



Special Meeting of Board of Directors

**Monday, November 19, 2001
12:00 Noon
Van Andel Arena
130 West Fulton
Grand Rapids, Michigan 49503**

A G E N D A

Convention

Arena

Authority

Steve Heacock,

Chairman

Lew Chamberlin

Clif Charles

David Frey

Birgit Klohs

Mayor John Logie

Joe Tomaselli

I. Call to Order

II. Public Comment

III. DeVos Place Bond Financing

Action

A. Approval of Resolution to Convey Convention Center to
City-County Building Authority and to Authorize
Execution of a Sublease Agreement with Kent County

IV. Other Business

V. Next Meeting Date

- CAA Board Meeting Wednesday, December 5, 2001, 7:30 a.m., Kent
County Administration Building

VI. Adjournment



Van Andel Arena
130 Fulton West
Grand Rapids, MI 49503
616.742.6600
Fax 616.742.6197



Grand Center
245 Monroe Ave. NW
Grand Rapids, MI 49503
616.742.6600
Fax 616.742.6590



**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

**RESOLUTION APPROVING CONVEYANCE OF THE CONVENTION
CENTER TO THE CITY-COUNTY BUILDING AUTHORITY AND
APPROVING AND AUTHORIZING THE EXECUTION OF A SUBLEASE
AGREEMENT RELATED TO THE CONVENTION CENTER WITH THE
COUNTY OF KENT IN CONNECTION WITH FINANCING OF A
PORTION OF THE COSTS OF IMPROVEMENT, EXPANSION AND
RENOVATION OF SUCH CONVENTION CENTER**

Boardmember _____, supported by Boardmember _____,
moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") owns and operates a convention/performing arts/entertainment facility known as the Grand Center and to be known as DeVos Place (the "Facility"); and

WHEREAS, the CAA has determined to undertake the extensive improvement, expansion and renovation of the Facility, including the demolition of existing structures; the construction of infrastructure improvements including the relocation of utilities in Monroe Avenue, N.W., Michigan Street, N.W., Lyon Street, N.W., and Pearl Street, N.W.; the renovation and improvement of approximately 150,000 square feet of existing space; the addition of approximately 850,000 square feet of new space; the construction of an approximately 700 space below grade parking facility; the improvement of Riverfront Promenade and Lyon Square; the acquisition and installation of furniture, fixtures and equipment; and related and appurtenant improvements generally located and to be located south of Michigan Street, N.W., west of Monroe Avenue, N.W., north of Lyon Street, N.W., and east of the Grand River within the City (the "Project"); and

WHEREAS, the CAA has requested both the County of Kent (the "County") and the City-County Building Authority (the "Building Authority") to assist in the financing of a portion of the cost of the Project through the issuance of building authority bonds in the aggregate principal amount of not to exceed Ninety-Five Million Dollars (\$95,000,000) (the "Bonds") pursuant to Act 31 of the Public Acts of Michigan of 1948 (First Extra Session), as amended, MCL 123.951 et seq. ("Act 31"); and

WHEREAS, in connection with the issuance of the Bonds, it is necessary that the Facility including the Project be titled in the Building Authority while the Bonds are outstanding or have not been legally defeased; and

WHEREAS, in connection with the issuance of the Bonds, the County will enter into a Contract of Lease with the Building Authority agreeing to make rental payments equal to the principal of and interest on the Bonds when due; said rental payments to be made from revenues the County receives from an excise tax from all persons engaged in the business of providing rooms for dwelling, lodging or sleeping purposes pursuant to Act 263 of the Public Acts of

Michigan of 1974, as amended, MCL 141.861, et seq., and further secured by the County's full faith and credit, as limited by statutory and constitutional tax limitations; and

WHEREAS, while the Bonds are outstanding, the County will sublease the Facility including the Project to the CAA who, pursuant to such sublease, will undertake the construction, renovation, remodeling, furnishing and equipping of the Project and be responsible for the operation, maintenance and administration of the Facility including the Project and keeping the same in good condition and repair; and

WHEREAS, the CAA desires to authorize conveyance of title to the Facility including the Project to the Building Authority and the sublease thereof from the County while the Bonds are outstanding or have not been legally defeased.

RESOLVED:

1. That the conveyance of title to the Facility including the Project to the Building Authority is approved and any officer of the Authority is hereby authorized and directed to execute such documents as are necessary to effect such conveyance.

2. That the Sublease Agreement substantially in the form attached hereto as Exhibit A is hereby approved and any two officers of the Authority are hereby authorized and directed to execute such Sublease Agreement for and on behalf of the CAA in substantially the form approved with such changes as may be necessary or desirable, not materially adverse to the CAA and as approved by its legal counsel, for and on behalf of the CAA.

3. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

Dated: November 19, 2001

Susan Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a special meeting held on November 19, 2001, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: November 19, 2001

Susan Waddell
Administrative Manager/Recording Secretary

EXHIBIT A

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the "Sublease") made as of the 1st day of December, 2001, by and between the **COUNTY OF KENT**, Michigan (hereinafter referred to as the "County"), a Michigan county organized and existing under the Constitution and laws of the State of Michigan, and the **GRAND RAPIDS – KENT COUNTY CONVENTION/ARENA AUTHORITY** (hereinafter referred to as the "CAA"), a Michigan statutory authority established pursuant to Act 203 of the Public Acts of Michigan of 1999, MCL 141.1401, et seq. ("Act 203").

WITNESSETH:

WHEREAS, the County and the City of Grand Rapids (the "City") have established the CAA pursuant to Act 203 for the purpose in part of the CAA owning and operating a convention/performing arts/entertainment facility known as the Grand Center and to be known as DeVos Place (the "Facility"); and

WHEREAS, the CAA has determined to undertake the extensive improvement, expansion and renovation of the Facility, including the demolition of existing structures; the construction of infrastructure improvements, including the relocation of utilities in Monroe Avenue, N.W., Michigan Street, N.W., Lyon Street, N.W., and Pearl Street, N.W.; the renovation and improvement of approximately 150,000 square feet of existing space; the addition of approximately 850,000 square feet of new space; the construction of an approximately 700 space below grade parking facility; the improvement of Riverfront Promenade and Lyon Square; the acquisition and installation of furniture, fixtures and equipment; and related and appurtenant improvements generally located and to be located south of Michigan Street, N.W., west of Monroe Avenue, N.W., north of Lyon Street, N.W., and east of the Grand River within the City (the "Project"), for use for public purposes; and

WHEREAS, the County and the City have incorporated the City-County Building Authority (the "Building Authority") pursuant to Act 31 of the Public Acts of Michigan of 1948 (First Extra Session), as amended, MCL 123.951, et seq. ("Act 31"), for the purposes set forth in Act 31; and

WHEREAS, the CAA has requested the Building Authority assist in the financing of a portion of the cost of the Project through issuance of building authority bonds in the aggregate principal amount of \$ _____ (the "Bonds") pursuant to Act 31; and

WHEREAS, while the Bonds are outstanding Act 31 requires the legal title to the Project be in the name of the Building Authority; and

WHEREAS, the CAA has agreed to cause the Project to be constructed, renovated, remodeled, furnished and equipped using proceeds from the Bonds and other funds to be provided by the CAA; and

WHEREAS, the County has simultaneously entered into a Contract of Lease dated as of December 1, 2001 (the "Lease Contract"), with the Building Authority pursuant to which the County has agreed to lease the Project from the Building Authority until all of the Bonds have been retired or defeased and make rental payments to the Building Authority equal to the principal of and interest on the Bonds when due; and

WHEREAS, during the time the Bonds are outstanding, the County will sublease the Project to the CAA pursuant to the terms of this Sublease and the CAA will pursuant to this Sublease be responsible for the operation, maintenance and administration of the Project.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL UNDERTAKINGS AND AGREEMENTS HEREINAFTER SET FORTH, IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. The County agrees to be responsible for the payment of principal of and interest on the Bonds when due through the payment to the Building Authority of rental payments as required by the Lease Contract.
2. The CAA shall construct, renovate, remodel, furnish and equip the Project as designed by Progressive AE, Grand Rapids, Michigan. Project costs as identified in the Lease Contract shall be paid from proceeds of the Bonds (including available investment income) and other funds to be provided by or through the CAA. If there are not sufficient funds to complete the Project as designed, the CAA shall make the determination as to whether, and to what extent, the Project should be modified.
3. The CAA shall require the contractor or contractors for the renovation, remodeling and construction of any part of the Project to furnish all necessary bonds guaranteeing performance and all labor and materials bonds and all owners protective, workers compensation and liability insurance required for the protection of the County, the Building Authority, the City and the CAA. All such insurance shall be effective from commencement of the Project.
4. The County hereby leases the Facility including the Project to the CAA for a term commencing on the effective date of the Lease Contract and ending on final maturity or legal defeasance of the Bonds, or such earlier date of termination of the Lease Contract as provided therein. Upon completion of the construction, renovation, remodeling, furnishing and equipping of the Project, possession of the Facility including the Project shall vest in the CAA. When all of the Bonds issued by the Building Authority to finance the Project have been retired or legally defeased, the Building Authority is required pursuant to the Lease Contract to convey, and the County shall pursuant to this sublease simultaneously convey to the CAA all of the right, title and interest in the Facility including the Project and any lands, air space, easements or rights-of-way appertaining thereto. Upon such conveyance, this Sublease and the leasehold term shall terminate and neither the Building Authority nor the County shall have any further interest in, or obligation with respect to the Facility including the Project.

5. The CAA hereby agrees to pay all expenses of the Building Authority related to the Bonds including expenses incidental to the issuance and payment of the Bonds to the extent such expenses are not paid from the proceeds of the Bonds.

6. The CAA shall be responsible at its sole expense for all costs and expenses of operation, maintenance and administration of the Facility including the Project and keep the same in good condition and repair. The CAA will maintain and keep or cause to be maintained and kept proper books of record and account relating to the operation of the Project. Not later than 6 months after the close of each of its fiscal years, the CAA will prepare or cause to be prepared and will provide to the Building Authority a statement in reasonable details showing the cash receipts and disbursements during such operating year, the assets and liabilities of the Project at the beginning and the close of the fiscal year, and such other information as may be necessary to enable any taxpayer or any holder of the Bonds, or anyone acting in their behalf, to be fully informed as to all matters pertaining to the financial operation of the Project during such year. Operation and maintenance shall include, but not be limited to, the providing of all personnel, security equipment and facilities, all air conditioning, light, power, heat, telephone, water, sewage disposal, storm drainage, housekeeping, snow removal, landscaping maintenance and all other personnel, services, equipment, supplies and repair and maintenance items as shall be necessary or expedient for the operation and maintenance of the Facility including the Project or for its efficient and proper operation and to keep the same in good repair and working order, including such attendants and janitorial services as may be necessary. Premiums for insurance required to be carried upon or with respect to the Facility including the Project or the use thereof shall be deemed operation and maintenance expenses.

7. In return for being responsible for operation, maintenance and administration of the Facility including the Project, the CAA shall be entitled to any and all revenues derived from the operation of the Facility.

8. The CAA shall provide fire and extended coverage, malicious mischief and vandalism insurance in an amount which is at least equal to the amount of the 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 Bonds outstanding. Such insurance shall be payable to the County and the Building Authority as their interests may appear and shall be made effective from the date of commencing the renovation, remodeling, construction, furnishing and equipping of the Project. In the event of the partial or total destruction of the project during or after renovation, remodeling, construction, furnishing and equipping of the Project, the County and CAA shall jointly decide whether to use the proceeds of insurance for the repair or restoration of the Project. If the County and the CAA collectively 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 Building Authority and the County shall receive appropriate credits for future cash rental payments due.

9. The CAA shall provide adequate insurance or self insurance, at the CAA's sole discretion, protecting the County, the Building Authority and the members of the Board of Commissioners of the County and the Commission of the Building Authority against loss on account of damage or injury to persons or property imposed by reason of the ownership,

possession, use, operation or repair of the Project or resulting from any acts of omission or commission on the part of the CAA, the County, the Building Authority, the members of the Board of Commissioners of the County and the Commission of the Building Authority or their respective agents, officers or employees in connection therewith. Such insurance shall be made effective from the date of commencing the renovation, remodeling, construction, furnishing and equipping of the Project.

10. The CAA agrees at its expense, to defend, indemnify and hold harmless the County and its Board of Commissioners, the Building Authority and its Commission and their respective officers, employees and agents from and against any and all claims, costs, damages, demands, expenses, liabilities and losses of any character or nature whatsoever arising out of or resulting from injury, death or damage to persons or property with respect to the ownership, operation, use, misuse or non-use of the Facility including the Project or by reason of any act or thing done or not done, in or about the Facility including the Project or in relation thereto, provided, that if such injury or damage is caused in whole or in part by the acts or omissions of any of the indemnified parties, then the CAA's indemnification obligation shall be reduced in proportion to the indemnified party's percentage of responsibility for such injury or damage. The indemnification obligation provided above shall include the payment of all reasonable attorneys' fees and other expenses of defense. The CAA shall have the option to settle any such claim, demand or liability for which it has completely indemnified the indemnified parties on such terms as it shall determine. In providing the indemnification set forth above, the CAA is not waiving any defense otherwise available to it by law. The CAA shall not be responsible for the indemnification obligation set forth above with respect to any indemnified party to the extent the indemnified party has waived a defense that was otherwise available to it by law.

11. The CAA shall make any changes of alterations in, on or about the Project which may be required subsequent to completion of the Project, by any applicable statute, ordinance or governmental regulation or order, and the CAA shall save the County and its Board of Commissioners, the Building Authority and its Commission and their respective officers, employees and agents harmless and free from all cost or damage in respect thereto.

12. The CAA may install or construct in or upon, or may remove from the Project, any equipment, fixtures or structures and may make any alterations or structural changes as it may desire, but the CAA shall not make or permit to be made any permanent alterations to the Project that will affect adversely the security for the Bonds or the payment of principal of or interest on such Bonds.

13. The CAA covenants and agrees that it will not do or permit to be done any act, and that this Sublease will not be amended in any manner, which would impair the security of the Bonds or the rights of the holders thereof. The CAA further agrees to comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest on the Bonds be, or continue to be, excluded from gross income for federal income tax purposes.

14. The term of this Sublease shall continue until the Bonds are paid in full or legally defeased, the Lease Contract has been terminated and full title to the Facility including the Project has been conveyed to the CAA.

15. This Sublease 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 hereof nor shall any assignment be made which would impair the security of the Bonds or the rights of the holders thereof.

16. In the event the Bonds to finance the Project cannot be or are not issued by the Building Authority prior to December 31, 2002, and the Project shall have been abandoned, the CAA shall pay all expenses of the Building Authority incurred to the date of abandonment, and neither party shall have any further obligations under this Sublease. The provisions of this paragraph 16 may be extended or waived by the parties by resolution of their respective governing bodies either before or after such date.

17. Except as otherwise provided herein, the right to give any consent, agreement or notice herein required or permitted shall be vested in the case of the County, in its Board of Commissioners, and in the case of the CAA, in its Board of Directors. Any notice required or permitted to be given hereunder shall be given by delivering the same, in the case of the County, to the County Administrator or County Clerk, and in the case of the CAA, to the Chairperson or Secretary.

18. This Sublease shall be construed in all respects in accordance with the laws of the State of Michigan.

19. In the event any provision of this Sublease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any provision hereof.

20. This Sublease constitutes the entire agreement between the parties and there are no representations, warranties, promises, guarantees or agreements, oral or written, expressed or implied between the parties hereto with respect to this Sublease.

21. The waiver by either party hereto or a breach or violation of any provision of this Sublease shall not be a waiver of any subsequent breach in the same or any other provision of this Sublease.

22. This Sublease shall be enforceable only by the parties hereto and their successors in interest by virtue of an assignment which is not prohibited under the terms of this Sublease and no other person shall have the right to enforce any provision contained herein.

IN WITNESS WHEREOF, the **COUNTY OF KENT**, by its Board of Commissioners, and the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, by its Board of Directors, each have caused this Sublease to be signed in its name, for and on its behalf, by its duly authorized officers, as of the day and year first above written.

COUNTY OF KENT

By: _____
Steven R. Heacock, Chairperson
Board of Commissioners

By: _____
Mary Hollinrake, County Clerk

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

By: _____
Steven R. Heacock, Chairperson

By: _____
Birgit M. Klohs, Secretary

NEW ISSUE

Preliminary Official Statement dated November __, 2001

Ratings[†]:

Moody's:

Standard & Poor's:

Bond Counsel is of the opinion that, under existing law, (i) the interest on the Bonds is excluded from gross income for federal income tax purposes to the extent and subject to conditions described herein, (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iii) the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" herein.

\$86,000,000*

**City of Grand Rapids and County of Kent Joint Building Authority
County of Kent, State of Michigan
Building Authority Bonds, Series 2001
(DeVos Place Project)**

Limited Tax General Obligation

Dated: Date of Delivery

Due: December 1, as shown on inside front cover

The Building Authority Bonds, Series 2001 (DeVos Place Project) (the "Bonds") are being issued by the City-County Building Authority, formed by the City of Grand Rapids and County of Kent, State of Michigan, under the provisions of Act 31 of the Public Acts of Michigan of 1948 (First Extra Session), as amended (the "Act") and Act 202 of the Public Acts of Michigan of 1943, as amended, for the purpose of improving, expanding and renovating the facility in the County of Kent, Michigan known as the Grand Center. Upon completion of the improvements, the facility will be known as DeVos Place.

The Bonds are payable solely from the proceeds of rental payments (the "Rental Payments") in amounts sufficient and at the times necessary to pay principal of and interest on the Bonds, payable to the Authority pursuant to the terms of a limited tax general obligation contract of lease (the "Lease Contract") between the Authority and the County of Kent, State of Michigan (the "County"), which Rental Payments have been irrevocably pledged to the payment of principal of and interest on the Bonds. The City of Grand Rapids, State of Michigan (the "City") is not a party to the Lease Contract and is not liable for the Rental Payments or the Bonds. See "The Bonds – Purpose and Security," herein.

The Bonds will be offered as Current Interest Bonds and Capital Appreciation Bonds. Purchasers will acquire beneficial ownership interests in the Current Interest Bonds in denominations of \$5,000 each or integral multiples thereof (an "Authorized Denomination"), and shall acquire beneficial ownership interests in the Capital Appreciation Bonds in the original principal amount such that the Maturity Amount will equal \$5,000 or integral multiples thereof (an "Authorized Denomination"). The Current Interest Bonds are subject to optional redemption prior to maturity as described in this Official Statement.

The Bonds will be issued as fully registered bonds without coupons in Authorized Denominations and when issued will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). So long as Cede & Co. is the registered owner of the Bonds, principal and interest on the bonds are payable by Fifth Third Bank, Michigan, Grand Rapids, Michigan, as Paying Agent, to Cede & Co., as nominee for DTC. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, such payments will be made directly to DTC or such nominee. Disbursements of such payments to the beneficial owners is the responsibility of DTC Participants.

\$ _____* Current Interest Serial Bonds due _____* through _____*
\$ _____* Capital Appreciation Bonds due _____* through _____*
(Price, interest rates and maturities set forth on the inside front cover of this Official Statement)

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed decision.

The Bonds will be offered when, as and if issued by the Authority and accepted by the Underwriters, subject to the approving opinion of Dickinson Wright, PLLC, Grand Rapids and Detroit, Michigan, Bond Counsel, a copy of which opinion will be provided with the Bonds. Certain matters will be passed upon for the Underwriters by their counsel, Miller, Canfield, Paddock and Stone, P.L.C., Detroit and Grand Rapids, Michigan. The Authority expects to have the Bonds delivered through The Depository Trust Company in New York, New York on or about December 13, 2001.

UBS PaineWebber Inc.

Banc One Capital Markets, Inc.

Tucker Anthony Incorporated

Standard Capital Markets,
a Division of ABN AMRO Financial Services, Inc.
Robert W. Baird & Co.

Dated: November __, 2001

† As of date of delivery. See "CREDIT RATINGS," herein.

* Preliminary, subject to change.

MATURITY SCHEDULE

\$ _____ * Current Interest Bonds
Due December 1

<u>Maturity</u> *	<u>Amount</u> *	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
2002	\$		
2003			
2004			
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			

\$ _____ * Capital Appreciation Bonds
Due December 1

<u>Original Principal Amount</u>				<u>Original Principal Amount</u>			
<u>Maturity</u> *	<u>Total</u> *	Per \$5,000 <u>Maturity</u> <u>Amount</u>	<u>Approximate</u> <u>Yield</u>	<u>Maturity</u> *	<u>Total</u> *	Per \$5,000 <u>Maturity</u> <u>Amount</u>	<u>Approximate</u> <u>Yield</u>
2013				2023			
2014				2024			
2015				2025			
2017				2026			
2018				2027			
2019				2028			
2020				2029			
2021				2030			
2022				2031			
2023							

* Preliminary, subject to change.

REGARDING USE OF THIS OFFICIAL STATEMENT

The Bonds have not been registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, or registered with any state and will not be listed on any stock or other securities exchange. Neither the SEC nor any other federal, state or any other governmental entity will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale, except as disclosed herein.

No dealer, broker, salesperson, or other person has been authorized by the County, Authority or UBS PaineWebber Inc., Banc One Capital Markets, Inc., Tucker Anthony Incorporated, Standard Capital Markets, a Division of ABN AMRO Financial Services, Inc., and Robert W. Baird & Co. (the "Underwriters") to give information or to make any representations with respect to the Bonds, other than those contained in this Official Statement as published, and, if given or made, such other information or representations must not be relied upon as having been authorized by the County, Authority or Underwriters or any other entity. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the Bonds by any persons in any jurisdiction in which it is unlawful to make such offer, solicitation or sale prior to registration or qualification under the securities laws of any such jurisdiction. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

The information set forth in this Official Statement has been obtained from the County, Authority and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriters. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the County or Authority or that the information contained herein is correct at any time subsequent to the date hereof.

The registration, qualification or exemption of the Bonds in accordance with the applicable securities law provisions of the jurisdictions in which the Bonds have been registered, qualified or exempted should not be regarded as a recommendation thereof. Neither these jurisdictions nor any of their agencies have guaranteed or passed upon the safety of the Bonds as an investment, upon the profitability of any earnings thereon or upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFER, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY'S AND/OR THE AUTHORITY'S FINANCIAL RECORDS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE CITY IS NOT A PARTY TO THE LEASE CONTRACT, IS NOT OBLIGATED TO MAKE RENTAL PAYMENTS THEREUNDER, AND IS NOT OBLIGATED TO PAY PRINCIPAL OR INTEREST ON THE BONDS. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CITY-COUNTY BUILDING AUTHORITY

Chairperson
Kurt F. Kimball

Secretary
Daryl J. Delabbio

Treasurer
Carl Eschels

COUNTY OF KENT OFFICIALS
BOARD OF COMMISSIONERS

Chairperson
Steven R. Heacock

Vice-Chairperson
David J. Morren

COMMISSIONERS

Jack D. Boelema
Elaine Buege
Marvin J. Hiddema
Jack A. Horton

Dan Koormdyk
Katherine O. Kuhn
Kenneth J. Kuipers
Paul F. McGuire

Harold J. Mast
W. Paul Mayhue
Roger C. Morgan
Thomas Postmus

Michael G. Sak
Richard E. Smoke
James Vaughn
Theodore J. Vonk
Fritz W. Wahlfield

COUNTY ADMINISTRATION

Drain Commissioner
Roger G. Laninga

Clerk and Register of Deeds
Mary B. Hollinrake

County Treasurer
Kenneth D. Parrish

Sheriff
Lawrence A. Stelma

Prosecuting Attorney
William A. Forsyth

Administrator/Controller
Daryl J. Delabbio

CITY OF GRAND RAPIDS OFFICIALS

CITY COMMISSION

Mayor
John H. Logie

M. Scott Bowen
Lynn Rabaut

Robert Dean
Roy L. Schmidt

James J. Jendrasiak
Rick Tormala

PROFESSIONAL SERVICES

Auditor:

Authority:

PricewaterhouseCoopers LLP
Grand Rapids, Michigan

County:

BDO Seidman, LLP
Grand Rapids, Michigan

Bond Counsel:

Dickinson Wright PLLC
Grand Rapids and Detroit, Michigan

Bond Registrar, Paying and Transfer Agent:

Fifth Third Bank, Michigan
Grand Rapids, Michigan

TABLE OF CONTENTS

THE BONDS	1	Personal Property Tax	
Purpose and Security.....	1	Exemptions and Other	
Description of the Bonds	2	Property Tax	
Additional Bonds	3	Proposals.....	17
Prior Redemption.....	3	Single Business Tax	17
Registration and Payment	4	Property Tax Abatement.....	18
BOOK-ENTRY ONLY SYSTEM.....	4	Property Tax Capture and	
General.....	4	Exemption Statutes	18
Discontinuation of		Property Tax Collections	19
Book-Entry Only		Property Tax Collection	
System.....	6	History.....	20
Transfer Outside Book-Entry		POPULATION AND	
Only System.....	6	PERCENTAGE CHANGES.....	21
DEBT SERVICE REQUIREMENTS.....	7	COUNTY DEBT	21
THE PROJECT	8	Constitutional Debt	
Project Description.....	8	Limitation.....	21
Estimated Sources and Uses		Statement of Legal Debt	
of Funds	8	Margin.....	21
Schedule of Hotel-Motel Tax		Debt Statement.....	21
Revenues, Expenses,		Debt History.....	22
Debt Service and		Short-Term Financing.....	22
Annual Surpluses	11	Lease Obligations.....	23
Convention and Tourism		Future Financing	23
Industry After the		Vacation and Sick Leave	
September 11, 2001		Liabilities	23
Tragedy	12	Retirement System	23
CITY-COUNTY BUILDING		REVENUES FROM THE STATE	
AUTHORITY	12	OF MICHIGAN.....	24
COUNTY OF KENT	12	LABOR CONTRACTS	27
Government.....	12	LITIGATION.....	27
COUNTY TAXATION AND		BOND RATINGS.....	28
LIMITATIONS.....	13	TAX MATTERS.....	29
Property Tax Levies.....	13	General.....	29
Property Tax Levy History	14	Tax Treatment of Accruals	
Property Tax Limitations	14	on Original Issue	
Taxable Valuation of		Discount Bonds.....	30
Property.....	15	Tax Treatment of	
SEV and Taxable Valuation.....	16	Amortizable Bond	
SEV and Taxable Valuation		Premium.....	30
History.....	16	Future Developments	31
Current Taxable Valuation		BOND COUNSEL'S	
Components	16	RESPONSIBILITY.....	32
		UNDERWRITING	32

APPENDIX A - ECONOMIC AND DEMOGRAPHIC INFORMATION.....	A-1
APPENDIX B - FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000.....	B-1
APPENDIX C - FORM OF LEGAL OPINION	C-1
APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE CITY- COUNTY BUILDING AUTHORITY	D-1
APPENDIX E – TABLE OF APPRECIATED AMOUNTS CAPITAL APPRECIATION BONDS.....	E-1

OFFICIAL STATEMENT
\$86,000,000*
City of Grand Rapids and County of Kent Joint Building Authority
County of Kent, State of Michigan
Building Authority Bonds, Series 2001
(DeVos Place Project)

Limited Tax General Obligation

Purpose of this Official Statement

This Official Statement, including the cover page and inside cover page hereof, of the City-County Building Authority (the "Authority") is provided for the purpose of setting forth information to all who may become registered owners of the Authority's \$86,000,000* Building Authority Bonds, Series 2001 (DeVos Place Project) (the "Bonds").

THE BONDS

Purpose and Security

The Bonds are being issued by the Authority under the provisions of Act 31 of the Public Acts of Michigan of 1948 (First Extra Session), as amended (the "Act"), and Act 202 of the Public Acts of Michigan of 1943, as amended, for the purpose of defraying part of the cost of improving, expanding and renovating a convention/performing arts/entertainment facility known as the Grand Center and upon completion to be known as DeVos Place (the "Facility"), including the renovation and improvement of approximately 150,000 square feet of existing space; the addition of approximately 850,000 square feet of new space; the demolition of existing structures; the construction of infrastructure improvements, and related improvements including the relocation of utilities; the construction of an approximately 700 space below grade parking facility; and the improvement of Riverfront Promenade and Lyon Square (the "Project") and to pay the costs of issuance of the Bonds. The County of Kent (the "County") has leased the Facility from the Authority pursuant to a limited tax general obligation Contract of Lease dated as of December 1, 2001 (the "Lease Contract"). The Bonds are payable solely from the proceeds of semi-annual rental payments (the "Rental Payments"), in amounts sufficient to pay principal of and interest on the Bonds when due, payable to the Authority pursuant to the Lease Contract, which Rental Payments have been irrevocably pledged to the payment of principal of and interest on the Bonds. A statutory first lien on the Rental Payments has been created by a bond resolution adopted by the Authority on November 1, 2001 (the "Bond Resolution"). The Bonds are not a general obligation of the Authority and do not constitute an indebtedness of the Authority within any constitutional or statutory limitation.

The County has promised to pay Rental Payments, to the extent available, from revenues the County receives from an excise tax from all persons engaged in the business of providing rooms for dwelling, lodging or sleeping purposes pursuant to the authority granted the County by Act 263 of the Public Acts of Michigan of 1974, as amended (the "Hotel-Motel Tax"). See "HOTEL-MOTEL TAX" herein. As additional security for payment of the Rental Payments, the County has pledged its full faith and credit, as limited by existing statutory and constitutional tax limitations. The City of Grand Rapids, State of Michigan (the "City") is not a party to the Lease Contract and is not liable for the Rental Payments or the principal of or interest on the Bonds. The County is required to provide annually sufficient moneys from its general funds for payment thereof, including any collections of ad valorem taxes which the County is authorized to levy on all taxable property within its boundaries.

* Preliminary, subject to change.

TAXES IMPOSED BY THE COUNTY TO MAKE SUCH RENTAL PAYMENTS ARE SUBJECT TO CONSTITUTIONAL AND STATUTORY LIMITATIONS ON THE TAXING POWER OF THE COUNTY. The rights and remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

The County has subleased the Facility and contracted for the construction of the Project with the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") pursuant to a Sublease Agreement, dated as of December 1, 2001 (the "Sublease") between the County and the CAA. Under the Sublease, the CAA will be responsible for construction of the Project and operating it when completed. The CAA will not have any obligation under the Sublease or to make Rental Payments or to pay principal of or interest on the Bonds.

Description of the Bonds

General

The Bonds will be dated and will mature as set forth on the inside cover of this Official Statement.

Purchase of the Bonds will be made in book-entry-only form as described under "DTC; Book-Entry-Only System." So long as Cede & Co., as nominee for the Depository Trust Company ("DTC"), is the registered owner of the Bonds, transfer of interests in the Bonds shall be the sole responsibility of the DTC Participants, the Indirect Participants and the Beneficial Owners, as hereinafter defined. Neither the Authority nor the Trustee shall have any responsibility with respect to such transfers.

The Bonds designated on the inside cover of this Official Statement as "Current Interest Bonds" will be dated and bear interest from the date of initial delivery. Interest on the Current Interest Bonds shall be payable on June 1, 2002 and semiannually each December 1 and June 1 thereafter until maturity or redemption. Interest on the Current Interest Bonds shall be computed using a 360-day year and twelve 30 day months, and the Current Interest Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the inside cover of this Official Statement.

The Current Interest Bonds will be issued in fully registered form in the denomination of \$5,000, or integral multiples of that sum not exceeding the aggregate principal amount of the Bonds of the same series maturing at any one time (an "Authorized Denomination"). The principal of the Current Interest Bonds is payable at maturity or prior redemption, upon presentation at the principal office of Fifth Third Bank, Michigan, Grand Rapids, Michigan (the "Transfer Agent"). Interest on the Current Interest Bonds shall be payable when due by check or draft mailed by the Transfer Agent to the person or entity who is, as of the fifteenth (15th) day of the month prior to each interest payment date, the registered holder of record, at the holder's registered address or by wire transfer to any registered owner of \$100,000 or more in aggregate amount of the Current Interest Bonds to the wire transfer address specified in writing by the registered owner to the Paying Agent not later than 11:00 a.m. local time of the city in which the designated corporate trust office of the Paying Agent is located on the fifth day prior to the interest payment date (which notice may provide that it shall remain in effect until revoked).

The Bonds designated on the inside cover of this Official Statement as "Capital Appreciation Bonds" will be dated as of the date of initial delivery and will be issued in fully registered form in the denomination of the respective original principal amounts per \$5,000 Maturity Amount, or any integral multiple of that sum not in excess of the aggregate Maturity Amount maturing at any one time (an "Authorized Denomination"), and will mature as shown on the inside cover of this Official Statement. No interest payments will be made on the Capital Appreciation Bonds, but the principal amount of the Capital Appreciation Bonds will appreciate over time to maturity as described below. The Maturity Amount of the Capital Appreciation Bonds is payable at maturity upon presentation at the principal office of the Transfer Agent.

Appreciated Amount and Maturity Amount

The Capital Appreciation Bonds will appreciate in principal amount based on semiannual compounding of the original principal amount at the approximate yield for each maturity shown on the inside cover of this Official Statement, which will result in each Capital Appreciation Bond appreciating to a Maturity Amount of \$5,000 of principal amount if held to maturity of the Capital Appreciation Bonds of each maturity on each June 1 and December 1 of each year (until scheduled maturity) as set forth in the table attached hereto as Appendix E. The Appreciated Amount with respect to any date other than a June 1 and December 1 is the Appreciated Amount on the next preceding June 1 and December 1, as the case may be, plus an amount equal to the fraction of the difference between the Appreciated Principal Amount on each next preceding June 1 or December 1 and the next succeeding June 1 or December 1 that equals the ratio of the number of days from such next preceding June 1 or December 1 to the date of determination, to 180, computed using a 360-day year with twelve 30 day months. The term "Maturity Amount" means, with respect to any Capital Appreciation Bond of any maturity, the Appreciated Amount of such Bond on its date of maturity.

Additional Bonds

The Authority shall have the power to issue building authority bonds to finance (a) the completion of the Project or to make improvements or additions thereto or (b) any additional projects within the scope of its corporate powers, but said bonds shall be payable out of, and have a first lien on, the rental revenues of such additional projects, and shall in no way have any lien on or be payable out of any of the Rental Payments pledged to the payment of the Bonds.

Prior Redemption

Optional Redemption

The Current Interest Bonds maturing on or prior to December 1, 2011 and all of the Capital Appreciation Bonds shall not be subject to redemption prior to maturity.

Current Interest Bonds maturing in the years 2012 and thereafter shall be subject to redemption prior to maturity at the option of the Authority, in such order as the Authority shall determine, on any date on and after December 1, 2010. Current Interest Bonds of a denomination greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof within a maturity.

If less than all of the Bonds maturing in any year are to be redeemed, the Bonds or portions of Bonds to be redeemed shall be selected by lot and may be redeemed in an amount such that the unredeemed bonds shall be in an Authorized Denomination. The redemption price shall be the par value of the Bond or portion of the Bond called to be redeemed. In case less than the full amount of an outstanding Bond is called for redemption, the Paying Agent, upon presentation of the Bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new Bond in the principal amount of the portion of the original Bond not called for redemption.

Notice of the call of any Bonds for redemption shall be given by first-class mail by the Paying Agent not less than 30 days prior to the date fixed for redemption, to the registered owners of record at the registered addresses shown on the registration books kept by the Paying Agent. Bonds so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided sufficient funds are on hand with the Bond Registrar/Paying Agent to redeem such Bonds.

Registration and Payment

The Bonds are issuable only as fully registered bonds without coupons, and when issued, 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 Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry only form, in an Authorized Denomination. Purchasers will not receive certificates representing their beneficial interests in Bonds purchased. So long as Cede & Co. is the bondholder, as nominee for DTC, references herein to the bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners, as hereinafter defined, of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" below.

BOOK-ENTRY ONLY SYSTEM

General

The information in this section has been furnished by The Depository Trust Company ("DTC"), New York, New York. No representation is made by the Authority as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the Authority to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. The Authority will not have any responsibility or obligation to DTC Participants, Indirect Participants or the persons for which they act as nominees with respect to the Bonds, or for any principal or interest payment thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect

Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

THE AUTHORITY AND PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS, (ii) ANY DOCUMENT REPRESENTING OR CONFIRMING BENEFICIAL OWNERSHIP INTERESTS IN BONDS, OR (iii) NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH THE PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE AUTHORITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: 1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY AMOUNT DUE WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Discontinuation of Book-Entry Only System

DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Authority and the Paying Agent and discharging its responsibilities with respect thereto under applicable law or the Authority may determine that DTC is incapable of discharging its duties and may so advise DTC. In either such event, the book-entry only system for the Bonds will be discontinued unless a successor securities depository is appointed by the Authority.

Transfer Outside Book-Entry Only System

In the event that the book-entry only system is discontinued, the following provisions would apply to the Bonds. The Bond Registrar shall keep the registration books for the Bonds (the "Bond Register"). Subject to the further conditions contained in the Bond Resolution, the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof to the Bond Registrar by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Bond Registrar shall record the transfer or exchange in the Bond Register and shall authenticate replacement Bonds in authorized denominations; the Authority and Bond Registrar shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owners of such Bonds for all purposes under the Resolution. No transfer or exchange made other than as described above and in the Bond Resolution shall be valid or effective for any purposes under the Bond Resolution.

DEBT SERVICE REQUIREMENTS⁽¹⁾

The following table details the estimated total annual debt total annual debt service requirements on the Bonds.

Period Ending December 1	Current Interest Bonds – Principal	Current Interest Bonds – Interest	Capital Appreciation Bonds – Appreciated Amount Due	Total Annual Debt Service
2002				
2003				
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				

(1) Preliminary, subject to change.

THE PROJECT

Project Description

The project will consist of the extensive improvement, expansion, and renovation of a convention/performing arts/entertainment facility known as the Grand Center and upon completion will be known as DeVos Place, for a total cost of approximately \$218,500,000. The Project includes the demolition of existing structures; the construction of infrastructure improvements, including the relocation of utilities; the renovation and improvement of approximately 150,000 square feet of existing space; the addition of approximately 850,000 square feet of new space; the construction of an approximately 700 space below grade parking facility; the improvement of Riverfront Promenade and Lyon Square; the acquisition and installation of furniture, fixtures and equipment; and related and appurtenant improvements generally located and to be located in the downtown area of Grand Rapids, Kent County, Michigan, south of Michigan Street, west of Monroe Avenue, north of Lyon Street, and east of the Grand River.

Estimated Sources and Uses of Funds

Sources of Funds:

Bond Proceeds	\$
Investment Earnings (1)	
Grants, Cash, Other Sources (2)	
Total Sources of Funds	<u>\$</u>

Uses of Funds:

Construction Fund (3)	
Underwriters' Discount	
Costs of Issuance	
Total Uses of Funds	<u>\$</u>

- (1) Earnings on Bond Proceeds; assumes __.00% earnings rate.
- (2) See description of Grants, Cash and Other Sources below.
- (3) Construction bids have been taken on over half of the Project. Final bids are expected in March 2002.

SOURCE: County of Kent

Grants, Cash and Other Sources

The Authority expects to receive at least \$128,500,000 of the cost of the Project from State and Federal grants, cash and in-kind contributions from governmental entities and private donations. These sources are as follows:

State of Michigan: The State of Michigan has committed to contribute \$65,000,000 toward the cost of the Project. All of the funds have been appropriated and all but \$30,000,000 has been received by the Authority. Two payments of \$15 million each are expected to be received from the State in February and June of 2002.

Federal Government: The Authority anticipates the allocation of \$7,282,971 from the Federal Government to use for the Project.

CAA: The CAA will contribute \$4,000,000 from Van Andel Arena operations toward the Project, payable in \$1,000,000 increments during the Fiscal Years 2001 through 2004.

Downtown Development Authority: The Downtown Development Authority for the City of Grand Rapids will contribute \$5,000,000 toward the Project.

Private Donations: Grand Action, a Michigan not-for-profit corporation, has pledged \$33,000,000 of cash and in-kind contributions to the Project.

Kent County: In addition to pledging its full faith and credit, the County has contributed \$1,000,000 to Grand Action to cover preliminary planning expenses.

Interest Earnings: The Authority expects to earn approximately \$2,300,000 on non-Bond proceeds during the construction period.

The above sources along with proceeds of the Bonds account for approximately 95% of the Project costs. The Authority believes that the remaining 5% will be raised from a combination of cost savings and/or additional funding from one or more of the above sources or additional sources.

HOTEL-MOTEL TAX

Act 263 of the Public Acts of Michigan of 1974, as amended ("Act 263") authorizes any county of the state having a population of less than 600,000 persons and having a city of at least 40,000 persons to enact an ordinance to levy, assess and collect an excise tax equal to up to 5% of the total charges for accommodations (i.e., room or other space provided for sleeping including furnishings and accessories therein, but excluding food and beverages) to transient guests (the "Hotel-Motel Tax"). Revenues derived from a Hotel-Motel Tax are required to be deposited in a special fund and used by the county or an authority organized pursuant to state law to pay:

- (a) The cost of administration and enforcement of the ordinance imposing the tax.
- (b) The cost of financing the acquisition, construction, improvement, enlargement, repair or maintenance of convention and entertainment facilities including the payment of principal of and interest on bonds or other evidence of indebtedness issued by the county for such facilities.
- (c) Future annual rental payments payable by the county to an authority organized pursuant to state law for the purpose of acquiring, constructing, improving, enlarging, repairing or maintaining convention and entertainment facilities and leasing them to the county.
- (d) The cost of promotion and encouragement of tourist and convention business in the county.
- (e) The principal of and interest on bonds or other evidence of indebtedness issued by or on behalf of the county for the purpose of financing the construction of a museum, or the current or future rental payable by the county to an authority organized pursuant to state law for the purpose of constructing a museum and leasing it to the county, only if the museum is located in a city with a population of 180,000 or more.

Pursuant to Act 263 and an ordinance adopted by the County Board of Commissioners on May 7, 1975, as amended by the County on April 5, 1989, July 5, 1990 and November 8, 2001 (the "Ordinance"), the County has imposed and intends to continue imposing, levying and collecting, so long as the Bonds are outstanding, a Hotel-Motel Tax of 5% of the total charges for accommodations in the County. The 2001 amendment to the Ordinance, which extended the tax from the year 2015 to 2032, will become effective February 1, 2002, which is the first day of the month following the expiration of 60 days after the amendment to the Ordinance was enacted. Under a resolution adopted by the County on November 20, 2001 (the "Resolution"), the County has established certain priorities for the use of revenues from the Hotel-Motel Tax, and has designated the payment of the Rental Payments as the first priority for such revenues, to the extent available. See "THE BONDS-Purpose and Security" herein. The County believes that under the Ordinance (as described above) such Hotel-Motel Tax revenues will be sufficient to pay the Rental Payments. Act 263 does not, however, prohibit the County from repealing the Ordinance or amending the Ordinance or Resolution in a way that reduces the Hotel-Motel Tax revenues or alters the priorities of the County's use of such revenues.

Schedule of Hotel-Motel Tax Revenues, Expenses, Debt Service and Annual Surpluses

Fiscal Year Ending Dec. 31st (1)	Hotel-Motel Tax Revenues (2)	Investment Earnings and Other Income (3)	Available Revenues	Debt Service on the Bonds (4)	Administrative Costs (5)	Tourism & Convention Expenses (5)	Zoological Society and Other (6)	Debt Service on Previously Issued Bonds (7)	Total Expenditures Including Debt Service	Fund Equity
1995	\$3,276,236	\$308,840	\$3,585,076	0	\$66,856	\$683,555	\$447,613	\$1,398,158	\$2,596,182	\$5,658,643
1996	3,433,673	357,814	3,791,487	0	64,013	742,749	412,541	1,478,255	\$2,697,558	6,752,572
1997	3,708,613	449,610	4,158,223	0	85,736	773,357	461,122	1,445,028	\$2,765,243	8,145,552
1998	4,029,350	528,007	4,557,357	0	130,492	848,633	603,774	1,863,377	\$3,446,276	9,256,633
1999	4,038,209	541,940	4,580,149	0	66,618	775,583	2,105,876	1,294,530	\$4,242,607	9,594,175
2000	4,178,595	716,021	4,894,616	0	140,460	1,209,304	170,161	2,283,932	\$3,803,857	10,684,934
2001	4,320,498	469,392	4,789,890	0	147,483	1,197,433	1,658,343	5,570,680	\$8,573,939	6,900,885
2002	4,465,235	407,715	4,872,950	\$2,533,800	154,857	1,226,380	400,000	0	\$4,315,037	7,458,798
2003	4,614,820	333,837	4,948,657	2,968,560	162,600	900,000	400,000	0	\$4,431,160	7,976,295
2004	4,769,416	358,464	5,127,880	3,118,560	170,730	930,150	400,000	0	\$4,619,440	8,484,735
2005	5,374,126	381,958	5,756,084	3,718,560	179,267	961,310	400,000	0	\$5,259,137	8,981,682
2006	5,554,159	404,981	5,959,140	3,893,560	188,230	993,514	400,000	0	\$5,475,304	9,465,518
2007	5,740,223	427,441	6,167,664	4,083,560	197,642	1,026,797	400,000	0	\$5,707,999	9,925,183
2008	5,932,520	449,047	6,381,567	4,273,560	207,524	1,061,195	400,000	0	\$5,942,279	10,364,471
2009	6,131,259	469,633	6,600,892	4,478,561	217,900	1,096,745	400,000	0	\$6,193,206	10,772,157
2010	6,336,656	489,029	6,825,685	4,683,560	228,795	1,133,486	400,000	0	\$6,445,841	11,152,001

(1) Actual through year ended 12/31/00. Estimated thereafter.

(2) Actual through year ended 12/31/00 and assumes a 3.35% growth rate for each year thereafter. Includes an additional increase in revenues from 500 new hotel rooms expected to be added by January of 2005, assuming a 70% occupancy rate, \$75 average room rate and a tax rate of 5%.

(3) Actual for prior and current periods. Assumes the current rate of 4.58% for future periods.

(4) Preliminary, subject to change.

(5) Assumes a 5% inflation rate for future years.

(6) Future payments to the Zoological Society and other recipients are fixed at \$400,000 pursuant to a County resolution dated December 11, 1997.

(7) Pursuant to a resolution of the Authority dated November 21, 2001, the Authority has determined to defease, the Authority's Building Authority Refunding Bonds, Series 2000, dated July 6, 2000 prior to the delivery of the Bonds. The year 2001 payment is preliminary, subject to change.

Convention and Tourism Industry After the September 11, 2001 Tragedy

The tragic events of September 11, 2001 in New York and Washington, D.C. have caused many in the travel, tourism and convention industries to re-evaluate projections of future revenues. While it is not possible to predict with certainty how or whether people and businesses will alter their travel and convention plans in light of such events, the Authority believes that Grand Rapids, as a destination for convention business, is well positioned in the event of a decline in air travel. Over 45 million people live within one day's drive of Grand Rapids. Historically, over half of the conventions in Grand Rapids have been sponsored by Michigan-based organizations. The majority of the remaining conventions have been held by midwest-based organizations with members located within one days' drive of Grand Rapids. This outlook notwithstanding, the County has pledged its limited tax, full faith and credit to secure its obligations under the Lease, subject to existing statutory and constitutional tax limitations.

CITY-COUNTY BUILDING AUTHORITY

The Authority was incorporated on August 15, 1975, for the purpose of acquiring, constructing, furnishing, equipping, owning, improving, repairing, enlarging, leasing, selling, mortgaging and for conveying a building or buildings, convention and entertainment facilities, convention halls, museums, auditoriums, music halls, arenas, meeting rooms, exhibit areas, parking lots or structures, recreational facilities, or any combination of the foregoing and the necessary site or sites therefor, together with appurtenant properties and facilities necessary or convenient for the effective use thereof, for the use for any legitimate public purpose for the use and benefit of the citizens of the City and the County. The Authority is directed and governed by a three-member Commission, of which one member is appointed by the City Commission, one member is appointed by the County Board of Commissioners and one member is appointed by joint action of the City Commission and the County Board of Commissioners. The Authority Commissioners serve four-year terms and they elect a Chairman, a Secretary and a Treasurer from among their members.

COUNTY OF KENT

Government

The County is governed by a legislative body consisting of 19 members forming the Board of Commissioners, each of whom is elected for terms of two years from districts of approximately equal population. County officials include the County Treasurer, County Clerk and Register of Deeds, Prosecuting Attorney, Drain Commissioner, and Sheriff. These officials are elected at large for four-year terms.

Administration of the County is divided by the State of Michigan Constitution (the "State Constitution") among various officials, all elected at large according to purpose and by various appointed officials. The County Treasurer is the chief custodian of the County moneys, collector of County taxes, disbursing agent for certain tax funds to local communities and school districts and performs other duties concerned with inter-related fiscal affairs of County departments and agencies and is the Treasurer of the Drainage Board. The duties of the County Clerk and Register of Deeds are primarily record keeping in nature and include such duties as clerk of the Circuit Court and Board of Commissioners and keeping and maintaining records of births, deaths, marriages, discharges of military personnel, records of deeds, mortgages, surveys, recording of plats, notices of liens and bills

of sales. The Prosecuting Attorney prosecutes violations of state criminal law within the County and may represent the County in appropriate courts. The County Drain Commissioner administers the location, construction and maintenance of drains in the County. The Sheriff's duties involve the charge and custody of the County jail, the serving of processes, and law enforcement in unincorporated areas of the County. The Board of Commissioners has created the office of County Administrator/Controller as the chief administrative and financial officer of the County. The County Administrator/Controller is appointed by the Board and the responsibilities of the office include, but are not limited to: County administration; budget preparation and control; all accounting and auditing and executive secretary to the Board of Commissioners. The County Administrator/Controller administers all policies of the Board of Commissioners and oversees centralized service functions (information technology, human resources, purchasing, etc.) that service all County departments.

COUNTY TAXATION AND LIMITATIONS

Property Tax Levies

Prior to 1982, the County's tax rate per \$1,000 of State Equalized Valuation ("SEV") was determined annually by a Countywide Tax Allocation Board (the "Allocation Board"). The Allocation Board met each year to determine the division of 15 mills for operating purposes authorized by the State Constitution, which is equal to \$15.00 per \$1,000 of SEV/Taxable Value (see "Taxable Valuation of Property") among the County, the school districts, intermediate school district, villages, and townships within the County. In 1982, the County electorate voted a fixed millage allocation of 15 mills for an indefinite period of time, although State statute permits a maximum levy of 18 mills. The electorate may, at any time in the future, vote to re-establish the Allocation Board and the allocation of millage would thereafter be determined by the Allocation Board. Of the 15 voted mills, 4.8 mills were authorized as the maximum levy for the County's operating purposes, including the payment of debt service. The remaining 10.2 mills were allocated among the other taxing units within the County (except home rule cities). The allocation of the millage is fixed until such time as the electorate votes to change the allocation or the total authorized millage. The County electorate must approve additional millages of any amount for any general or specific purpose within statutory and constitutional limitations. Since 1996, the County has voluntarily reduced its millage rates. For 2002, the millage reduction will be .077 mills. The County's operating and additional voted millage for the past five years is shown in the following table. Tax levies are as of December 1st of each year shown, are levied against each \$1,000 of Taxable Value and exclude taxes levied by underlying taxing units.

Property Tax Levy History

Category	1997(1)	1998(1)	1999(1)	2000(1)	2001(1)
County Operating	4.3093	4.3093	4.3025	4.2865	4.2788
Correction Facility (2)	.8073	.8071	.8037	.7998	.7973
Senior Services (2)	<u>.0000</u>	<u>.2500</u>	<u>.2489</u>	<u>.2477</u>	<u>.2469</u>
	<u>5.1166</u>	<u>5.3664</u>	<u>5.3551</u>	<u>5.3340</u>	<u>5.3230</u>

- (1) Per \$1,000 of Taxable Value. Excludes taxes levied by underlying taxing units. The tax levies are reduced from 4.8000 mills, .8400 mills and .25 mills as a result of the Amendment described under "Property Tax Limitations".
- (2) Voter approved millages.

SOURCE: County of Kent

In addition to the County operating millage, property owners in the County are required to pay ad valorem taxes to other taxing units such as cities, townships, school districts, a community college, and other units within the County. The total tax rate per \$1,000 of Taxable Value varies widely depending upon in which municipality and school district the property is located. For the 2000 tax year (the most recent year available) the highest tax rate, per \$1,000 of Taxable Value, on Non-Homestead property within the County was 60.1860 mills and on Homestead property within the County was 42.1860 mills for the residents of City of Wyoming in the Godfrey-Lee School District. The lowest tax rate for Non-Homestead property was 40.5761 in Solon Township and the Tri-County School District and the lowest tax rate on Homestead property was 22.9572 mills for the residents of Oakfield Township in the Belding School District.

In addition to the allocated operating millage, the County electorate from time to time may approve and has approved additional millages of any amount for any general or specific purpose within constitutional and statutory limitations.

Property Tax Limitations

In 1978, the electorate of the State passed an amendment to the State Constitution (the "Amendment") which placed certain limitations on increases of taxes by the State of Michigan (the "State") and political subdivisions from currently authorized levels of taxation. The Amendment and the enabling legislation, Act 35 of the Public Acts of Michigan of 1979, may have the effect of reducing the maximum authorized tax rate which may be levied by a local taxing unit. Under the Amendment's millage reduction provisions, should the value of taxable property, exclusive of new construction, increase at a percentage greater than the percentage increase in the Consumer Price Index, then the maximum authorized tax rate would be reduced by a factor which would result in the same maximum potential tax revenues to the local taxing unit as if the valuation of taxable property (less new construction) had grown only at the national inflation rate instead of the higher actual growth rate. Thus, should taxable property values rise faster than consumer prices, the maximum authorized tax rate would be reduced accordingly. Should consumer prices subsequently rise faster than taxable property values, the maximum authorized tax rate would be increased accordingly, but never higher than the constitutional, or statutory tax rate limitation. The Amendment does not limit taxes for the payment of principal and interest on bonds or other evidences of indebtedness

outstanding at the time the Amendment became effective or which have been approved by the electors of the County, if any.

Taxable Valuation of Property

Article IX, Section 3, of the State Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true market value. The State Legislature by statute has provided that property shall be assessed at 50% of its true cash value. The State Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

In 1994, the electors of the State approved an amendment to the State Constitution (the "1994 Amendment") permitting the State Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing the 1994 Amendment added a new measure of property value known as Taxable Value. Since 1995, taxable property has two valuations - state equalized value ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, multiplied by the lesser of the net percentage change in the property's SEV, or the inflation rate, or 5%, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV.

The 1994 Amendment and the implementing legislation base the Taxable Value of existing property for the year 1995 on the SEV of that property in 1994 and for the years 1996 and thereafter on the Taxable Value of the property in the preceding year. Beginning with the taxes levied in 1995 an increase, if any, in Taxable Value of existing property is limited to the lesser of the percentage net change in SEV from the preceding year to the current year, 5% or the inflation rate. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

Responsibility for assessing taxable property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, the local board of review and ultimately to the State Tax Tribunal.

The State Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the local assessor. Assessments are then equalized to the 50% levels as determined by the county's department of equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in this Official Statement. Property granted tax abatements under Act 198 of the Public Acts of Michigan of 1974, as amended ("Act 198"), is recorded on separate tax rolls while subject to tax abatement. The valuation of tax abated

property is based upon SEV but is not included in either the SEV or Taxable Value data in this Official Statement except as noted.

SEV and Taxable Valuation

The County's SEV has increased \$5,699,351,032 or 49.5% between 1996 and 2001 and the Taxable Value has increased \$4,201,714,731 or 37.6% between 1996 and 2001. SEV and Taxable Value do not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatement under Act 198. (See "COUNTY TAXATION AND LIMITATIONS -Property Tax Abatement").

SEV and Taxable Valuation History

Year of Valuation	SEV	Taxable Valuation	SEV Percentage Increase Over Prior Year	Taxable Valuation Percent Increase Over Prior Years
1996	\$11,512,696,884	\$11,183,039,745	8.60%	6.50%
1997	12,422,298,191	11,908,840,247	7.90	6.49
1998	13,647,702,170	12,781,586,543	9.86	7.33
1999	14,874,132,432	13,614,431,177	8.99	6.52
2000	15,912,899,100	14,355,755,241	6.98	5.45
2001	17,212,047,916	15,384,754,476	8.16	7.17

Per capita 2001 SEV is \$29,969 and the per capita 2001 Taxable Valuation is \$26,787, both of which are based on the 2000 U.S. Census. The Taxable Value is 88.21% of SEV.

Current Taxable Valuation Components

By Use:		By Class:		By Municipality:	
Residential	60.09%	Real Property	87.89%	Cities	58.24%
Personal Property	17.98	Personal Property	<u>12.11</u>	Townships	<u>41.76</u>
Industrial	12.11		<u>100.00%</u>		<u>100.00%</u>
Commercial	8.86				
Agricultural and Development	<u>0.96</u>				
Total	<u>100.00%</u>				

SOURCE: County of Kent

Personal Property Tax Exemptions and Other Property Tax Proposals

Act 328, Public Acts of Michigan, 1998, as amended, allows certain eligible communities to designate "eligible districts" in which "new personal property" of "eligible businesses" would be exempt from ad valorem property taxation. The City is one of the eligible communities which could, with the approval of the State Tax Commission, designate one or more areas as eligible districts. While the ultimate nature, extent and impact of this legislation cannot currently be predicted, purchasers of the Bonds should be alert to the potential effect of such legislation upon the Bonds and the security therefor, and the operations of the County.

Legislation has been introduced in the Michigan legislature which, if enacted in its present form, would exempt up to \$25,000 of taxable value of personal property from collection. The final forms and thus the ultimate impact of this legislation, if enacted, on the County's finances cannot be determined at this time

In addition, the Michigan Department of Treasury approved revisions to the State's personal property tax tables which became effective in the year 2000 and which may reduce overall personal property tax revenues in some jurisdictions. The State Tax Tribunal has informally indicated that it may allow the new multipliers to be applied retroactively in pending personal property tax appeals. In anticipation of the new multipliers, many personal property taxpayers filed appeals of their existing tax assessments. The financial impact of the change in multipliers and any appeals, if successful, on the County's operating revenues and revenues available for debt service is unknown. The municipal tax assessors in the County have declined to utilize the new personal property multiplier table for the assessment of public utilities on the basis that the Treasury Department study contained inaccurate data for this table. Taxable assessment appeals have been filed by the utilities covering the years 1997 through 2001 inclusive. The total amount of taxable assessments in these appeals in any one year does not exceed \$400,000 in potential General Fund tax loss. Certain information pertaining to the County's personal property tax base is set forth in "COUNTY TAXATION AND LIMITATIONS – Current Taxable Valuation Components" herein.

The ultimate nature, extent and impact of the legislation or administrative action and of other tax and revenue measures which are still under consideration cannot currently be predicted. No assurance can be given that any future legislation or administrative action, if enacted or implemented, will not adversely affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of an investment therein. Purchasers of the Bonds offered herein should be alert to the potential effect of such measures upon the Bonds, the security therefor, and the operations of the County.

Single Business Tax

The State Legislature enacted the Single Business Tax Act of 1975. The Act consists of a series of bills which substantially modified the subjects and methods of taxation on business in the State. Among the bills passed was Act 234 of the Public Acts of Michigan of 1975 ("Act 234") which exempted inventories from ad valorem property taxation. Act 234 defines inventory to mean goods held for resale in retail or wholesale business, finished goods, goods in process, raw materials

of a manufacturing business and materials and supplies, including repair parts and fuel. It does not include personal property under lease or intended for lease rather than sale or any other property allowed a deduction or allowance for depreciation or depletion under the Internal Revenue Code of 1986, as amended.

Act 234 provides that local taxing units who have lost revenues due to the exemption of inventories, as described above, be reimbursed annually on the basis of inventories in 1975 as applied to the current year's ad valorem tax rate for the local unit. Act 234 also provides for annual increases in the value of the same inventories to compensate local units for inflationary changes in value. The County has received reimbursement for lost revenues since 1976. To the extent that the value of inventories as a percentage of total SEV remains constant, the County should continue to be reimbursed for the lost revenues. Recent legislation has been enacted that will result in the elimination of the Single Business Tax over a 23-year period at the reduction rate of .10 of 1.00% per year.

Property Tax Abatement

The County's SEV or Taxable Value does not include valuation of certain facilities, which are exempt under Act 198. Act 198 is designed to provide a stimulus in the form of significant tax incentives to industry to renovate and expand aging facilities and to build new facilities in the State. Under the provisions of Act 198, certain local governmental units (cities, villages or townships) may offer industrial firms certain property tax incentives to encourage restoration or replacement of obsolete facilities and to attract new plants to the area.

An industrial facilities exemption certificate entitles an eligible facility to an exemption from ad valorem real and personal property taxes for a period of up to 12 years. In lieu of the property tax, the eligible facility will pay a specific tax known as the industrial facility tax. The tax for an obsolete facility which is being restored or replaced, is determined in exactly the same manner as the ad valorem property tax would be, except that the Taxable Value of the property remains at the value assessed on the obsolete facility prior to the improvements, even though the restoration or replacement substantially increases the true cash value of the facility. For new facilities, the applicable tax is also determined as the ad valorem property tax would be, but only half the total millage rate for ad valorem property taxes is applied. The amount of the resulting industrial facility tax thus is equal to 50% of the property tax which otherwise would be payable.

Since 1976, local units in the County have approved a number of applications for local property tax relief to industry. The effect of property tax relief granted under Act 198 is to understate the 2000 taxable valuation of the County by \$543,081,150 or approximately 3.42%.

SOURCE: County of Kent

Property Tax Capture and Exemption Statutes

Several Michigan statutes allow local governments or authorities created by local governments to capture all or a portion of real and personal property taxes or effectively to exempt certain property from tax for the purpose of economic development or to remedy environmental contamination. Below is a description of certain tax capture and exemption statutes that affect the amount of tax revenues collected by the County.

TIFAs, DDAs, LDFAs and Brownfield Redevelopment Zones

The Downtown Development Act (Act 197, Public Acts of Michigan of 1975), the Tax Increment Finance Act (Act 450, Public Acts of Michigan of 1980), the Local Development Finance Act (Act 281, Public Acts of Michigan of 1986) and the Brownfield Redevelopment Financing Act (Act 381, Public Acts of Michigan of 1996), each as amended allow municipalities to create entities whose purpose is to promote, among other things, economic development within certain designated areas. The activities of these entities, including paying for the cost of public improvements designed to encourage and compliment private development, are paid for through the capture of property tax revenues within designated development areas. The amount of tax capture is equivalent to the *increase* in property taxes (excluding school taxes) over an initial valuation.

There are 15 authorities that have property tax capture authority operating within the County. In 2000, these entities captured \$1,589,426.65 of County taxes.

Renaissance Zones

Pursuant to the Michigan Renaissance Zone Act (Act 376, Public Acts of Michigan of 1996) as amended, a county or a "qualified municipality" (as defined under Act 376), which includes the City, may submit an application to a state board created under Act 376 that designates a geographical area within its boundaries as a "Renaissance Zone." If the application is approved, persons and businesses within the Renaissance Zone, unless they are in default on certain taxes owed, will receive an exemption from most state and local taxes, including property taxes imposed by the County, for up to 15 years.

The City applied for and received approval of a Renaissance Zone with 6 distinct geographical areas, all of which will phase out in the year 2011. In 2001, \$420,128 of County taxes were exempted from payment in the City's Renaissance Zone. Under Act 376, until December 31, 2002, the City has the opportunity to designate up to 4 additional geographic areas as part of the Renaissance Zone and to extend the duration of all areas within the zone through the year 2017.

Property Tax Collections

The County's fiscal year begins on January 1st. County taxes are due and payable on the prior December 1st, at which time a lien on taxable property is created. Property taxes are payable without penalty until February 14th. Unpaid real property taxes become delinquent on the following March 1st and are thereafter collected by the County Treasurer with penalties and interest. Property returned to the County Treasurer for delinquent taxes is subject to forfeiture, foreclosure and sale as provided in Act 206 of the Public Acts of Michigan of 1893, as amended ("Act 206"). In recent years, the County has paid to the respective municipalities and schools within the County, including the County, from a Delinquent Tax Revolving Fund (the "Fund"), the delinquent real property taxes of such municipalities and schools. Collections of delinquent real property taxes otherwise would be paid to such municipalities by the County Treasurer on a monthly basis following collection. Funding by the County of delinquent real property taxes is dependent upon the ability of the County, annually, to sell its delinquent tax anticipation notes for that purpose. There is no assurance the Fund will be continued in future years. Delinquent personal property taxes are less than 1% of the

County's total levy. Suit may be brought to collect personal property taxes or personal property may be seized and sold to satisfy the tax lien thereon.

Property Tax Collection History

Year of Levy	Total Tax Levy as of December 1 (1)	Collections to March 1 Year Following Levy		Collections to September 30, 2001	
1996	\$57,139,422	\$52,789,058	92.4%	\$57,122,301	99.9%
1997	60,821,754	53,334,845	91.0	60,784,611	99.9
1998	68,401,862	63,205,166	92.4	68,081,396	99.5
1999	72,812,659	66,498,720	91.3	72,651,170	99.8
2000	76,506,563	70,112,951	91.6	75,060,865	98.1

- (1) The County of Kent's fiscal year begins January 1st. Taxes are due the previous December 1st and are recorded as delinquent the following March 1st.

SOURCE: County of Kent

POPULATION AND PERCENTAGE CHANGES

Census Year	Population	Percentage Change
1960 US Census	363,187	26.0%
1970 US Census	441,044	21.4
1980 US Census	444,506	0.8
1990 US Census	500,631	12.6
2000 US Census	574,335	14.7

SOURCE: US Department of Commerce - Bureau of Census

COUNTY DEBT

Constitutional Debt Limitation

Article VII, Section 6 of the State Constitution states "No county shall incur any indebtedness which shall increase its total debt beyond 10% of its assessed valuation". The Bonds are included within this debt limitation. Below is the legal debt margin of the County as of November 1, 2001.

Statement of Legal Debt Margin

2001 State Equalized Valuation	\$17,212,047,916
Legal Debt Limit (10% of SEV)	1,721,204,792
Debt Outstanding (including the Bonds)(1)	<u>182,140,000</u>
Margin of additional debt that can be legally incurred	<u>\$ 1,539,064,792</u>
Debt outstanding as a percentage of 2000 SEV	<u>1.06%</u>

(1) The Bonds are expected to be paid from revenues from the Hotel-Motel Tax. See "HOTEL-MOTEL TAX," herein.

SOURCE: Municipal Advisory Council of Michigan

Debt Statement

The following table reflects a breakdown of the County's direct and overlapping debt as of November 1, 2001, including the Bonds. Bonds designated U.T.G.O. have an unlimited tax pledge and L.T.G.O. bonds or notes are limited tax pledge bonds or notes.

Direct Debt	Gross	Self-supporting Or Portion Paid Directly By Benefited Municipalities	Net	Net Debt	
				Per Capita	% of SEV
County Building Authority	\$97,180,000	\$1,040,000	\$96,140,000		
General Obligation Limited					
Tax Bonds	41,800,000	41,800,000	-0-		
Refuse and Solid Waste					
Bonds (L.T.G.O.)	78,195,000	78,195,000	-0-		
Airport Bonds					
(L.T.G.O.)	40,570,000	40,570,000	-0-		
Airport (Revenue)	55,155,000	55,155,000	-0-		
Water and Sewer Bonds					
(L.T.G.O.)	17,165,000	17,165,000	-0-		
Drain Bonds	17,351,314	17,351,314	-0-		
Joint Building Authority					
Revenue Bonds					
(L.T.G.O.) (1)(2)	<u>86,000,000</u>	<u>-0-</u>	<u>86,000,000</u>		
Total County Net Direct Debt	<u>\$433,416,314</u>	<u>\$251,276,314</u>	<u>\$182,140,000</u>	<u>\$317.13</u>	<u>1.06%</u>

Overlapping Debt of County (3)

School Districts	\$967,744,190		
Cities	194,678,393		
Community Colleges	60,137,499		
Townships	18,912,607		
Villages	3,343,000		
Intermediate School Districts	<u>33,050</u>		
Total Overlapping Debt	<u>\$1,244,848,739</u>	<u>\$2,167.46</u>	<u>7.82%</u>
Total County Net Direct and Overlapping Debt	<u>\$1,426,988,739</u>	<u>\$2,484.59</u>	<u>8.29%</u>

(1) Preliminary, subject to change; includes the Bonds.

(2) The Bonds are expected to be paid from revenues from the Hotel-Motel Tax. See "HOTEL-MOTEL TAX," herein.

(3) Overlapping debt is the portion of other public debt for which a County taxpayer is liable in addition to the direct debt of the County.

SOURCE: Municipal Advisory Council of Michigan

Debt History

There is no record of default on any obligation of the County.

Short-Term Financing

The County has in the years 1974 through 2001 issued short-term notes in order to establish a tax payment fund (the "Fund") created pursuant to the provisions of Act 206 to make advances to the State and units of government within the County, including the County, in amounts equaling their respective share of annual property taxes that are outstanding and uncollected on March 1st of each year. Notes issued in each of the above years have been in a face amount which has been less than

the actual real property tax delinquency. The primary security for these notes is the collection of the delinquent taxes pledged to the payment of principal of and interest on the notes issued. The County may or may not issue notes to fund the Fund in future years. The amounts issued in 1996 through 2001 are as follows:

<u>Tax Year</u>	<u>Year Issued</u>	<u>Notes Issued</u>	<u>Amount Outstanding</u>
1996	1997	\$17,000,000	-0-
1997	1998	20,000,000	-0-
1998	1999	20,000,000	-0-
1999	2000	21,800,000	\$21,800,000
2000	2001	20,000,000	20,000,000

SOURCE: County of Kent

The County does not issue short-term obligations for cash flow purposes.

Lease Obligations

As of December 31, 2000 the County had lease obligations outstanding in the amount of \$16,403,845 which are payable as follows:

<u>December 31</u>	<u>Balance</u>
2001	\$683,161
2002 and thereafter	<u>15,720,684</u>
	<u>\$16,403,845</u>

SOURCE: County of Kent

Future Financing

Other than issuing notes pursuant Act 206 as described above, the County has no current plans to issue debt for capital purposes within the next two years.

Vacation and Sick Leave Liabilities

As of December 31, 2000, the County had an unfunded vacation liability of \$3,289,341 and no unfunded sick pay liabilities.

Retirement System

For a description of the retirement benefits of the County employees see Appendix B - "GENERAL PURPOSE FINANCIAL STATEMENTS - Notes to General Purpose Financial Statements - Notes J and K."

REVENUES FROM THE STATE OF MICHIGAN

The County receives revenue sharing payments from the State under the State Constitution and the State Revenue Sharing Act of 1971, as amended (the "Revenue Sharing Act"). The table appearing at the end of this section shows State revenue sharing distributions received by the County during the County's past five fiscal years, and the estimated receipts for the County's 2002 fiscal year.

The State's fiscal year begins October 1 of each year and ends September 30 of the following calendar year. Before the State's 1996-97 fiscal year, the State shared revenues received from personal income tax, intangibles tax, sales tax and single business tax collections with counties, cities, townships and villages. In 1996, the State legislature began reform of both the formula for distribution of State revenue sharing and the designated sources of revenue to be shared. At that time, the State expressly designated the revenues of the sales tax as the sole source for revenue sharing.

At the end of calendar year 1998, the Legislature again amended the Revenue Sharing Act to accomplish the following:

- To freeze payments to the city of Detroit for 8.5 years at 1997-98 levels.
- To create a three-part formula for distribution to all other cities, villages and townships.
- To re-adjust the percent share of statutory distributions from 24.5% for counties and 75.5% to cities, villages and townships, to 25.06% for counties and 74.94% to cities, villages and townships.
- To limit the annual increase in distributions to any one city, village or township to 8% of the previous year's distribution.
- To provide for an 8.5 year phase-in of the new formulas, beginning in the State's fiscal year ended September 30, 1999.
- To create an artificial sunset of the statute by including language that revenue sharing after June 30, 2007 will be distributed "as provided by law".

The sales tax revenues come from a 6% State levy on retail sales (other than sales of items such as food and drugs). The State Constitution limits the rate of sales tax to 6%, and dedicates 100% of the revenue of sales tax imposed at a rate of 2% to the State School Aid Fund. The State Constitution further mandates that 15% of the total revenues collected from sales taxes levied at the remaining 4% be distributed to townships, cities and villages. The Revenue Sharing Act distributes an additional 21.3% of those revenues to Michigan municipalities. The State's ability to make revenue sharing payments to the Issuer in the amounts and at the times specified in the Revenue Sharing Act is subject to the State's overall financial condition and its ability to finance any temporary cash flow deficiencies.

For the State fiscal years ending September 30, 2001, through June 30, 2007, the County has or will receive its pro rata share determined per capita of the following amount:

25.06% of 21.3% of the difference between the sales tax collections at a rate of 4% in the 12-month period ending June 30 of the state fiscal year in which the payments are made and \$31,926,947.32.

The County's receipts could therefore vary depending on the population of the County and the County's taxable value per capita compared to the population and taxable value per capita in the State as a whole.

In addition to payments of revenue sharing moneys, the State pays the County to support judges' salaries, as well as other miscellaneous state grants.

Revenue sharing payments and other monies paid to municipalities (other than the portion which is mandated by the State constitution) are subject to annual appropriation by the State legislature, and may be reduced or delayed by Executive Order during any fiscal year in which the Governor, with the approval of the legislature's appropriation committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

The State ended the five fiscal years 1996-2000 with its general fund in balance after substantial transfers from the General Fund to the Budget Stabilization Fund. During the 1997-98 fiscal year, an error was identified pertaining to the Medicaid program administered by the Department of Community Health ("DCH"). Over a ten-year period, DCH did not properly record all Medicaid expenditures and revenues on a modified accrual basis as required by GAAP. For the 1996-97 fiscal year, the General Fund did not reflect Medicaid expenditures of \$178.7 million and federal revenue of \$24.6 million. Because this error was noted during the 1997-98 fiscal year, the beginning fund balance (reserved and unreserved) of the General Fund for the 1997-98 was reduced by \$154.1 million, from \$1,047 million to \$893.1 million. The ending fund balance (reserved and unreserved) of the General Fund as of June 30, 2000 was \$2,101 million. The unreserved fund balance of the General Fund as of June 30, 2000 was \$212 million, after reflecting a transfer to the Budget Stabilization Fund. The unreserved fund balance of the Budget Stabilization Fund as of June 30, 2000 was \$1,264 million.

Consistent with the down-turn in the national economy, the State is currently experiencing an economic slow-down, which has resulted in reductions in anticipated State revenues. On November 6, 2001, the State Legislature completed required approvals of an executive order of the Governor which reduced 2001-02 appropriated State expenditures by approximately \$540 million. Included in the executive order cuts are reductions in revenue sharing for Michigan municipalities of approximately \$37 million. The State Legislature has also appropriated transfers from the Budget Stabilization Fund to avoid a deficit as of September 30, 2001 in the General Fund, and to help balance the 2001-02 General Fund budget. These transfers are expected to reduce the balance in the Budget Stabilization Fund to approximately \$520 million by the end of the 2001-02 State fiscal year.

Further information with respect to the State's financial position and with respect to certain litigation which may have an impact on the State's finances may be obtained by a review of the SOMCAFR which may be obtained from the State's Worldwide Web site at www.state.mi.us/dmb/ofm or from the Department of Management and Budget, Office of Financial Management, State of Michigan, Lansing, Michigan 48909 and from a review of the Official Statements prepared by the State or its agencies in connection with debt offerings, which are

normally filed with one or more nationally recognized Municipal Securities Information Repositories.

The following table sets forth the annual revenue sharing payments and other monies received by the County for the fiscal years ended 1997 through 2000, and the currently anticipated revenue sharing payments to be received in the fiscal year ending 2001 and budgeted for the year ending 2002.

Fiscal Year Ended/Ending	Revenue Sharing Payments
December 31, 1997	\$10,292,573
December 31, 1998	10,716,436
December 31, 1999	10,807,334
December 31, 2000	11,537,202
December 31, 2001	10,680,000(1)
December 31, 2002	11,500,000(1)
(1) Budgeted	

SOURCE: County of Kent

LABOR CONTRACTS

Of the County's 1,903 employees, 81% are represented by labor organizations. The following table illustrates the various labor organizations that represent County employees, the number of members and non-members and the expiration dates of the present contracts.

Employee Group	Number of Employees February 1, 2001 (1)	Contract Expiration Date
United Auto Workers ("UAW")(General Members)	659	12/31/03
UAW (Court Members)	334	12/31/03
Kent County Deputy Sheriff's Association	212	12/31/00*
Kent County Law Enforcement Association - Police Officers Association of Michigan	186	12/31/02
Public Health Nurses - International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America	93	12/31/03
Prosecuting Attorneys - Police Officers Labor Council ("POLC")	33	12/31/02
Lieutenants/Captains - POLC	17	12/31/02
Court Reporters - POLC	9	12/31/03
Attorney Referees - POLC	7	12/31/02
Management Pay Plan Employees (non-union)	<u>316</u>	N/A
Total	<u>1,866</u>	

The County considers its relations with its employees to be excellent. There are currently no problems and it anticipates no strikes or work stoppages.

(*) In negotiations

(1) Does not include sheriff's cadets, seasonal employees or 37 elected and appointed officials of the County.

SOURCE: County of Kent

LITIGATION

The County civil counsel reports that there are no material legal actions pending against the County which might, in such Counsel's opinion, result in a final judgment against the County in excess of 1 percent of the County general fund or \$500,000, whichever is less, and which is not completely covered by insurance or reserve funds maintained by the County.

Except as stated below, there is no litigation pending or threatened which would have a material adverse impact on the Bonds, the County, its financial condition or the County's ability to pay Rental Payments pledged through the Lease Contract.

The County has entered into a consent decree with the United States Environmental Protection Agency (the "Agency") to perform the remedial design and remedial action at the closed County solid waste (non-toxic) Kentwood landfill. The cost of the remedial design and remedial action is estimated to have a present value of \$3.3 million for the costs to be incurred over a 30-year time period. The County has provided a restricted fund to cover these costs. The County has also entered into a closure agreement with the Michigan Department of Natural Resources to provide a remedial action plan to address contamination at the closed County solid waste (non-toxic) Ten-Mile landfill.

The County has also entered into a consent decree with the Agency to perform a limited remedial investigation and feasibility study of the groundwater at the closed County solid waste (non-toxic) Sparta landfill. The remedial investigation and feasibility study has been completed and submitted to the Agency. The actual amount of money which may be required to meet any liabilities or remedial costs which may be incurred in connection with these proceedings is impossible to ascertain with any degree of certainty at this time, but such amounts are expected to be incurred over a period of time. The County has retained earnings in a perpetual care fund for Sparta landfill expenses. The County is engaged in litigation with the insurance carriers to determine the extent of existing coverages, if any.

In addition, the County is a defendant in McCrumb v. Kent County et al., which is a wrongful death action brought against the County, the Sheriff's Department, individual Sheriff's Department officers, and various non-County defendants. A judgment against the County in this action could be as high as \$4,000,000. In this case, the County is covered by a County fund established for the purpose of reserving funds against claims against the County (the "Loss Fund"). The Loss Fund will provide \$1,000,000 of coverage and an excess liability policy (the "Policy") provides additional coverage in the amount of \$1,000,000. The Loss Fund contains a claim reserve of \$800,000 and \$483,522 has already expended from the Fund on legal fees. A judgment in this case could exceed the aggregate amounts in the Loss Fund and under the Policy.

BOND RATINGS

Moody's Investors Service, Inc. has assigned a rating of ___ and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. has assigned a rating of ____ to the Bonds. No application was made to any other rating agency for a rating on the Bonds. Any explanation of the significance of a rating may be obtained only from the rating agency furnishing the same. The County furnished to such rating agencies certain materials and information. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the rating agencies. There is no assurance, if given, that such ratings will prevail for any given period of time or that such will not be revised downward or withdrawn entirely by either or both of such ratings agencies if, in the judgment of either or both of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Bonds. Definitions of the ratings may be obtained from the agencies at: Moody's Investors Service, Inc. (212) 553-0340 and Standard & Poor's Ratings Services (212) 438-2400.

TAX MATTERS

General

In the opinion of Dickinson Wright PLLC ("Bond Counsel"), based on its examination of the documents described in its opinion, under existing law, the interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that certain corporations (as defined for income tax purposes), must take into account interest on the Bonds in determining adjusted current earnings for the purpose of determining the alternative minimum tax. The opinion set forth in clause (a) above is subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with any such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements. Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Bonds. See Appendix C, "Form of Legal Opinion."

In addition, the approving opinion of Bond Counsel will include an opinion to the effect that under existing law as presently interpreted, the Bonds and the interest thereon are exempt from taxation by the State or any taxing authority within the State, except estate taxes and taxes on gains realized from the sale, payment or other disposition of the Bonds.

Prospective purchasers of the Bonds should be aware that (i) interest on the Bonds is included in the effectively connected earnings and profits of certain foreign corporations for purposes of calculating the branch profits tax imposed by Section 884 of the Code, (ii) interest on the Bonds may be subject to a tax on excess net passive income of certain S corporations imposed by Section 1375 of the Code, (iii) interest on the Bonds is included in the calculation of modified adjusted gross income for purposes of determining taxability of social security or railroad retirement benefits, (iv) the receipt of interest on the Bonds by life insurance companies may affect the federal tax liability of such companies, (v) in the case of property and casualty insurance companies, the amount of certain loss deductions otherwise allowed is reduced by a specific percentage of, among other things, interest on the Bonds, (vi) holders acquiring the Bonds subsequent to initial issuance will generally be required to treat market discount recognized under Section 1276 of the Code as ordinary taxable income, (vii) the receipt or accrual of interest on the Bonds may cause disallowance of the earned income credit under Section 32 of the Code, and (viii) holders of the Bonds may not deduct interest on indebtedness incurred or continued to purchase or carry the Bonds (except "qualified tax-exempt obligations").

The Bonds have not been designated by the Authority as "qualified tax-exempt obligations," for purposes of deduction of interest expense by commercial banks, thrift institutions and other financial institutions pursuant to Section 265(b)(1) of the Code.

The purchasers of the Bonds will be required, as a condition of the delivery of the Bonds, to certify the "issue price" of the Bonds within the meaning of Section 1275 of the Code. The form of an acceptable certificate will be provided by Bond Counsel. Investors should consult with their tax advisors as to the tax consequences of their acquisition, sharing or disposition of the Bonds.

Tax Treatment of Accruals on Original Issue Discount Bonds

Under existing law, the difference between the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the Current Interest Bonds maturing in the years ____ through ____ and the years ____ through ____ and Capital Appreciation Bonds maturing in the years ____ through ____ and the years ____ through ____ (as identified on the inside front cover of this Official Statement) (the "Discount Bonds") are sold and the amount payable at maturity thereof constitutes "original issue discount" for federal income tax purposes. Such discount is treated as interest excluded from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such Discount Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such Discount Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Discount Bonds who purchase such Discount Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such Discount Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such Discount Bonds. All holders of the Discount Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition to the extent that such loss is attributable to accrued original issue discount.

Tax Treatment of Amortizable Bond Premium

For federal income tax purposes, the difference between the initial offering price to the public (excluding bond houses and brokers) at which the Current Interest Bonds maturing in the years ____ through ____ (the "Original Premium Bonds") are sold and the amounts payable at maturity thereof constitutes for the original purchasers of the Original Premium Bonds an amortizable bond premium. Bonds other than the Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on sale or exchange) and the amount payable on maturity, or, in certain cases, on earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment of maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Future Developments

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE BONDS TO BE SUBJECT, DIRECTLY OR INDIRECTLY, TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR PURCHASE, OWNERSHIP OR DISPOSITION OF THE BONDS AND THE TAX CONSEQUENCES OF ANY ORIGINAL ISSUE DISCOUNT OR AMORTIZABLE BOND PREMIUM.

LEGAL MATTERS

The firm of Dickinson Wright PLLC has been retained by the Authority as Bond Counsel with respect to the Bonds. Legal matters incident to the authorization and issuance of the Bonds and with regard to the tax-exempt status thereof are subject to the approving opinion of Bond Counsel. See Appendix C, "Form of Legal Opinion." Certain legal matters in connection with the Bonds are subject to the approval of Miller, Canfield, Paddock and Stone, P.L.C., Detroit and Grand Rapids, Michigan, counsel to the Underwriters.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined), pursuant to the Continuing Disclosure Certificate to be delivered by the County on the date of issuance of the Bonds to the purchaser thereof (the "Disclosure Certificates"), to provide or cause to be provided: (i) each year, (a) certain financial information and operating data relating to the County (the "County Annual Report") by not later than the date six months after the end of the County's fiscal year, commencing with the County Annual Report for the County's fiscal year ended December 31, 2001; and (b) certain financial information relating to the Authority (the "Authority Annual Report") by not more than six months after the end of the Authority's fiscal year commencing with the Authority Annual Report for the Authority's fiscal year ended June 30, 2002; provided, however, that if the audited financial statements of the County or the Authority are not available by such respective dates, they will be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements then most recently prepared for the County will be included in the Annual Report; and (ii) timely notices of the occurrence of certain enumerated events, if material. Currently, the County's fiscal year commences on January 1 and the Authority's fiscal year commences July 1. "Beneficial Owner" means (under this paragraph only) any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

The County and Authority Annual Reports (the "Annual Reports") will be filed with each nationally recognized municipal securities information repository (each a "NRMSIR") and with the State's state information depository (the "SID"), in each case as then recognized as such by the Securities and Exchange Commission (the "SEC"). If the County is unable to provide to each NRMSIR and the SID the Annual Reports by the date required, the County shall send, in a timely

manner, to each NRMSIR or the Municipal Securities Rulemaking Board (the "MSRB"), and to the SID, a notice of the failure to file the Annual Reports by such date. The notices of material events will be filed with the MSRB or each NRMSIR, and with the SID. These covenants have been made in order to assist the purchasers of the Bonds and registered brokers, dealers and municipal securities dealers in complying with the requirements of subsection (b)(5) of Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"). The information to be contained in the Annual Reports, the enumerated events, the occurrence of which will require a notice, and the other terms of the Disclosure Certificate are set forth in Appendix D.

The County has never failed to comply, in all material respects, with any previous undertakings in a written contract or agreement that it entered into pursuant to subsection (b)(5) of the Rule.

BOND COUNSEL'S RESPONSIBILITY

The fees of Bond Counsel, for services rendered in connection with its approving opinion are expected to be paid from the proceeds of the Bonds. Except to the extent necessary to issue its approving opinion, and except as stated below, Bond Counsel has not been retained to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance of marketing of the Bonds, and accordingly Bond Counsel will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

Bond Counsel has reviewed the statements made in this Official Statement under the captions "THE BONDS," "TAX MATTERS," "LEGAL MATTERS," "CONTINUING DISCLOSURE" and "BOND COUNSEL'S RESPONSIBILITY," but has not been retained to review and has not reviewed any other portion of this Official Statement. Bond Counsel has not made inquiry of any official or employee of the County or the Authority, or any other person with respect to, or otherwise made any independent verification of, the accuracy or completeness of any statement made in this Official Statement (including those that it has reviewed) and has not expressed and will not express an opinion as to the accuracy or completeness of any statement made herein.

UNDERWRITING

The Bonds are being purchased by UBS PaineWebber Inc., Banc One Capital Markets, Inc., Tucker Anthony Incorporated, Standard Capital Markets, a Division of ABN AMRO Financial Services, Inc., and Robert W. Baird & Co. (the "Underwriters") at an aggregate purchase price of \$_____ (the principal amount of the Bonds less an Underwriters' Discount of \$_____ and plus an Original Issue Premium of \$_____). The Underwriters are committed to purchase all of the Bonds if any are purchased. The obligation of the Underwriters to purchase the Bonds is subject to a number of terms and conditions set forth in the Bond Purchase Agreement between the Authority and the Underwriters. The Bond Purchase Agreement provides that the obligations of the Underwriters to purchase the Bonds as set forth in the Bond Purchase Agreement are subject to certain conditions, including among other things, that (i) no event has occurred which impairs or threatens to impair the status of the Bonds or interest thereon as exempt from taxation in the State (except estate taxes and taxes on gains realized from the sale, payment or other disposition of the Bonds) and the interest on the Bonds is excluded from gross income for

federal income tax purposes, and (ii) proceedings relating to the Bonds are not pending or threatened by the Securities and Exchange Commission.

OTHER MATTERS

All information contained in this Official Statement, other than that provided by the County and the Authority, is subject, in all respects, to the complete body of information contained in the original sources thereof and no warranty or other representation is made concerning the accuracy or completeness of such information. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

This Official Statement has been duly approved, executed and delivered by the Authority.

City-County Building Authority

By: /s/ Kurt F. Kimball

Its: Chairperson

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION

ECONOMIC AND DEMOGRAPHIC INFORMATION

Commercial/Industrial Base

The Grand Rapids metropolitan area, of which the County is the hub, is one of the fastest growing regions of the United States. Numerous expansions, renovations, constructions, modernizations and developments have either been completed, are in the process of being completed or are in the planning stages. Among the factors which have encouraged major projects and have attracted numerous firms from outside the area are: a strong but highly diversified base of industries, an excellent work force, educational opportunities, excellent employer/employee relations, good location and transportation facilities, utilities and possibly the most important, quality of life.

According to The Right Place Program, a public-private partnership designed to expand the industrial base in the greater Grand Rapids area, the area has experienced a 22.7% growth in manufacturing employment from 1990 to 2000, compared to a 3.4% increase for Michigan and a 3.3% decrease for the United States. In 1999, there were approximately 26,500 business establishments. The number of jobs in the greater Grand Rapids area has increased 32.5% in the past ten years, compared to 17.9% in Michigan and 20.1% for the United States. More than 146,300 jobs have been added during that time.

Metropolitan Council

The Grand Valley Metropolitan Council (the "Metro Council") was formed in 1990 and has a membership of 31 local governments including the County. Created by state enabling legislation, the Metro Council is coordinating efforts of its members to provide services while eliminating duplication. It is also engaged in issues, which have no boundaries such as land use, clean air, water and sewers and transportation. The Metro Council has launched an inclusive strategic planning process for the metro region until 2010. This initiative is titled the Metropolitan Development Blueprint. Its four task forces on land use, transportation, utilities/infrastructure and environment are now developing strategies that will be presented to area residents.

The Metro Council also is working with its area legislators to develop a regional presence at the State capital. Its legislative committee has broad community participation, which include the Chamber of Commerce, Kent Intermediate School District and environmental interests. The Metro Council's Metropolitan Water and Sewer Planning Agency has members from Ottawa and Kent Counties, the private and environmental sectors and water and sewer providers. The Metro Council routinely works with a range of partners to accomplish its mission. Key partnerships are Grand Valley State University's Water Resources Institute, the Michigan Municipal League, the Michigan Townships Association, the Grand Rapids Area Chamber of Commerce and the Michigan Departments of Transportation and Environmental Quality.

Transportation

The County is well serviced by all forms of transportation. Interstate highways 96 and 196 and US 131 all traverse the County and connect to the national highway system. The South Beltline or M-6 will connect I-96 on the east to I-196 on the west. There are three airfields in the county. The Gerald R. Ford International Airport, a major commercial airport, is located 13 miles southeast of Grand Rapids. Smaller non-commercial airfields are located north of Grand Rapids near the City of Sparta and east of Grand Rapids near the City of Lowell.

The Interurban Transit Partnership (ITP) provides public transportation service to residents of Grand Rapids and its near suburbs. Greyhound Bus Lines and Indian Trails provide coach service to residents of the County.

Amtrak provides rail passenger service between Chicago and the County. The Norfolk Southern, CSX, Grand Rapids Eastern, and Mid-Michigan provide freight service to the many industries in the County.

Medical Services

The residents of the County are served by a number of hospitals. The public and non-profit hospitals in the County, with the approximate number of beds are shown below.

Spectrum Health	1,044
Kent Community Hospital	484
St. Mary's Mercy Medical Center	268
Pine Rest Christian Mental Health Services	106
Metropolitan Hospital	238
Mary Free Bed Hospital and Rehabilitation Center	<u>80</u>
	<u>2,220</u>

SOURCE: Michigan Hospital Association 1999 Membership Directory

In 2000, the Van Andel Institute (VAI) opened with the mission "*. . . to become one of the world's pre-eminent private medical research institutions within the next decade.*" The VAI has three component parts: the Van Andel Research Institute (VARI), the Van Andel Education Institute (VAEI), and the Van Andel Institute (the Institute). The VARI is an independent medical research organization dedicated to preserving, enhancing, and expanding the frontiers of medical science. The VAEI is an independent education institute whose mission is to conduct the Van Andel Educational Technology School, and to achieve excellence by embracing and strengthening the fundamental issues of education. The Institute supports the other two organizations. In July 1999, Governor John Engler signed legislation in support of investing \$50 million a year over the next 20 years to fund a Life Sciences Corridor - a joint venture between the State, several Michigan Universities, and the Van Andel Research Institute. The research that will be conducted at the facility is expected to serve as a growth pole, anchoring and propelling growth of a newly developing bio-science industry cluster. This will draw outside business and related sectors into the region to take advantage of economic opportunities created by the Institute.

Utilities

In the County, electricity is furnished by Consumers Energy, local telephone service by Ameritech and gas by Michigan Consolidated Gas Company. Local municipalities provide water and sewer facilities. Solid waste from six major contracting cities (Grand Rapids, Kentwood, Walker, Wyoming, Grandville and East Grand Rapids) is hauled to an incinerator located in Grand Rapids

operated by the County's Department of Public Works where the trash is burned. Non-contracting communities send their solid waste to landfills.

Banking Service

Banking facilities in the County are provided by the following banking institutions and their branches: Ameribank, Chemical Bank West, Byron Center State Bank, Comerica Bank - Grand Rapids, Grand Bank, National City Bank, The Huntington Bank, Mercantile Bank, Standard Federal Bank, Kent City State Bank, Bank One-Michigan, Fifth Third Bank, Michigan, State Bank of Caledonia, State Savings Bank, Inc., Sparta State Bank, Founders Trust Personal Bank, Select Bank and United Bank.

Education

Twenty school districts and one intermediate school district are located in the whole or in part of the County. There are numerous non-public schools serving diversified religious denominations and seventeen charter schools in the County. Aquinas College, Calvin College, Cornerstone University, Davenport University, Grand Valley State University, Grand Rapids Baptist College, Ferris State University, Kendall College of Art and Design of Ferris State University, University of Phoenix, and Western Michigan University have campuses located within the County. The main campuses of Michigan State University, Grand Valley State University, Ferris State University and Western Michigan University are located within commuting distance of the County.

Agriculture

The County is one of Michigan's leading agricultural counties with 1,136 farms comprising 186,453 acres of land devoted to agricultural production. The market value of all agricultural products sold in 1997 totaled \$121,041,000, a 14 percent increase from 1992, ranking the county fifth in the State. The principal agricultural enterprises by value of sales in the County are nursery and greenhouse plants (ranking 2nd in the State and 44th in the nation); fruits (primarily apples) and berries; dairy products; and hogs and cattle. Additional crops of importance are corn, wheat and oats.

Summary of General Housing Characteristics

Category	Number of Units 1990	Number of Units 2000	% Change
Total Occupied Housing Units	181,740	212,890	17.1%
Owner Occupied	126,627	149,679	18.2%
Renter Occupied	55,113	63,211	14.7%
 Estimated Value of General Housing Units	 Number of Units 1990	 N/A	 N/A
Less than \$50,000	24,462		
\$50,000 to \$99,999	57,870		
\$100,000 to \$149,999	12,470		
\$150,000 to \$199,999	3,813		
\$200,000 to \$299,999	1,969		
\$300,000 or more	729		

SOURCE: 1990 & 2000 US Census

Largest Employers

The following table reflects the diversity of the largest employers in the greater Grand Rapids area by the products manufactured or services performed and the approximate number of employees.

<u>Company</u>	<u>Principal Product or Service</u>	<u>Approximate Number of Employees In GR MSA</u>
Meijer, Inc.	Retailer	12,000
Spectrum Health	Health Care	12,000
Steelcase Inc.	Office equipment & furniture	8,866
Grand Rapids Public Schools	Education	5,500
Gordon Foods	Wholesale food services	5,000
Alticor Inc. (formerly Amway Corporation)	Home care, nutritional & houseware products	4,300
U.S. Postal Service	Postal service	3,600
Fifth Third Bank, Michigan	Banking	3,600
Spartan Stores	Grocery retailer	3,500
McDonald's Corporation	Restaurants	2,800
D & W Food Centers, Inc.	Grocery Retailer	2,500
General Motors Corporation	Automotive	2,450
St. Mary's Mercy Medical Center	Hospital	2,400
Siemens Dematic (formerly Rapistan)	Material handling systems	2,371
Metropolitan Hospital	Hospital	2,000
County of Kent	County government	2,000
Wolverine World Wide	Footwear	1,932
City of Grand Rapids	City government	1,800
Delphi Automotive Systems	Automotive parts	1,726
Burger King	Restaurants	1,500
Hope Network	Rehabilitation counseling	1,325

SOURCE: The Right Place Program-March 2001

Largest Taxpayers

Taxpayer	Product/Service	2000 Taxable Valuation	% of 2000 Taxable Valuation
Steelcase Inc.	Furniture manufacturing	\$270,316,991	1.9%
Consumers Energy	Utility	195,664,890	1.4
Alticor Inc. (formerly Amway Corporation)	Homecare, nutritional & houseware products	186,369,192	1.3
General Motors	Auto Manufacturing	137,289,954	0.9
Meijer/Goodwill/Seedling	Retailing	92,424,783	0.6
MichCon	Utility	89,308,586	0.6
Fifth Third Bank, Michigan	Banking	44,318,634	0.3
Woodland Mall	Retail shopping center	42,001,997	0.2
General Growth Properties	Retail Shopping Center	36,337,004	0.2
Visser Brothers	Development	32,904,986	0.2
Total		<u>\$1,126,937,017</u>	<u>7.3%</u>

SOURCE: County of Kent

Retail Sales

The following table reflects the retail sales for residents of the County of Kent, the State of Michigan and the United States and are estimates for 2001. Dollar amounts are in thousands.

Category	County of Kent		State of Michigan		United States	
	Retail Sales	% of Total	Retail Sales	% of Total	Retail Sales	% of Total
Food	\$ 587,970	6.36%	\$ 14,390,078	10.63%	\$ 493,963,089	13.50%
Restaurants	601,121	6.50	11,305,187	8.35	333,791,641	9.12
General Merchandise	1,618,692	17.50	20,819,869	15.38	441,892,044	12.08
Furniture - Appliances	662,198	7.16	6,491,401	4.79	97,673,027	2.67
Automotive	2,868,458	31.01	38,446,222	28.40	961,940,188	26.29
Other	<u>2,911,252</u>	<u>31.47</u>	<u>43,937,319</u>	<u>32.45</u>	<u>1,329,488,633</u>	<u>36.34</u>
Total	\$ 9,249,691	100.00%	\$ 135,390,076	100.00%	\$ 3,658,748,622	100.00%

SOURCE: Survey of Buying Power, 2001. Statistics provided by Claritas.

Estimated Effective Household Buying Income

The following table reflects the estimated effective household buying ("E.H.B.I.") income of the County of Kent, the State of Michigan and the United States for the calendar year 2001.

E.H.B.I Range	County of Kent (1)	State of Michigan (1)	United States (1)
Under \$19,999	19.6%	24.6%	24.3%
\$20,000 - \$34,999	21.7%	20.9%	20.7%
\$35,000 - \$49,999	19.9%	18.1%	16.8%
\$50,000 and Over	38.8%	33.7%	38.2%
Median E.H.B.I.	\$47,039	\$40,057	\$39,129
Average E.H.B.I.	\$54,957	\$48,185	\$49,252

(1) Percentages are of households in each range.

SOURCE: Survey of Buying Power – Sales and Marketing Management Magazine - Sept. 2001

Employment Rates

Reflected below are the unadjusted yearly employment data for the calendar years 1996 through 2000 and the monthly data for August 2000 and 2001 for the County and the State.

<u>County of Kent (1)</u>						August	August
	1996	1997	1998	1999	2000	2000	2001
Employed	293,300	303,775	310,725	320,725	326,300	329,850	330,225
Unemployed	<u>12,200</u>	<u>10,125</u>	<u>9,325</u>	<u>10,275</u>	<u>10,425</u>	<u>11,125</u>	<u>16,325</u>
Labor Force	<u>305,475</u>	<u>313,900</u>	<u>320,025</u>	<u>331,000</u>	<u>336,725</u>	<u>340,975</u>	<u>346,550</u>
Unemployed as % of Labor Force	4.0%	3.2%	2.9%	3.1%	3.1%	3.3%	4.7%

<u>State of Michigan (1)</u>						August	August
	1996	1997	1998	1999	2000	2000	2001
Employed	4,659	4,753	4,835	4,942	5,016	5,077	5,025
Unemployed	<u>239</u>	<u>209</u>	<u>194</u>	<u>194</u>	<u>185</u>	<u>175</u>	<u>242</u>
Labor Force	<u>4,897</u>	<u>4,962</u>	<u>5,029</u>	<u>5,136</u>	<u>5,201</u>	<u>5,251</u>	<u>5,268</u>
Unemployed as % of Labor Force	4.9%	4.2%	3.9%	3.8%	3.7%	3.3%	4.6%

(1) Numbers may not compute due to rounding. All State numbers in thousands.

SOURCE: Michigan Department of Career Development/Employment Service Agency, Labor Market Analysis Section

APPENDIX B

FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

The following general purpose financial statements and the accompanying notes for the County of Kent for the fiscal year ended December 31, 2000 were audited by BDO Seidman, LLP, Grand Rapids, Michigan. The auditor has provided written acknowledgement to the inclusion of their Independent Auditors' Report, dated June 15, 2001, in this offering.

APPENDIX C

FORM OF LEGAL OPINION

City-County Building Authority
Grand Rapids, Michigan

Re: \$86,000,000 City of Grand Rapids and County of Kent Joint
Building Authority, Building Authority Bonds, Series 2001
(DeVos Place Project)

We have acted as bond counsel in connection with the issuance by the City-County Building Authority (the "Authority") of \$_____ Building Authority Bonds, Series 2001 (DeVos Place Project), dated _____, 2001 (the "Bonds"), pursuant to Act 31 of the Public Acts of Michigan of 1948 (First Extra Session), as amended ("Act 31"). The Bonds are fully registered and issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). The Current Interest Bonds are issued in the denominations of \$5,000 and integral multiples thereof within a maturity and bear interest payable semi-annually beginning _____, 2002. The Capital Appreciation Bonds are issued in appreciated amounts at maturity of \$5,000 and integral multiples thereof within a maturity and shall not bear interest. We have examined the law and such certified proceedings and other papers, including an executed copy of the Contract of Lease dated as of December 1, 2001 (the "Lease Contract"), between the Authority and the County of Kent (the "County"), as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon certified proceedings and other certificates of public officials furnished to us without undertaking to verify the same by independent investigation.

On the basis of the above-referenced examination and our review of such other information, records and documents as in our judgment are necessary and advisable, we are of the opinion that (i) the Authority is a statutory authority formed pursuant to Act 31 with the powers and authority set forth in Act 31, fully organized and validly existing, (ii) the issuance, execution and delivery of the Bonds does not conflict with or constitute a breach of or a default under any law or administrative regulation, or, insofar as is known to us, under any decree, agreement or other instrument to which the Authority is subject, (iii) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter, which would constitute a condition precedent to the issuance, execution and delivery of the Bonds have been obtained and are in full force and effect, and (iv) the Bonds are exempt securities within the meaning of the Securities Act of 1933, as amended, and are not subject to the registration requirements thereof, and the bond authorizing resolution authorizing the issuance of the Bonds is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

We are of the further opinion, under existing law, as follows:

1. The Bonds are valid and legally binding obligations of the Authority payable from moneys to be paid to the Authority by the County pursuant to the Lease Contract.

2. The Lease Contract has been duly authorized, executed and delivered by the Authority and the County and is the valid and binding obligation of the Authority and the County enforceable by its terms.

3. The full faith and credit of the County have been pledged for the prompt payment of its obligations pursuant to the Lease Contract. Taxes imposed by the County for the payment of its obligations pursuant to the Lease Contract are subject to constitutional and statutory tax limitations.

4. The Bonds and the interest thereon are exempt from all taxation in the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition of the Bonds.

5. The interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; we note, however, that certain corporations must take into account interest on the Bonds in determining adjusted current earnings for the purpose of computing such alternative minimum tax. The opinion set forth in clause (a) above is subject to the condition that the Authority and the County complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Authority and the County have covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

It is understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement also may be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

DICKINSON WRIGHT PLLC

APPENDIX D

**FORM OF CONTINUING DISCLOSURE CERTIFICATE
CITY-COUNTY BUILDING AUTHORITY**

CONTINUING DISCLOSURE CERTIFICATE

\$ _____
CITY-COUNTY BUILDING AUTHORITY
BUILDING AUTHORITY BONDS
SERIES 2001
(DeVos Place Project)

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the County of Kent (the "County") in connection with the issuance by the City-County Building Authority (the "Authority") of its Building Authority Bonds, Series 2001 (DeVos Place Project) in the aggregate principal amount of \$ _____ (the "Bonds"). The County covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the County for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriters in complying with subsection (b)(5) of the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Certificate shall be deemed to be and shall constitute a contract between the County and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the County shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

Section 2. Definitions. The following capitalized terms shall have the following meanings:

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"Annual Report" shall mean individually or collectively any Annual Report of the County or the Authority provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

"County" shall mean the County of Kent, Michigan.

"Dissemination Agent" shall mean the County or any successor Dissemination Agent appointed in writing by the County and which has filed with the County and the Authority a written acceptance of such appointment.

"GAAP" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Governmental Accounting Standards Board and in effect from time to time.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act. As of the date of this Disclosure Certificate, the address and telephone and telecopy numbers of the MSRB are as follows:

CDI
1640 King Street, Suite 300
Alexandria, Virginia 22314-2719
Tel: (202) 223-9503
Fax: (202) 683-1930

"National Repository" shall mean any nationally recognized municipal securities information repository for purposes of the Rule. The National Repositories approved by the SEC as of a recent date are set forth in Exhibit A.

"Official Statement" shall mean the final Official Statement for the Bonds dated _____, 2001.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the primary offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 (17 CFR Part 240, §240.15c20-12) promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities Counsel" shall mean legal counsel expert in federal securities law.

"State" shall mean the State of Michigan.

"State Repository" shall mean any public or private repository or entity designated by the State as a state information depository for the purpose of the Rule and recognized as such by the SEC. As of the date of this Disclosure Certificate, the only State Repository and its address and telephone and telecopy numbers are as follows:

Municipal Advisory Council of Michigan
State Information Depository
1445 First National Building
Detroit, Michigan 48226-3517

Tel: (313) 963-0420
Fax: (313) 961-7568

Section 3. Provision of Annual Reports.

(a) Each year, the County shall provide, or shall cause the Dissemination Agent to provide, (i) not later than the date six months after the end of the County's fiscal year commencing with the County's Annual Report for its fiscal year ended December 31, 2001, and (ii) not later than the date six months after the end of the Authority's fiscal year commencing with the Authority's fiscal year ended June 30, 2002, to each Repository an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days (or such lesser number of days as is acceptable to the Dissemination Agent) prior to said date, the County shall provide, or cause to be provided, the Annual Report to the Dissemination Agent (if other than the County). Currently, the County's fiscal year commences on January 1 and the Authority's fiscal year commences July 1. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Disclosure Certificate; provided, however, that if the audited financial statements of the County or the Authority are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements then most recently prepared for the County shall be included in the Annual Report.

(b) If the County is unable to provide or cause to be provided to the Repositories an Annual Report of the County or the Authority by the date required in subsection (a), the County shall send a notice, in a timely fashion, to each National Repository or the MSRB, and to the State Repository, in substantially the form attached as Exhibit B.

(c) If the County's or the Authority's fiscal year changes, the County shall send written notice of such change to each National Repository or the MSRB, and to the State Repository, in substantially the form attached as Exhibit C.

(d) Whenever any Annual Report or portion thereof is filed as described above, it shall be attached to a cover sheet in substantially the form attached as Exhibit D.

(e) The Dissemination Agent shall:

(1) determine each year, prior to the date for providing an Annual Report, the name and address of the each National Repository and the State Repository; and (if the Dissemination Agent is other than the County)

(2) file a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

(f) In connection with providing the Annual Report, the Dissemination Agent (if other than the County) is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

Section 4. Content of Annual Reports. The County's and the Authority's Annual Report shall contain or include by reference the following:

(a) The audited financial statements for its fiscal year immediately preceding the due date of the Annual Report.

(b) In the case of the County's Annual Report only, an update of the financial information and operating data relating to the County of the same nature as that contained in the following tables in the Official Statement: Property Tax Levy History; SEV and Taxable Valuation History; Current Taxable Valuation Components; Property Tax Collection History; Population and Percentage Changes; Statement of Legal Debt Margin; Debt Statement; Revenues from the State of Michigan and Labor Contracts.

The County's and the Authority's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with State law.

Any or all of the items listed above may be included by specific reference to other documents that previously have been provided to each of the Repositories or filed with the SEC. Notwithstanding the foregoing, if the document included by reference is a final official statement, it need only be available from the MSRB. The County shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The County covenants to provide, or cause to be provided, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner and in accordance with the Rule:

- (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.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall as soon as possible determine if such Event would be material under applicable federal securities laws. The County covenants that its determination of materiality will be made in conformance with federal securities laws.

(c) If the County determines that the occurrence of a Listed Event would be material under applicable federal securities laws, the County shall promptly cause a notice of such occurrence to be filed with each National Repository or the MSRB, and with the State Repository, together with a cover sheet in substantially the form attached as Exhibit E. In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(9), the County shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the County), solely in its capacity as such, is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(e) The County acknowledges that the “rating changes” referred to above in subsection (a)(11) of this Disclosure Certificate may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the County is liable.

(f) The County acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the County does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

(g) As of the date of this Disclosure Certificate, the Listed Events described in subsections (a)(3), (4), (5) and (10) are not applicable to the Bonds.

Section 6. Termination of Reporting Obligation.

(a) The County’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance or the prior redemption or payment in full of all of the Bonds. If the County’s obligation to pay a portion of the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the County, and the County shall have no further responsibility hereunder.

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the County (i) receives an opinion of Securities Counsel, addressed to the County, to the effect that those portions of the Rule, which require such provisions of this Disclosure Certificate, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to each National Repository or the MSRB, and to the State Repository.

Section 7. Dissemination Agent. The County, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the County) shall not be responsible in any manner for the content of any notice or report prepared by the County or the Authority pursuant to this Disclosure Certificate.

Section 8. Amendment; waiver.

(a) Notwithstanding any other provision of this Disclosure Certificate, this Disclosure Certificate may be amended, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(i) if the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County or the Authority, or type of business conducted by the County or the Authority;

(ii) this Disclosure Certificate, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the County shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Certificate, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative.

A notice of the change in accounting principles shall be sent by the County or the Dissemination Agent (if other than the County) at the written direction of the County to each National Repository or the MSRB, and to the State Repository.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Failure to Comply. In the event of a failure of the County or the Dissemination Agent (if other than the County) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the County or the Dissemination Agent (if other than the County) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Certificate shall not constitute a default with respect to the Bonds. Notwithstanding the foregoing, if the alleged failure of the County to comply with this Disclosure Certificate is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than a majority of the aggregate principal amount of the then outstanding Bonds must take the actions described above before the County shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Certificate.

Section 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Authority, the Dissemination Agent, the Participating Underwriter, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

Section 13. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Certificate, and, in the sole determination of the County or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the County or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of such information and notices.

Section 14. Additional Disclosure Obligations. The County acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the County and the Authority, and that under some circumstances, compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the County or the Authority under such laws.

Section 15. Governing Law. This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws,

including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

COUNTY OF KENT
"County"

Date: _____, 2001

David Waichum
Fiscal Services Director

EXHIBIT A

The nationally recognized municipal securities information repositories approved by the Securities and Exchange Commission as of November 1, 2001, are set forth below:

Bloomberg Municipal Repositories
100 Business Park Drive
Skillman, New Jersey 08558
Tel: (609) 279-3225
Fax: (609) 279-5962
E-mail: Munis@Bloomberg.com

DPC Data, Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Tel: (201) 346-0701
Fax: (201) 947-0107
E-mail: nrmsir@dpcdata.com

FI Interactive Data
Attn: Repository
100 Williams Street
New York, NY 10038
Phone: (212) 771-6999
Fax: (212) 771-7390 (Primary Market Information)
(212) 771-7391 (Secondary Market Information)
E-mail: NRMSIR@FTID.com

Standard & Poor's J.J. Kenny Depository
55 Water Street, 45th Floor
New York, New York 10041
Tel: (212) 438-4595
Fax: (212) 438-3975

EXHIBIT B

**NOTICE TO EACH NATIONAL REPOSITORY OR
THE MSRB, AND TO THE STATE REPOSITORY,
OF FAILURE TO FILE ANNUAL REPORT**

Name of County: County of Kent

Name of Bond Issue: \$_____ City of Grand Rapids and County of Kent Joint
Building Authority, Building Authority Bonds, Series 2001 (DeVos
Place Project)

Date of Bonds:

NOTICE IS HEREBY GIVEN that the [County of Kent/City-County Building Authority]
has not provided an Annual Report with respect to the above-named Bonds as required by Section 3
of its Continuing Disclosure Certificate with respect to the Bonds. The County anticipates that the
Annual Report will be filed by _____.

COUNTY OF KENT

By _____

Its _____

Date: _____,

EXHIBIT C

**NOTICE TO EACH NATIONAL REPOSITORY OR
THE MSRB, AND TO THE STATE REPOSITORY,
OF CHANGE IN FISCAL YEAR**

Name of County: County of Kent

Name of Bond Issue: \$_____ City of Grand Rapids and County of Kent Joint
Building Authority, Building Authority Bonds, Series 2001 (DeVos
Place Project)

Date of Bonds: November 1, 2001

NOTICE IS HEREBY GIVEN that the [County's/Authority's] fiscal year has changed.
Previously, the [County's/Authority's] fiscal year ended on _____. It now ends on
_____.

COUNTY OF KENT

By: _____

Its _____

Date: _____,

EXHIBIT D

ANNUAL REPORT COVER SHEET

This cover sheet and the attached Annual Report or portion thereof should be sent to all Nationally Recognized Municipal Securities Information Repositories and the State Information Depository pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(A) and (B).

Issuer's name: City-County Building Authority

Issuer's six-digit CUSIP number(s): _____

Or nine-digit CUSIP number(s) to which this Annual Report relates: _____

Number of pages of the attached Annual Report or portion thereof: _____

Name of Bond Issue to which this Annual Report relates: \$ _____ City of Grand Rapids and County of Kent Joint Building Authority, Building Authority Bonds, Series 2001 (DeVos Place Project)

Date of Such Bonds: _____

I hereby represent that I am authorized by the County or its agent to distribute this information publicly:

Signature: _____

Name: _____

Title: _____

Employer: County of Kent

Address: 2nd Floor County Administration Building, 300 Monroe Avenue, N.W.

County, State, Zip Code: Grand Rapids, Michigan 49503

Voice telephone number: (616) 336 -3434

EXHIBIT E

MATERIAL EVENT NOTICE COVER SHEET

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: County of Kent

Issuer's Six-Digit CUSIP Number(s): _____

or Nine-Digit CUSIP Number(s) to which this material event notice relates: _____

Number of pages of attached material event notice: _____

Description of Material Events Notice (Check One):

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 securities holders
8. _____ Bond calls
9. _____ Defeasances
10. _____ Release, substitution, or sale of property securing repayment of the securities
11. _____ Rating changes
12. _____ Failure to provide annual financial information as required
13. _____ Other material event notice (specify) _____

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____

Title: _____

Employer: County of Kent

Address: 2nd Floor County Administration Building, 300 Monroe Avenue, N.W.

County, State, Zip Code: Grand Rapids, Michigan 49503

Voice Telephone Number: (616) 336-3434

Please print the material event notice attached to this cover sheet in 10 point type or larger. The cover sheet and notice may be faxed to the MSRB at (703)683-1930. Contact the MSRB at (202) 223-9503 with questions regarding this form or the dissemination of this notice.

APPENDIX E

TABLE OF APPRECIATED PRINCIPAL AMOUNTS CAPITAL APPRECIATION BONDS

**APPRECIATED PRINCIPAL AMOUNTS
CAPITAL APPRECIATION BONDS**

By Bond Maturity and Approximate Yield