authority, to the Secretary of the Commission.

21. **Changes in Law or Corporate Status.** In the event there shall occur changes in the constitution or statutes of the State of Michigan which shall affect the organization, territory, powers or corporate status of the County, the terms and provisions of this Lease shall be unaffected thereby insofar as the obligation of the County to make the cash rental payments is concerned. The proceeds of any sale or other liquidation of any interest of the County or the Authority in the Project are hereby impressed with a first and prior lien for payment of any outstanding Bonds or other obligations of the Authority incurred by reason of the Project or any additions or improvements thereto.

22. **Effective Date of Lease.** Since more than 60 days have passed since the publication of a Notice of Intention in the *Lansing State Journal* as provided in Act 31, and since no petition for a referendum has been filed as provided in Section 8b of Act 31, this Lease is effective as of its date.

IN WITNESS WHEREOF, the INGHAM COUNTY BUILDING AUTHORITY, by its Commission, and the COUNTY OF INGHAM, by its Board of Commissioners, have caused this Lease Contract to be signed by their duly authorized offices, all as of the day and year first above written.

WITNESSES TO SIGNATURES OF
INGHAM COUNTY BUILDING
AUTHORITY OFFICERS:

WITNESSES TO SIGNATURES OF
COUNTY OF INGHAM OFFICERS:

INGHAM COUNTY BUILDING AUTHORITY

By: _____
Peter A. Cohl
Chairperson

By: _____
Gerald W. Ambrose
Secretary

COUNTY OF INGHAM

By: _____
John Czarnecki
Chairperson, Board of Commissioners

By: _____
Mike Bryanton
County Clerk

STATE OF MICHIGAN)
) SS.
COUNTY OF INGHAM)

On this ____ day of _____, 2003, before me appeared Peter A. Cohl and Gerald W. Ambrose, to me personally known, who being by me duly sworn, did each say that they are respectively the Chairperson and the Secretary of the Commission of the INGHAM COUNTY BUILDING AUTHORITY and that the foregoing Lease Contract was signed and sealed by them on behalf of the Authority by authority of its Commission, and that such persons acknowledged such instruments to be the free act and deed of the Authority.

_____, Notary Public
Ingham County, Michigan
My commission expires: _____

STATE OF MICHIGAN)
) SS.
COUNTY OF INGHAM)

On this ____ day of _____, 2003, before me appeared John Czamecki and Mike Bryanton, to me personally known, who being by me duly sworn, did each say that they are respectively the Chairperson of the Board of Commissioners and County Clerk of the COUNTY OF INGHAM and that the foregoing Lease Contract was signed and sealed by them on behalf of the County by authority of its Board of Commissioners, and that such persons acknowledged such instruments to be the free act and deed of the County.

_____, Notary Public
Ingham County, Michigan
My commission expires: _____

EXHIBIT A

Description of Project

The Project consists of the renovation, improvement, furnishing and equipping of the Ingham County Correctional Facility (the "Facility"), located at 630 N. Cedar, Mason, Michigan, and including other expenses incident thereto. The Project includes (a) renovation of the Facility's (i) old receiving area and kitchen area for use as a work release area; (ii) training facilities; (iii) emergency operations center; (iv) line-up area; (v) maintenance storage area; (b) the addition of new parking areas and locker facilities and (c) restoration of exterior masonry. The Project is described in detail in the preliminary plans, specifications and drawings on file with the Authority and the Architect for the Project, Wigen, Tincknell, Meyer & Associates.

Estimated Cost of Project: Not to exceed \$2,325,000

Cash Contribution from the County: Not to exceed \$250,000

Amount of the Bonds: Not to exceed \$2,325,000

Estimated Useful Life: Not less than 25 years