



*The City of Auburn Hills*  
City Council Meeting  
Minutes

August 28, 2017

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**CALL TO ORDER:** Mayor McDaniel at 7:00 p.m.  
**LOCATION:** City Council Chamber, 1827 N. Squirrel Road, Auburn Hills, MI 48326  
Present: Mayor McDaniel, Council Members Burmeister, Hammond, Kittle, Knight, Mitchell and Verbeke  
Absent: None  
Also Present: Assistant City Manager Grice, City Attorney Beckerleg, City Clerk Kowal, Police Chief Olko, Finance Director/Treasurer Schulz, Director of Community Development Cohen, Assistant City Planner Keenan, Mgr of Fleet & Roads Brisson, Mgr of Municipal Properties King, Accounts Receivable Manager Farmer, and Mgmt. Assistant Thomas.

16 Guests

**4. APPROVAL OF MINUTES**

4a. Regular City Council Minutes – August 14, 2017

Mayor McDaniel recommended corrections to the minutes.

**Moved by Mitchell, Seconded by Verbeke.**

**RESOLVED: To approve the August 14, 2017 City Council meeting minutes as amended.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke**

**No: None**

**Resolution No. 17.08.151**

**Motion Carried (7 - 0)**

**5. APPOINTMENTS AND PRESENTATIONS**

**6. PUBLIC COMMENT**

Richard Bell presented an update on the Kid's First Initiative STEM Camp and thanked the individual Council Members for their donation of scholarships for kids to attend the camp.

Steve Teper, CFO with Commercial Contracting Corporation, 4260 N. Atlantic Blvd, explained that road repair/resurfacing is currently being done at their building. In June, the subcontractor of the project broke a two-inch gas main that fed into their building, resulting in damage and closing of the shop for the day. He submitted a claim, however no one wants to reimburse him for the loss incurred. He stated that if he cannot resolve this issue at his meeting tomorrow, he will be back at the next meeting to ask for Council's support. He stated that he wanted to get it on the record that he is out approximately \$21,000.

Mr. Beckerleg pointed out that the City has no legal liability.

Ms. Mitchell thanked Mr. Teper for making Council aware of the situation. She recognizes that the City has no legal obligations in this area, but there may be a good faith effort to support this.

**7. CONSENT AGENDA**

7a. Board and Commission Minutes

7a1. Downtown Development Authority – July 17, 2017

7a2. Planning Commission – August 16, 2017

7b. Motion – Approve 2018-2020 Lawn & Ornamental Bed Maintenance Bid Award

**RESOLVED: To approve 2018-2020 Lawn & Ornamental Bed Maintenance Bid Award to Premier Group Associates for the estimated \$141,994.00, to be paid for from the Proposed 2018 Budget, Account # 101-266-802.000 (\$75,000.00), TIFA B account # 252-736-800.199 and TIFA D account # 253-737-800.199 (\$30,000.00).**

7c. Motion – Recognize the Alliance of Coalitions for Healthier Communities be recognized as a Non-Profit to Obtain a Charitable Gaming License.

**RESOLVED: To approve the request for recognition of nonprofit status for the Alliance of Coalitions for Healthier Communities for the purpose of their obtaining a charitable gaming license. (Attachment A)**

**Moved by Verbeke, Seconded by Mitchell.**

**RESOLVED: To approve the Consent Agenda.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke**

**No: None**

**Resolution No. 17.08.152**

**Motion Carried (7 - 0)**

**8. OLD BUSINESS**

8a. Resolutions to Issue Bonds

8a1. Motion - Adopt Resolution Authorizing Issuance of Capital Improvement Bonds

8a2. Motion - Adopt Resolution Authorizing Issuance of Special Assessment Bonds

Ms. Schulz explained that the proposed resolutions are the next step in the debt issuance process. The resolutions authorize the issuance of the bonds giving the City Manager the authority to determine the exact details of the sales date, final amounts, and preparation and distribution of the City's official statement.

Eric McGlothlin, City's Bond Counsel from Dickinson Wright, explained that each bond resolution accomplishes four main items necessary with the issuance of the bonds: to establish parameters for the issuance of the bonds, such as a maximum interest rate, principal amount, interest payment dates; to delegate the authority to finally determine the specific terms of the bonds on the date of the sale to the City Manager; to establish provisions conforming the issuance of the bonds to legal standards, to establish the forms of the bonds and the forms of the notice of sale. The notice of sale has terms which dictate how the bonds will be sold on the market.

Mr. McGlothlin confirmed for Mr. Knight that the authority that will be delegated will be to the City Manager. If he is not available, the authority is delegated to the Treasurer.

Mr. Kittle questioned how PFM, the financial advisor, is chosen. Mr. McGlothlin explained that there are only a few registered municipal advisors in the State of Michigan that do this type of work. Ms. Schulz explained that the City had a workshop on bonds and it was decided at that time that PFM would be the advisors on this issue.

Mr. Kittle stated that he realizes that a competitive bid for professional services is not required, but noted that this is a competitive arena where there might be an opportunity to get lower rates or fees. Mr. McGlothlin explained that the term "financial advisor" is used just as a common description of what they do. He stated that their technical position is the City's Registered Municipal Advisor. Mr. Grice pointed out that both Dickinson Wright and PFM were approved at a prior meeting when the bond issue came forward.

**Moved by Knight, Seconded by Hammond.**

**RESOLVED: To adopt Resolution Authorizing Issuance of Capital Improvement Bonds as attached. (Attachment B)**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Verbeke**  
**No: Mitchell**

**Resolution No. 17.08.153**

**Motion Carried (6 - 1)**

**Moved by Knight, Seconded by Kittle.**

**RESOLVED: To adopt Resolution Authorizing Issuance of Special Assessment Bonds as attached. (Attachment C)**

Mr. Kittle commented that if we do ever get to a situation where we issue more bonds or desire to issue more bonds, that we competitively bid it.

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Verbeke**  
**No: Mitchell**

**Resolution No. 17.08.154**

**Motion Carried (6 - 1)**

## **9. NEW BUSINESS**

9a. (Part One) Motion - Approve Rezoning from B-2, General Business to I-1, Light Industrial District / Saber Building Services

(Part Two) Motion – Approve Special Land Use Permit, Site Plan, and Tree Removal Permit / Saber Building Services

Mr. Cohen explained the rezoning of four parcels, totaling 2.59 acres, from B-2 to I-1 located on the west side of Joslyn, north of Taylor. The rezoning is consistent with the Master Plan and both the Planning Commission and staff recommend approval of the rezoning. He explained that second part of the request is to construct two 12,000 square foot light industrial buildings. The southern building would be home to Saber Building Services. The northern building would be a multi-tenant building, with the primary tenant as Curbco. Saber has requested a Special Land Use Permit to store vehicles outside. Construction is expected to begin next month and be complete by May, 2018. The overall investment is \$1.7 million. Both Planning Commission and staff recommend approval of the project.

In response to a question from Mr. Knight regarding the parking lot and access to the northern piece of property, Mr. Cohen explained that the idea was that the next property would have their own entrance, but this would be a secondary entrance for the Fire Department.

Ms. Verbeke questioned how close residential homes are to this property. Mr. Cohen stated that they are very close as this area used to be zoned residential and was rezoned to B-2 in the hopes of redevelopment. Staff worked with Mr. Saber to add extra trees adjacent to the homes to allow for extra buffering. Mr. Cohen confirmed for Ms. Verbeke that part of the rezoning is to allow for them to do the land use and meet all the I-1 setbacks and greenbelts. They are now required to make extra buffering next to commercial properties. He confirmed that there are no wetlands on this property.

Ms. Verbeke questioned the number of cars in and out on a daily basis. James Reb, Reb Construction Services, stated that Saber would have approximately 30-40 cars on a daily basis and the other companies would have minimal.

Mayor McDaniel requested confirmation that no residential property owners attended the public hearing or expressed any written communications of their interest in not allowing this. Mr. Cohen confirmed that there were no communications that the City is aware of. Mr. Reb and Mr. Saber sent out a citizen participation letter and they did not receive any responses.

In regards to the outdoor storage of the trucks, Ms. Hammond questioned whether they will be continually parked or will they be rotated in and out. Mr. Reb explained that they will be parked in the evening after hours. There will be some parked inside. He confirmed that a security system both inside and outside has been considered.

Mr. Knight noted the Planning Commission's comments about the significant difference in the designs of the two buildings and that they would work to make them more complimentary. Mr. Cohen explained that Mr. Reb mentioned that they are going to work with the architect of the Curbco building to try to get it closer to the Saber building. In the State of Michigan, you are allowed to provide different types of architecture. Mr. Reb commented that he spoke with the architect and will get together with him on this issue.

Mr. Knight stated that the Saber building is a handsome building and fits in the area. The northern building looks like a shed and has no personality.

Ms. Verbeke questioned if one building could be approved and not the other. Mr. Cohen stated that he would not recommend it. Mr. Cohen explained that this is a permitted use by right as far as the buildings are concerned. The Planning Commission made it very clear that they would like to see it revised and the Council can do so as well, however the applicant is not obligated to match the Saber building.

Mayor McDaniel questioned whether the applicant is able to make the building more complementary to the Saber building, not such a night and day difference. Mr. Cohen stated that if they make that part of their motion, staff will work with the applicant to get it closer to the Saber building design and report back to Council. Mayor McDaniel stated that he does not want to make a motion without seeing what they are proposing to fix.

Mr. Reb questioned if they will lose their ability to start. Mr. Cohen stated that if the Council is concerned with the Curbco building, he recommends that they approve the Saber building to proceed and come back at a later meeting with the revised Curbco building.

**Moved by Knight, Seconded by Verbeke.**

**RESOLVED: To accept the Planning Commission's recommendation and approve the rezoning of parcels 14-04-451-012, 14-04-451-013, 14-04-451-021 and 14-04-451-022 from B-2, General Business to I-1, Light Industrial District. The rezoning shall be referenced as Ordinance No. 17-897.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke  
No: None**

**Resolution No. 17.08.155**

**Motion Carried (7 - 0)**

**Moved by Verbeke, Seconded by Mitchell.**

**RESOLVED: To accept a portion of the Planning Commission's recommendation and approve the Special Land Use Permit, Site Plan and Tree Removal Permit for the Saber Office Building only, subject to the conditions of the administrative review team.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke  
No: None**

**Resolution No. 17.08.156**

**Motion Carried (7 - 0)**

**9b. Motion – Approve combined PUD Step One – Qualification / Step Two – Site Plan and Tree Removal Permit / Topgolf Auburn Hills**

Mr. Cohen explained the request to construct a golf theme entertainment complex on a sixteen acre site located between I-75 and Great Lakes Crossing Drive, west of Joslyn Road. Topgolf has requested approval via the PUD option so that all the components of the project can be packaged under one approval

process. The PUD process is requested to allow the approval of a three-level multi-use facility with a high-tech outdoor driving range. The driving range includes net poles ranging in height from ninety to 170 feet to ensure the golf balls do not leave the range. In addition, a seventy-foot pylon sign is requested near I-75 to be 36 feet in height, in scale with the surroundings. Topgolf intends to begin construction this fall and will take one year to complete. The investment is estimated at \$12.5 million. Both the Planning Commission and staff recommend approval of the project.

Ms. Hammond expressed concern with kids loitering with the free gaming area and at the pool table area. Rachel Bohac, construction manager for Topgolf, explained that the entrance of the building is located on the first floor and staff is aware of who is in the building and how long they are there. Ms. Bohac assured Ms. Hammond that if it were a problem with kids, staff would ask them to leave. Mayor McDaniel stated that he has been to a Topgolf facility and what stood out to him is that they are very well managed facilities and any issues would be addressed by staff.

Mr. Kittle questioned whether they have their own security. Ms. Bohac explained that it varies from site to site depending on the area and what is located around the Topgolf facility. When the facility opens, the facility director will meet with the police department and will coordinate based on the projected risks in this area. She stated that Topgolf will take whatever measures necessary to ensure their customers are safe.

Mr. Kittle questioned how a service level agreement would be done if there were extraordinary charges for police or other services to seek compensation. Mr. Beckerleg stated that the parameters would be similar to what was done in the past and may be something that is considered later down the road.

In response to a question from Ms. Verbeke regarding the driveway, Mr. Cohen explained that there are two driveways, one of which is shared. Mr. Juidici explained that as part of the site development process, they were required to update the traffic study taking into consideration mall traffic, holiday shopping, and the movie theater traffic. Each of the driveways are set up for three lanes out of the facility - a left lane, a right lane, and an inbound lane.

Mayor McDaniel noted that when you make the turn off of Joslyn on to Great Lakes Crossing, it merges over to one lane. He questioned if any consideration has been given to continue it on to the first entrance at Great Lakes Crossing. Mr. Juidici stated that it is not part of this particular site project. It has been set up to allow for the lane to be added in the future.

Ms. Verbeke questioned how far off of Joslyn Rd is the entrance where that taper will occur. James Quinn with Nowak & Fraus, explained that the approach tappers about 100 feet. It is being extended by 200 feet because it is going through the approach. He pointed out that when people come and go from this site, it happens sporadically and will not generate a lot of traffic at one time.

**Moved by Burmeister, Seconded by Verbeke.**

**RESOLVED: To accept the Planning Commission's recommendation and approve the combined PUD Step One – Concept Plan and PUD Step Two – Site Plan, along with the Tree Removal Permit, for Topgolf Auburn Hills subject to the administrative review team's conditions.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke**

**No: None**

**Resolution No. 17.08.157**

**Motion Carried (7 - 0)**

9c. Motion – Approve Rezoning from R-1, One-Family Residential to I-1, Light Industrial District / 1700 Brown Road

Mr. Cohen explained that the City, in cooperation with Oakland County, has initiated the rezoning request from R-1 to I-1, Light Industrial District to prepare the County's animal shelter and pet adoption center

property for redevelopment. He noted that last month the Planning Commission adopted an amendment to the Master Plan that changed the land use classification for this property from Public to Non-Residential in order to facilitate this rezoning. Both Planning Commission and staff recommend approval of the rezoning.

Mr. Knight questioned why I-1 over High Tech as this site is large enough to have a high tech operation. Mr. Cohen explained that it does not lend itself to a high-tech location. High tech office users want to be on freeways or major roads. This is tucked in and cannot be seen very well and lends itself to heavier industrial. It will probably be redeveloped into one site due to the cost of adding a road. Mr. Cohen further explained that the I-1 is for web or automotive companies who have the robotics and manufacturing and testing.

**Moved by Verbeke, Seconded by Mitchell.**

**RESOLVED: To accept the Planning Commission’s recommendation and approve the rezoning of 1700 Brown Road (Sidwell No. 14-03-100-028) from R-1, One-Family Residential District to I-1, Light Industrial District. The rezoning shall be referenced as Ordinance No. 17-896.**

**VOTE: Yes: Burmeister, Hammond, Kittle, McDaniel, Mitchell, Verbeke**

**No: Knight**

**Resolution No. 17.08.158**

**Motion Carried (6 - 1)**

9d. Motion – Approve Scope of Engineering Services for 2018 Giddings Road.

Mr. Brisson explained that in 2018, Giddings Road will receive \$900,000 in federal funding. As such, the project next year will be administered through the MDOT local agency program unit. The project will consist of a 4" mill and overlay, curb and gutter repair, drain repairs, drain structure repairs as needed as well as pedestrian upgrades at the intersections of Farmer Rd and Taylor Rd. The OHM scope of engineering services is on an hourly basis not to exceed \$79,000, with an estimated \$8,000 in materials testing costs.

Mr. Knight questioned why the testing materials are being approved before the construction. Mr. Juidici explained that the scope of services that G2 will provide at this stage of the project is for soil borings and geotechnical investigation for the corridor to design the pavement overlay. There will be a separate part when the construction comes from materials testing.

**Moved by Verbeke, Seconded by Burmeister.**

**RESOLVED: To award the Scope of Engineering Services for the 2018 Giddings Road Street Rehabilitation Project to OHM Advisors for the not-to-exceed amount of \$ 79,000.00 and materials testing to G2 for the estimated cost of \$ 8,000.00. Funding is provided from account 202-452-935.000.**

**VOTE: Yes: Burmeister, Hammond, Kittle, Knight, McDaniel, Mitchell, Verbeke**

**No: None**

**Resolution No. 17.08.159**

**Motion Carried (7 - 0)**

**10. COMMENTS AND MOTIONS FROM COUNCIL**

Ms. Hammond

- HR did a great job on the Employee Picnic this year.

Mr. Knight

- Received two detailed site plans for the meeting tonight. He stated that he would prefer to receive a condensed version of the site plan showing a general layout of the area, the landscaping, and the building and have staff keep the detailed plans on file in an effort to reduce the amount of money the developer would have to spend.

- Was reassured during the previous meeting that the City is going to paint the roads. The road striping is extremely important to older folks. The roads are getting to the point that it is hard to see.

Mr. Kittle

- Commented on the challenges of revenues and expenditures over time. He stated that he has asked the question “Can we do things differently?”. In looking at Great Lakes Crossing, where is the line drawn on what is an acceptable level of service for them. He questioned the occasions where there may be a large number of police there, is it just included for being located in the City or is there a surcharge that could apply. He pointed out that Topgolf is located in an entertainment district which will ultimately put more demand on the police services. At the same time that we want increased residential traffic enforcement. He stated that Cities are going to have to continue to reinvent and this is just another way to consider how services are delivered and funded.
- Commented on an article from the Oakland Press titled “The Silver Tsunami” which talked about the demographic shifts, which impact local governments. As a Community for the Aging, we are further ahead of it than most, but it is something we have to continue focusing on. From a local government employee standpoint, there is a lot of discussion on the impact of what the demographic changes will do to the employee landscape in the next three to ten years as about 40% of municipal employees reach the age of retirement and there is no backfill through Gen X and the Millennial population. He appreciates that they, as a proactive Council, will keep their eye on it.
- Requested an update on the spec building on Featherstone and Opdyke.  
Mr. Cohen stated that the Burton Katzman facility does not have a tenant yet. It is close to being complete. The floor inside will not be finished until a tenant is selected.

Mr. Burmeister

- Questioned the status of the Pontiac Sign Building and the development at Squirrel and Auburn. Mr. Juidici explained that the plans for the northern sign project on Walton have been approved, a pre-construction meeting held, and are coordinating with their contractor and working on getting the DTE poles that run across their facility relocated. They had planned to start underground construction several months ago, but are still waiting as they have to make a water main connection out to Opdyke Rd along Walton Blvd.  
Mr. Grice explained that the last update on 3250 Auburn was that they were to continue work in September.  
Mayor McDaniel stated that while it is good that we have this site clean, ready and buildable, there was not enough skin in the game for them to be motivated enough to start sooner. In essence, the City fronted the Brownfield money to take care of the cleaning. He stated that he would like to have more discussions amongst Council and have staff return it to the Brownfield Redevelopment Authority to come up with better ideas around grant funding as part of a total project so we do not have these stand-stills when it comes to putting a shovel in the ground.
- Requested a follow up to his question from two weeks ago about the tree that was blocking the line of sight at Dutton and Squirrel. Mr. King explained that he and Mr. Herczeg drove past it. Staff is going to look where the tree falls in the right-of-way. It is on their list to address and will be discussed in the morning.

Ms. Verbeke

- Thanked Mike Mansur at Hawkwoods Nature Center. She took her girl scout troop there and they had an enjoyable time. She loves the way the lodge looks. It is a hidden gem in the City.

Ms. Mitchell

- Commented that she was surprised earlier with the conversation about something not being bid out competitively. She commented that Council has communicated quite frequently that it wants to see competitive bids. She stated that she would rather have it shift to a mind-set that it is the default, not the exception. She stated that she thinks the City would want to bid as many things as competitively as possible.

Mayor McDaniel

- Commented on the National Night Out comments from the last meeting. There was some desire of Council to pick a few of our signature events and have all of the staff contribute to each event, so that one department is not bearing the weight of one particular program. Mr. Tanghe is going to take it back to the team and brainstorm some ideas and bring those forward to Council for consideration in future discussions.

**11. CITY ATTORNEY’S REPORT**

**12. CITY MANAGER’S REPORT**

Mr. Grice

- Announced that the “Code 3 Bandits” from the Fire Department was the winning team at the Employee Picnic.

Mayor McDaniel agreed that the event was very well done, he liked the new location and that all the departments got to interact with each other.

**13. ADJOURNMENT**

Hearing no objections, the meeting adjourned at 8:34 PM.

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Kevin R. McDaniel, Mayor

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Terri Kowal, City Clerk



ATTACHMENT A



LOCAL GOVERNING BODY RESOLUTION FOR CHARITABLE GAMING LICENSES

(Required by MCL 432.103(K)(ii))

At a regular meeting of the City of Auburn Hills

called to order by Mayor McDaniel on August 28, 2017

at 7:00 a.m. (p.m.) the following resolution was offered:

Moved by Verbeke and supported by Mitchell

that the request from Alliance of Coalitions for Healthy Communities of Auburn Hills

county of Oakland, asking that they be recognized as a

nonprofit organization operating in the community for the purpose of obtaining charitable

gaming licenses, be considered for approval.

Table with 2 columns: APPROVAL and DISAPPROVAL. Rows: Yeas (7), Nays (None), Absent (None).

I hereby certify that the foregoing is a true and complete copy of a resolution offered and adopted by the Auburn Hills at a regular meeting held on August 28, 2017.

SIGNED: Terri Kowal, City Clerk

1827 N. Squirrel Rd, Auburn Hills, MI 48326

**ATTACHMENT B**

**BOND RESOLUTION**

Capital Improvement Bonds, Series 2017  
(Limited Tax General Obligation)

At a regular meeting of the City Council of the City of Auburn Hills, Oakland County, Michigan (the “City”), held on the 28th day of August, 2017.

PRESENT: Mayor McDaniel, Council Members Burmeister, Hammond, Kittle, Knight, Mitchell and Verbeke  
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ABSENT: None  
\_\_\_\_\_

The following resolution was offered by  Knight  and seconded by  Hammond :

WHEREAS, the City Council of the City (the “Council”) does hereby determine that it is necessary to defray all or part of the cost of the acquisition and construction of (a) road improvements to major and local roads within the City and any and all related appurtenances and (b) improvements to City buildings and other facilities, including without limitation the replacement of one or more roofs, parking lots or portions thereof, and other City facilities, structures, and related appurtenances (the “Project”); and

WHEREAS, the cost of the Project is estimated to be approximately Eight Million Dollars (\$8,000,000); and

WHEREAS, the Council has determined to issue bonds and to use the proceeds of the sale of such bonds to finance all or part of the cost of the Project.

THEREFORE, BE IT RESOLVED by the City Council of the City of Auburn Hills, Michigan, as follows:

1. AUTHORIZATION OF BONDS – PURPOSE. Bonds of the City aggregating the principal sum to be determined by order of the City Manager (the “Authorized Officer”) but not in excess of Eight Million Dollars (\$8,000,000) shall be issued and sold for the purpose of defraying all or part of the cost of the Project.

2. BOND DETAILS. The bonds shall be designated “Capital Improvement Bonds, Series 2017 (Limited Tax General Obligation)”, shall be dated the date of their delivery; shall be numbered from 1 upwards; shall be fully registered; shall be in the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof; shall bear interest at a rate or rates not exceeding 5% per annum to be determined upon the sale thereof payable on the first day of June and December in each year commencing on June 1, 2018; and shall be serial and/or term bonds and mature on such dates and in such amounts as shall be determined by order of the Authorized Officer; provided, however, that the final principal maturity of the bonds shall be not later than June 1, 2037. If the original purchaser of the bonds shall designate certain of the bonds as term bonds, the principal maturities of the bonds shall become mandatory redemption requirements in accordance with the provisions of Section 6 and the form of bond set forth in Section 10. In the absence of the Authorized Officer, the Treasurer shall exercise any authority granted to the Authorized Officer as contemplated by and in furtherance of the provisions of this resolution.

3. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the bonds to the bond registrar and paying agent as they severally mature. Interest shall

be paid to the registered owner of each bond as shown on the registration books at the close of business on the 15<sup>th</sup> day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address.

4. BOOK-ENTRY SYSTEM. Initially, one fully-registered bond for each maturity, in the aggregate amount of such maturity, shall be issued in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”) for the benefit of other parties (the “Participants”) in the book-entry-only transfer system of DTC. In the event the City determines that it is in the best interest of the City not to continue the book-entry system of transfer or that the interests of the holders of the bonds might be adversely affected if the book-entry system of transfer is continued, the City may notify DTC and the bond registrar and paying agent, whereupon DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the bond registrar and paying agent shall deliver, transfer and exchange bond certificates as requested by DTC and any Participant or “beneficial owner” in appropriate amounts in accordance with this resolution. DTC may determine to discontinue providing its services with respect to the bonds at any time by giving notice to the City and the bond registrar and paying agent and discharging its responsibilities with respect thereto under applicable law or the City may determine that DTC is incapable of discharging its duties and may so advise DTC. In either such event, the City shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor securities depository), the City and the bond registrar and paying agent shall be obligated to deliver bond certificates in accordance with the procedures established by this resolution. In the event bond certificates are issued, the provisions of this resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City and the bond registrar and paying agent to do so, the City and the bond registrar and paying agent shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the bonds to any Participant having bonds

credited to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the bonds.

Notwithstanding any other provision of this resolution to the contrary, so long as any bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, interest on and redemption premium, if any, on the bonds and all notices with respect to the bonds shall be made and given, respectively, to DTC. The Authorized Officer is authorized to sign the Blanket Issuer Letter of Representations on behalf of the City in such form as such official deems necessary or appropriate in order to accomplish the issuance of the bonds in accordance with law and this resolution.

Notwithstanding any other provision of this resolution to the contrary, if the Authorized Officer deems it to be in the best interest of the City, the bonds shall not initially be issued through the book-entry-only transfer system of DTC.

5. OPTIONAL REDEMPTION. The bonds shall be subject to optional redemption prior to maturity upon such terms and conditions as shall be determined by order of the Authorized Officer.

6. MANDATORY PRIOR REDEMPTION. If any of the bonds are designated by the original purchaser as term bonds such bonds shall be subject to mandatory prior redemption at par and accrued interest in accordance with the maturity schedule as determined by the Authorized Officer at the time of sale and upon the terms and conditions set forth in the form of bond contained in section 10 hereof. The bonds to be redeemed shall be selected by lot.

7. BOND REGISTRAR AND PAYING AGENT. The Treasurer shall designate, and may enter into an agreement with, a bond registrar and paying agent for the bonds that shall be a bank or trust company located in the State of Michigan that is qualified to act in such capacity under the laws of the

United States of America or the State of Michigan. The Treasurer may from time to time as required designate a similarly qualified successor bond registrar and paying agent.

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

9. EXCHANGE AND TRANSFER OF BONDS. Any bond, at the option of the registered owner thereof and upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, may be exchanged for bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond.

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

Upon the exchange or transfer of any bond, the bond registrar and paying agent on behalf of the City shall cancel the surrendered bond and shall authenticate and deliver to the transferee a new bond or

bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond. If, at the time the bond registrar and paying agent authenticates and delivers a new bond pursuant to this section, payment of interest on the bonds is in default, the bond registrar and paying agent shall endorse upon the new bond the following: “Payment of interest on this bond is in default. The last date to which interest has been paid is [insert applicable date].”

The City and the bond registrar and paying agent may deem and treat the person in whose name any bond shall be registered upon the books of the City as the absolute owner of such bond, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of section 3 of this resolution shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar and paying agent shall be affected by any notice to the contrary. The City agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of bonds, the City or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

10. FORM OF BONDS. The bonds shall be in substantially the following form with such necessary and appropriate changes as are permitted or required hereby and are approved by those officers

executing the bonds and the execution thereof by such officers shall constitute conclusive evidence of such approval:



UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF OAKLAND  
CITY OF AUBURN HILLS  
CAPITAL IMPROVEMENT BOND, SERIES 2017  
(LIMITED TAX GENERAL OBLIGATION)

INTEREST RATE      MATURITY DATE      DATE OF ORIGINAL ISSUE      CUSIP

\_\_\_\_\_, 2017

Registered Owner:

Principal Amount:

The City of Auburn Hills, County of Oakland, State of Michigan (the “City”), acknowledges itself indebted to and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, Michigan, the bond registrar and paying agent, or at such successor bond registrar and paying agent as may be designated pursuant to the Resolution (as hereinafter defined), and to pay to the Registered Owner, as shown on the registration books at the close of business on the 15<sup>th</sup> day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount until the City’s obligation with respect to the payment of such Principal Amount is discharged, at the rate per annum specified above. Interest is payable on the first day of \_\_\_\_\_ and \_\_\_\_\_ in each year, commencing on \_\_\_\_\_ 1, 20\_\_\_. Principal and interest are payable in lawful money of the United States of America. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This bond is one of a series of bonds aggregating the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) issued by the City under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 34, Public Acts of 2001, as amended) and a bond authorizing resolution adopted by the City Council of the City (the “Resolution”) for the purpose of defraying all or part of the cost of the acquisition and construction of (a) road improvements to major and local roads within the City and any and all related appurtenances and (b) improvements to City buildings and other facilities, including without limitation the replacement of one or more roofs, parking lots or portions thereof, and other City facilities, structures, and related appurtenances.

The City has irrevocably pledged its full faith and credit for the prompt payment of the principal of and interest on this bond as the same become due. The principal of and interest on the bonds are payable as a first budget obligation of the City from its general funds. The ability of the City to raise such funds is subject to applicable constitutional, statutory and charter limitations on the taxing power of the

City. The amount of taxes necessary to pay the principal of and interest on the bonds, together with the taxes levied for the same year, shall not exceed the limit authorized by law.

This bond is transferable, as provided in the Resolution, only upon the books of the City kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

#### MANDATORY PRIOR REDEMPTION

Bonds maturing in the year \_\_\_\_ are subject to mandatory prior redemption at par and accrued interest as follows:

Redemption Date	Principal Amount of Bonds to be Redeemed
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Bonds or portions of bonds to be redeemed by mandatory redemption shall be selected by lot.  
(REPEAT IF MORE THAN ONE TERM BOND)

#### OPTIONAL PRIOR REDEMPTION

Bonds maturing prior to \_\_\_\_\_ 1, 20\_\_, are not subject to redemption prior to maturity. Bonds maturing on and after \_\_\_\_\_ 1, 20\_\_, are subject to redemption prior to maturity at the option of the City, in such order as shall be determined by the City, on any date on and after \_\_\_\_\_ 1, 20\_\_. Bonds of a denomination greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the bonds maturing in any year are to be redeemed, the bonds or portions of bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the bond or portion of the bond called to be redeemed plus interest to the date fixed for redemption.

Not less than thirty nor more than sixty days' notice of redemption shall be given by first-class mail to the registered owners of bonds called to be redeemed at their registered addresses. Failure to receive notice of redemption shall not affect the proceedings for redemption. Bonds or portions of bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have

happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the City, including the series of bonds of which this bond is one, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City of Auburn Hills, Michigan, by its City Council, has caused this bond to be executed in its name by manual or facsimile signature of the Mayor and countersignature of the City Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

CITY OF AUBURN HILLS

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

Its: Mayor

And: \_\_\_\_\_

Its: Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

\_\_\_\_\_  
Bond Registrar and Paying Agent

By: \_\_\_\_\_  
Authorized Representative

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (please print or type name, address and taxpayer identification number of transferee) the within bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

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

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

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

11. DEBT SERVICE FUND. There shall be established for the bonds a debt service fund, which shall be accounted for separately and may be pooled or combined for deposit or investment purposes only with other debt retirement funds for non-voted debt, other than special assessment debt. From the proceeds of the sale of the bonds there shall be set aside in the debt service fund any premium and accrued interest received from the purchaser of the bonds at the time of delivery of the bonds in such amounts as determined by the Authorized Officer. Funds of the City to be used to pay the principal and interest on the bonds when due shall be placed in the debt service fund and so long as the principal or interest on the bonds shall remain unpaid, no moneys shall be withdrawn from such debt service fund except to pay principal and interest on the bonds.

12. CONSTRUCTION FUND. The remainder of the proceeds of the sale of the bonds shall be set aside in a construction fund and used solely to defray the cost of constructing the Project, including any engineering, legal and other expenses incidental thereto. Any unexpended balance of the proceeds of the sale of the bonds remaining in the construction fund after completion of the Project shall be deposited in the debt service fund established in section 11 hereof or, if authorized by resolution of the City Council of the City, to construct additional capital improvements.

13. PLEDGE OF FULL FAITH AND CREDIT. The full faith and credit of the City are pledged hereby to the payment of the principal of and interest on the bonds authorized by this resolution. Each year the City shall include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due. The ability of the City to raise such funds is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City. The amount of taxes necessary to pay the principal of and interest on the bonds, together with the taxes levied for the same year, shall not exceed the limit authorized by law. It is expected that revenues from State of Michigan collected taxes returned to the City for highway purposes, tax increment and other revenues provided by the City of Auburn Hills Tax Increment Finance Authority and other lawfully available funds will be used to pay principal of and interest on the bonds.

14. ESTIMATES OF PERIOD OF USEFULNESS AND COST. The Authorized Officer is hereby authorized to determine the estimated period of usefulness of the Project for which the bonds are to be issued. The bonds shall comply with the maturity requirements set forth in Act No. 34, Public Acts of Michigan, 2001, as amended (“Act 34”), particularly section 501 thereof. The estimated cost of the Project in the amount of \$8,000,000 as submitted to the Council is hereby approved and adopted.

15. TAX COVENANT. The City covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes.

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

17. REPLACEMENT OF BONDS. Upon receipt by the Treasurer of proof of ownership of an unmatured bond, of satisfactory evidence that the bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity that complies with applicable law and is satisfactory to the Treasurer, the Treasurer may authorize the bond registrar and paying agent to deliver a new executed bond to replace the bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the Treasurer may authorize the bond registrar and paying agent to pay the bond without presentation upon the receipt of the same

documentation required for the delivery of a replacement bond. The bond registrar and paying agent, for each new bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the City in the premises. Any bond delivered pursuant to the provisions of this section 17 in lieu of any bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the bond in substitution for which such bond was delivered.

18. APPROVAL OF DEPARTMENT OF TREASURY. The issuance and sale of the bonds shall be subject to permission being granted therefor by the Michigan Department of Treasury pursuant to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), unless the City has qualified status pursuant to Act 34, and, if necessary, the Authorized Officer is authorized and directed to make applications to the Michigan Department of Treasury for permission to issue and sell the bonds as provided by the terms of this resolution and Act 34.

19. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS. The Authorized Officer is hereby authorized to sell the bonds at a competitive sale at a price not less than 99.5% nor more than 108% of their par value in accordance with the notice of sale set forth in Section 21 hereof and approve by written order the interest rates on the bonds and the winning bidder upon the sale of the bonds. The Authorized Officer is authorized to adjust the price parameters prior to sale of the bonds upon the recommendation of the City’s registered municipal advisor. After the receipt of bids, the Authorized Officer, if determined that it is in the best interest of the City to do so, shall enter an order awarding the bonds to the bidder whose bid produces the lowest interest cost in accordance with the notice of sale. Alternatively, if determined to be in the best interest of the City, the Authorized Officer is authorized to reject all bids and negotiate the terms of sale with a purchaser as determined by the Authorized Officer. The City Manager, the Treasurer, the Clerk and other officers and employees of the City are authorized to do all things necessary to effectuate the sale, issuance, delivery, transfer and exchange of bonds in accordance with this resolution.



20. OFFICIAL STATEMENT; CONTINUING DISCLOSURE: The Authorized Officer is hereby authorized to cause the preparation of a preliminary official statement and a final official statement for the bonds for the purpose of enabling compliance with SEC Rule 15c2-12 (the “Rule”) by the winning bidder or bidders and to do all other things necessary to enable compliance with the Rule by the winning bidder or bidders. After the award of the bonds, the City shall provide, on a timely basis and in reasonable quantity as requested by the winning bidder or bidders to enable the winning bidder or bidders to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

The Authorized Officer is authorized to execute and deliver in the name of and on behalf of the City (i) a certificate of the City to comply with the requirement for a continuing disclosure undertaking of the City pursuant to subsection (b)(5) or (d)(2) of the Rule, as applicable, and (ii) amendments to such certificate from time to time in accordance with the terms of such certificate (the certificate and any amendments thereto are collectively referred to herein as the “Continuing Disclosure Certificate”). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The remedies for any failure of the City to comply with or carry out the provisions of the Continuing Disclosure Certificate shall be as set forth therein.

21. NOTICE OF SALE. The Notice of Sale for the bonds shall be published in accordance with law in *The Bond Buyer* and shall be in substantially the following form with such changes as may be approved by the Authorized Officer:

OFFICIAL NOTICE OF SALE

\$ \_\_\_\_\_ \*

\*(Subject to adjustment as described below)

CITY OF AUBURN HILLS, COUNTY OF OAKLAND, STATE OF MICHIGAN  
CAPITAL IMPROVEMENT BONDS, SERIES 2017  
(LIMITED TAX GENERAL OBLIGATION)

SEALED BIDS for the purchase of the above bonds will be received by the undersigned at the office of the \_\_\_\_\_, 1827 North Squirrel Road, Auburn Hills, Michigan 48326, on \_\_\_\_\_, the \_\_\_\_ day of \_\_\_\_\_, 2017, at \_\_\_\_\_ .m., Eastern Daylight Time, at which time and place said bids will be publicly opened and read. Bids will also be received on the same date and until the same time by an agent of the undersigned at the offices of the Municipal Advisory Council of Michigan (the “MAC”), Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, where they will be opened and read publicly. Signed bids may be submitted by fax to the MAC at fax number (313) 963-0943, but no bid will be received after the time for receiving bids specified above and the bidder bears all risks of transmission failure.

IN THE ALTERNATIVE: Bids may be submitted electronically via PARITY pursuant to this Notice on the same date and until the same time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice, the terms of this Notice shall control. For further information about PARITY, potential bidders may contact PFM Financial Advisors LLC at (734) 994-9700 or PARITY at (212) 849-5021.

BOND DETAILS: The bonds will be fully registered bonds of the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof, dated the date of their delivery, and will bear interest from their date payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter.

The bonds will mature on the first day of \_\_\_\_\_ as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2018		2028	
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	

TERM BOND OPTION: Bidders shall have the option of designating bonds as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 20\_\_ through final maturity represents a serial maturity or a mandatory redemption requirement for a term bond maturity. There may be more than one term bond designated. In any event, the above principal amount scheduled for the years 20\_\_ through final maturity shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

PRIOR REDEMPTION:

A. MANDATORY REDEMPTION. Bonds designated as term bonds shall be subject to mandatory redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities hereinbefore set forth. The bonds or portions of bonds to be redeemed shall be selected by lot.

B. OPTIONAL REDEMPTION. Bonds maturing prior to \_\_\_\_\_ 1, 20\_\_, are not subject to redemption prior to maturity. Bonds maturing on and after \_\_\_\_\_ 1, 20\_\_, are subject to redemption prior to maturity, at the option of the City, in such order as determined by the City, in whole or in part, on any date, on or after \_\_\_\_\_ 1, 20\_\_, in integral multiples of \$5,000 and by lot within a maturity, at the par value of the bond or portion of the bond called to be redeemed, plus accrued interest to the redemption date.

C. NOTICE OF REDEMPTION. Not less than thirty nor more than sixty days' notice of redemption shall be given by first class mail to the registered owner at the registered address. Failure to receive notice of redemption shall not affect the validity of the proceedings for redemption. Bonds or portions of bonds called for redemption shall not bear interest after the redemption date; provided, funds are on hand with the bond registrar and paying agent to redeem the bonds called for redemption.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 5% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/100 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The interest rate borne by bonds maturing in any one year shall not be less than the interest rate borne by bonds maturing in the preceding year. The difference between the highest and lowest interest rates on the bonds shall not exceed three percentage points. No proposal for the purchase of less than all of the bonds or at a price less than 99.5% nor more than 108% of their par value will be considered.

BOOK-ENTRY-ONLY: The bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. The bonds will not be issued in book-entry form if the purchaser is willing to accept physical delivery of the bonds in denominations equal to the aggregate principal amount for each maturity and, if necessary, transfer the bonds only in such denominations. The book-entry-only system is described further in the preliminary official statement for the bonds.

BOND REGISTRAR AND PAYING AGENT: The bonds shall be payable as to principal in lawful money of the United States upon surrender thereof at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, Michigan, the bond registrar and paying agent. Interest shall be paid to the registered owner of each bond as shown on the registration books at the close of business on the 15<sup>th</sup> day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address. As long as DTC, or its nominee Cede & Co., is the registered owner of the bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the bonds is the responsibility of DTC participants and indirect participants as described in the preliminary official statement for the bonds. The City from time to time as required may designate a successor bond registrar and paying agent.

PURPOSE AND SECURITY: The bonds are to be issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, to defray all or part of cost of acquiring and constructing improvements to City roads, buildings and other facilities. The full faith and credit of the City have been pledged to the prompt payment of the principal of and interest on the bonds. The principal of and interest on the bonds are payable as a first budget obligation of the City from its general funds. The ability of the City to raise such funds is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

ADJUSTMENT IN PRINCIPAL AMOUNT: Following receipt of bids and prior to final award, the City reserves the right to decrease the principal amount of the bonds. Such adjustment, if necessary, will be made in increments of \$5,000, and may be made in one or more maturities. The purchase price will be adjusted proportionately to the decrease in the principal amount of the bonds, but the interest rates specified by the successful bidder will not change. The successful bidder may not withdraw its bid as a result of any changes made as provided in this paragraph.

GOOD FAITH: A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$\_\_\_\_\_ payable to the order of the Treasurer will be required of the winning bidder. The winning bidder is required to submit its good faith deposit to the City not later than Noon, Eastern Daylight Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the winning bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost to the City. True interest cost shall be computed by determining the annual interest rate (compounded semiannually) necessary to discount the debt service payments on the bonds from the payment dates thereof to \_\_\_\_\_, 2017, and to the price bid.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Dickinson Wright PLLC, attorneys of Detroit, Michigan, the original of which will be furnished without expense to the purchaser at the delivery of the bonds. The fees of Dickinson Wright PLLC for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the above bonds, Dickinson Wright PLLC has made no inquiry as to any financial information, statements or material contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds and, accordingly, will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

TAX MATTERS: The approving opinion will include an opinion to the effect that 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; such opinion will 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 will be subject to the condition that the City 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 certain of such requirements could cause the interest on the bonds to be included in gross income retroactive to the date of issuance of the bonds. The City has covenanted to comply with all such requirements. The opinion will express no opinion regarding other federal tax consequences arising with respect to the bonds.

The City has not designated the bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

If the winning bidder will obtain a municipal bond insurance policy or other credit enhancement for the bonds in connection with their original issuance, the winning bidder will be required, as a condition of delivery of the bonds, to certify that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

In addition, the approving opinion will include an opinion to the effect that under existing law, the bonds and the interest thereon are exempt from all taxation by the State of Michigan or a political subdivision thereof, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

**ISSUE PRICE:** The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the bonds, together with the supporting pricing wires or equivalent communications, substantially in the form provided by bond counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and bond counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the bonds may be taken on behalf of the City by the City’s municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City’s municipal advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the bonds) will apply to the initial sale of the bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the bonds to the bidder who submits a firm offer to purchase the bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City shall treat the first price at which 10% of a maturity of the bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the bonds satisfies the 10% test as of the date and time of the award of the bonds. The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare

their bids on the assumption that all of the maturities of the bonds will be subject to the 10% test in order to establish the issue price of the bonds.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the bonds of that maturity or until all bonds of that maturity have been sold.

By submitting a bid, each bidder confirms that: (i) except as otherwise provided in its bid, it has an established industry reputation for underwriting new issuances of municipal bonds, (ii) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the bonds of that maturity or all bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (iii) any agreement among underwriters relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the bonds of that maturity or all bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the bonds to the public),
- (iii) a purchaser of any of the bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) “sale date” means the date that the bonds are awarded by the City to the winning bidder.

**OFFICIAL STATEMENT:** A copy of the City’s preliminary official statement relating to the bonds may be obtained by contacting PFM Financial Advisors LLC at the address referred to below. In addition, the preliminary official statement is available on the internet and can be viewed and downloaded at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). The preliminary official statement is in a form deemed final by the City for purposes of paragraph (b)(1) of SEC Rule 15c2-12 (the “Rule”), but is subject to revision, amendment and completion in a final official statement.

After the award of the bonds, the City will provide on a timely basis 100 copies of a final official statement, at the City’s expense (and such additional copies of the final official statement as reasonably requested by, and at the expense of, the winning bidder or bidders). Requests for such additional copies of the final official statement shall be made to PFM Financial Advisors LLC at the address set forth below within 24 hours of the award of the bonds.

**CONTINUING DISCLOSURE:** In order to assist bidders in complying with paragraph (b)(5) of the Rule, the City will undertake, pursuant to a resolution adopted by its governing body and a continuing disclosure certificate, to provide annual reports and notices of certain events. A description of these undertakings is set forth in the preliminary official statement and will also be set forth in the final official statement.

**CUSIP:** CUSIP numbers will be imprinted on all bonds of this issue at the City’s expense. An improperly printed number will not constitute basis for the purchaser to refuse to accept delivery. The purchaser shall be responsible for requesting assignment of numbers and for payment of any charges for the assignment of numbers.

**BIDDER CERTIFICATION: NOT “IRAN-LINKED BUSINESS”:** By submitting a bid, the bidder shall be deemed to have certified that it is not an “Iran-Linked Business” as defined in Act No. 517, Public Acts of Michigan, 2012; MCL 129.311 et seq.

**DELIVERY OF BONDS:** The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York. The usual closing documents, including a continuing disclosure certificate and a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of the delivery of the bonds. If the bonds are not tendered for delivery by twelve o’clock noon, Eastern Daylight Time, on the 45<sup>th</sup> day following the date of sale, or the first business day thereafter if said 45<sup>th</sup> day is not a business day, the winning bidder on that day, or any time thereafter until delivery of the bonds, may withdraw its proposal by serving notice of cancellation, in writing, on the undersigned, in which event the City shall return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

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

**ENVELOPES** containing the bids should be plainly marked “Proposal for Bonds.”

**REGISTERED MUNICIPAL ADVISORS:** Further information regarding the bonds may be obtained from PFM Financial Advisors LLC, 555 Briarwood Circle, Suite 333, Ann Arbor, Michigan 48108, Telephone (734) 994-9700, Fax (734) 994-9710, Financial Consultant to the City.

\_\_\_\_\_, \_\_\_\_\_  
City of Auburn Hills



22. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions, insofar as they are in conflict herewith, are rescinded.

YEAS: \_\_\_\_\_ 6 (McDaniel, Burmeister, Hammond, Kittle, Knight, Verbeke)

NAYS: \_\_\_\_\_ 1 (Mitchell)

ABSENT: \_\_\_\_\_ None

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN        )  
  )ss  
COUNTY OF OAKLAND     )

I, the undersigned Clerk of the City of Auburn Hills, County of Oakland, Michigan, hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council at a regular meeting held on the 28th day of August, 2017, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with the provisions of the Open Meetings Act.

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Clerk  
City of Auburn Hills

**ATTACHMENT C**

BOND RESOLUTION

2017 Special Assessment Bonds  
(Limited Tax General Obligation)

At a regular meeting of the City Council of the City of Auburn Hills (the “City”), Oakland County, Michigan, held on the 28th day of August, 2017.

PRESENT: Mayor McDaniel, Council Members Burmeister, Hammond, Kittle, Knight, Mitchell and Verbeke

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

The following resolution was offered by  Knight  and seconded by  Kittle :

WHEREAS, the City has taken the necessary proceedings and entered into the necessary agreements for the making of road improvements in the City, and to defray the cost thereof, special assessments have been made against lands in Special Assessment District No. 4, Special Assessment District No. 5, and the Deepwood Drive Road Improvement Special Assessment District; and

WHEREAS, the City Council previously confirmed the Special Assessment Rolls for Special Assessment District No. 4, Special Assessment District No. 5, and the Deepwood Drive Road Improvement Special Assessment District in the aggregate amount of \$2,324,794.49 and specified the dates on which the installments of assessments would become due; and

WHEREAS, the City Council desires to issue the bonds of the City as hereinafter described to finance the improvements, which bonds shall be secured in the first instance by the special assessments

against the lands in Special Assessment District No. 4, Special Assessment District No. 5, and the Deepwood Drive Road Improvement Special Assessment District; and

WHEREAS, the special assessments made on the Special Assessment Roll for Special Assessment District No. 4 and outstanding on the date hereof will be divided into ten (10) approximately equal annual installments, the first installment being due December 1, 2017, and the subsequent installments being due consecutively on December 1 in each of the years 2018 through 2026, in each case together with interest on installments from time to time remaining unpaid at a rate equal to 5% per annum or such lesser rate as may be required by law; and

WHEREAS, the special assessments made on the Special Assessment Roll for Special Assessment District No. 5 and outstanding on the date hereof will be divided into ten (10) approximately equal annual installments, the first installment being due December 1, 2017, and the subsequent installments being due consecutively on December 1 in each of the years 2018 through 2026, in each case together with interest on installments from time to time remaining unpaid at a rate equal to 5% per annum or such lesser rate as may be required by law; and

WHEREAS, the special assessments made on the Special Assessment Roll for the Deepwood Drive Road Improvement Special Assessment District and outstanding on the date hereof will be divided into five (5) approximately equal annual installments, the first installment being due December 1, 2017, and the subsequent installments being due consecutively on December 1 in each of the years 2018 through 2021, in each case together with interest on installments from time to time remaining unpaid at an interest rate of 5% or such lesser rate as may be required by law.

THEREFORE, BE IT RESOLVED by the City Council of the City of Auburn Hills, Oakland County, Michigan, as follows:

1. AUTHORIZATION OF BONDS – PURPOSE. Bonds of the City shall be issued in the aggregate principal sum to be determined by the City Manager (the “Authorized Officer”) but not in excess of Three Million Dollars (\$3,000,000) in anticipation of the collection of an equal amount of installments of assessments against lands in Special Assessment District No. 4, Special Assessment District No. 5, and the Deepwood Drive Road Improvement Special Assessment District to defray part of the cost of the acquisition and construction of improvements in such districts.

2. BOND DETAILS. The bonds shall be designated “2017 Special Assessment Bonds (Limited Tax General Obligation)”; shall be dated as of the date of delivery; shall be numbered consecutively from 1 upwards; shall be fully registered; shall be in the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof; shall bear interest at a rate or rates not exceeding 5% per annum to be determined upon the sale thereof payable on the first day of June and December in each year commencing on June 1, 2018; and shall be serial and/or term bonds and mature on such dates and in such amounts as shall be determined by order of the Authorized Officer; provided, however, that the final principal maturity of the bonds shall be not later than June 1, 2027. If the original purchaser of the bonds shall designate certain of the bonds as term bonds, the principal maturities of the bonds shall become mandatory redemption requirements in accordance with the provisions of Section 6 and the form of bond set forth in Section 10. In the absence of the Authorized Officer, the Treasurer shall exercise any authority granted to the Authorized Officer as contemplated by and in furtherance of the provisions of this resolution.

3. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the bonds to the bond registrar and paying agent as they severally mature. Interest shall be paid to the registered owner of each bond as shown on the registration books at the close of business on the 15<sup>th</sup> day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when

due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address.

4. BOOK-ENTRY SYSTEM. Initially, one fully-registered bond for each maturity, in the aggregate amount of such maturity, shall be issued in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”) for the benefit of other parties (the “Participants”) in the book-entry-only transfer system of DTC. In the event the City determines that it is in the best interest of the City not to continue the book-entry system of transfer or that the interests of the holders of the bonds might be adversely affected if the book-entry system of transfer is continued, the City may notify DTC and the bond registrar and paying agent, whereupon DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the bond registrar and paying agent shall deliver, transfer and exchange bond certificates as requested by DTC and any Participant or “beneficial owner” in appropriate amounts in accordance with this Resolution. DTC may determine to discontinue providing its services with respect to the bonds at any time by giving notice to the City and the bond registrar and paying agent and discharging its responsibilities with respect thereto under applicable law or the City may determine that DTC is incapable of discharging its duties and may so advise DTC. In either such event, the City shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor securities depository), the City and the bond registrar and paying agent shall be obligated to deliver bond certificates in accordance with the procedures established by this Resolution. In the event bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City and the bond registrar and paying agent to do so, the City and the bond registrar and paying agent shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the bonds to any Participant having bonds certified to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, interest on and redemption premium, if any, on such bonds and all notices with respect to the bonds shall be made and given, respectively, to DTC. The Supervisor, the Treasurer or the Clerk of the City is authorized to sign the Blanket Issuer Letter of Representations on behalf of the City, in such form as such officer deems necessary or appropriate in order to accomplish the issuance of the bonds in accordance with law and this Resolution.

Notwithstanding any other provision of this resolution to the contrary, if the Supervisor, Clerk or Treasurer deems it to be in the best interest of the City, the bonds shall not initially be issued through the book-entry-only transfer system of DTC.

5. OPTIONAL REDEMPTION. The bonds shall be subject to optional redemption prior to maturity upon such terms and conditions as shall be determined by order of the Authorized Officer.

6. MANDATORY PRIOR REDEMPTION. If any of the bonds are designated by the original purchaser as term bonds such bonds shall be subject to mandatory prior redemption at par and accrued interest in accordance with the maturity schedule as determined by the Authorized Officer at the time of sale and upon the terms and conditions set forth in the form of bond contained in section 10 hereof. The bonds to be redeemed shall be selected by lot.

7. BOND REGISTRAR AND PAYING AGENT. The Treasurer shall designate, and may enter into an agreement with, a bond registrar and paying agent for the bonds, which shall be a bank or trust company located in the State of Michigan that is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The Treasurer may from time to time as required designate a similarly qualified successor bond registrar and paying agent.

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

9. EXCHANGE AND TRANSFER OF BONDS. Any bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond.

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

Upon the exchange or transfer of any bond, the bond registrar and paying agent on behalf of the City shall cancel the surrendered bond and shall authenticate and deliver to the transferee a new bond or bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond. If, at the time the bond registrar and paying agent authenticates and delivers a new bond pursuant to this section, payment of interest on the bonds is



in default, the bond registrar and paying agent shall endorse upon the new bond the following: “Payment of interest on this bond is in default. The last date to which interest has been paid is \_\_\_\_\_, \_\_\_\_.”

The City and the bond registrar and paying agent may deem and treat the person in whose name any bond shall be registered upon the books of the City as the absolute owner of such bond, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of Section 3 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar and paying agent shall be affected by any notice to the contrary. The City agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of bonds, the City or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

10. FORM OF BONDS. The bonds shall be in substantially the following form with such necessary and appropriate changes as are permitted or required hereby and are approved by those officers executing the bonds and the execution thereof by such officers shall constitute conclusive evidence of such approval:

[FORM OF BONDS]

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF OAKLAND

CITY OF AUBURN HILLS  
2017 SPECIAL ASSESSMENT BOND  
(LIMITED TAX GENERAL OBLIGATION)

INTEREST RATE      MATURITY DATE      DATE OF ORIGINAL ISSUE      CUSIP

Registered Owner:

Principal Amount:

The City of Auburn Hills, County of Oakland, State of Michigan (the “City”), acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the corporate trust office of \_\_\_\_\_, the bond registrar and paying agent, or at such successor bond registrar and paying agent as may be designated pursuant to the Resolution (as hereafter defined), and to pay to the Registered Owner as shown on the registration books as of the close of business on the 15<sup>th</sup> day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount until the City’s obligation with respect to the payment of such Principal Amount is discharged at the rate per annum specified above. Interest is payable on the first day of \_\_\_\_\_ and \_\_\_\_\_ in each year, commencing on \_\_\_\_\_ 1, 20\_\_\_. Principal and interest are payable in lawful money of the United States of America. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This bond is one of a series of bonds aggregating the principal sum of \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_) issued by the City under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 34, Public Acts of 2001, as amended) and a bond authorizing resolution adopted by the City Council of the City (the “Resolution”) for the purpose of defraying part of the cost of acquiring and constructing road improvements in Special Assessment District No. 4, Special Assessment District No. 5, and the Deepwood Drive Road Improvement Special Assessment District in the City. The bonds of said series of bonds are issued in anticipation of the collection of an equal amount of special assessments assessed against certain lands in Special Assessment District No. 4, Special Assessment District No. 5, and the Deepwood Drive Road Improvement Special Assessment District as assessed on the correspondingly designated special assessment rolls.

The full faith and credit of the City are hereby pledged for the payment of the principal of and interest on this bond as the same become due. If receipts from the special assessments in anticipation of which the bonds of this series are issued shall not be sufficient to pay the principal of and interest on said bonds, when due, moneys shall be advanced from the general fund of the City to pay such principal and interest. The City's ability to raise such moneys is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

This bond is transferable, as provided in the Resolution, only upon the books of the City kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

MANDATORY PRIOR REDEMPTION

Bonds maturing in the year \_\_\_\_ are subject to mandatory prior redemption at par and accrued interest as follows:

Redemption Date	Principal Amount of Bonds to be Redeemed
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Bonds or portions of bonds to be redeemed by mandatory redemption shall be selected by lot.  
(REPEAT IF MORE THAN ONE TERM BOND)

OPTIONAL PRIOR REDEMPTION

Bonds maturing prior to \_\_\_\_\_ 1, 20\_\_, are not subject to redemption prior to maturity. Bonds maturing on and after \_\_\_\_\_ 1, 20\_\_, are subject to redemption prior to maturity at the option of the City, in such order as shall be determined by the City, on any date on and after \_\_\_\_\_ 1, 20\_\_. Bonds of a denomination greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the bonds maturing in any year are to be redeemed, the bonds or portions of bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the bond or portion of the bond called to be redeemed plus interest to the date fixed for redemption.

Not less than thirty nor more than sixty days' notice of redemption shall be given by first-class mail to the registered owners of bonds called to be redeemed at their registered addresses. Failure to receive notice of redemption shall not affect the proceedings for redemption. Bonds or portions of bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the City, including the series of bonds of which this bond is one, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City of Auburn Hills, Michigan, by its City Council, has caused this bond to be executed in its name by manual or facsimile signature of the Mayor and countersignature of the City Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

CITY OF AUBURN HILLS

(SEAL)

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

And: \_\_\_\_\_  
Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

\_\_\_\_\_  
Bond Registrar and Paying Agent

By: \_\_\_\_\_  
Authorized Signer

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (please print or type name, address and taxpayer identification number of transferee) the within bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

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

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

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

(END OF BOND FORM)

11. SECURITY. The principal of and interest on the bonds shall be payable primarily out of the collections of the special assessments in anticipation of which they are issued but the full faith and credit of the City are pledged to the payment of such principal and interest. If the receipts from the special assessments in anticipation of which the bonds are issued shall not be sufficient to pay such principal and interest as the same shall become due, then an amount sufficient to pay the deficiency shall be advanced from the general fund of the City. The City's ability to raise such funds is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

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

13. ESTIMATES OF PERIOD OF USEFULNESS AND COST. The estimated period of usefulness of the improvements for which said bonds are to be issued is hereby determined to be 10 years and upwards and the estimated cost thereof in the amount of \$4,649,588.00 is hereby approved and adopted.

14. DEBT SERVICE FUND. There shall be established for the said bonds a debt service fund, which shall be accounted for separately and may be pooled or combined for deposit or investment purposes only with other City debt service funds created for special assessment debt. From the proceeds of the sale of the bonds there shall be set aside in the debt service fund any premium and accrued interest received from the purchaser of the bonds at the time of delivery of the same. All collections (including principal, interest and penalties) on the special assessments in anticipation of the collection of which the bonds are issued shall be

placed in the debt service fund and so long as the principal of or interest on any of the bonds shall remain unpaid, no moneys shall be withdrawn from such fund except to pay such principal and interest. The Authorized Officer is authorized (i) to determine that certain special assessments shall not be used to secure payment of the principal of and interest on the bonds and (ii) to reduce the interest rate on unpaid installments of special assessments to a rate that would allow for and maintain the exclusion of interest on the bonds from gross income of the holders thereof for federal income tax purposes.

15. CONSTRUCTION FUND. The remainder of the proceeds of the sale of the bonds and such other amounts representing prepayments or other funds as determined by the Authorized Officer shall be set aside in a construction fund for each project and used to acquire and construct the improvements heretofore described including any engineering, legal and other expenses incidental thereto. Any unexpended proceeds of the sale of the bonds remaining after completion of the construction of the improvements shall be deposited in the debt service fund established in section 14 hereof.

16. REPLACEMENT OF BONDS. Upon receipt by the Treasurer of proof of ownership of an unmatured bond, of satisfactory evidence that the bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity that complies with applicable law and is satisfactory to the Treasurer, the Treasurer may authorize the bond registrar and paying agent to deliver a new executed bond to replace the bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the Treasurer may authorize the bond registrar and paying agent to pay the bond without presentation upon the receipt of the same documentation required for the delivery of a replacement bond. The bond registrar and paying agent, for each new bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the City in the premises. Any bond delivered pursuant the provisions of this Section 16 in lieu of any bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the bond in substitution for which such bond was delivered.



17. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS. The Authorized Officer is hereby authorized to sell the bonds at a competitive sale at a price not less than 100% nor more than 108% of their par value in accordance with the notice of sale set forth in Section 20 hereof and approve by written order the interest rates on the bonds and the winning bidder upon the sale of the bonds. The Authorized Officer is authorized to adjust the price parameters prior to sale of the bonds upon the recommendation of the City's registered municipal advisor. After the receipt of bids, the Authorized Officer, if determined that it is in the best interest of the City to do so, shall enter an order awarding the bonds to the bidder whose bid produces the lowest true interest cost in accordance with the notice of sale. Alternatively, if determined to be in the interest of the City, the Authorized Officer is authorized to reject all bids and negotiate the terms of the sale with a purchaser as determined by the Authorized Officer. The City Manager, the Treasurer, the Clerk and other officers and employees of the City are authorized to do all things necessary to effectuate the sale, issuance, delivery, transfer and exchange of bonds in accordance with this Resolution.

18. OFFICIAL STATEMENT; CONTINUING DISCLOSURE: The Authorized Officer is hereby authorized to cause the preparation of a preliminary official statement and a final official statement for the bonds for the purpose of enabling compliance with SEC Rule 15c2-12 (the "Rule") by the winning bidder or bidders and to do all other things necessary to enable compliance with the Rule by the winning bidder or bidders. After the award of the bonds, the City shall provide, on a timely basis and in reasonable quantity as requested by the winning bidder or bidders to enable the winning bidder or bidders to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

The Authorized Officer is authorized to execute and deliver in the name of and on behalf of the City (i) a certificate of the City to comply with the requirement for a continuing disclosure undertaking of the City pursuant to subsection (b)(5) or (d)(2) of the Rule, as applicable, and (ii) amendments to such certificate from time to time in accordance with the terms of such certificate (the certificate and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Certificate"). The

City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The remedies for any failure of the City to comply with or carry out the provisions of the Continuing Disclosure Certificate shall be as set forth therein.

19. TAX COVENANT. The City covenants to comply with all requirements of the Code necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes.

20. NOTICE OF SALE. The Notice of Sale for the bonds shall be published in accordance with law in *The Bond Buyer* and shall be in substantially the following form with such changes as may be approved by the Authorized Officer:

OFFICIAL NOTICE OF SALE

\$ \_\_\_\_\_ \*

\*(Subject to adjustment as described below)

CITY OF AUBURN HILLS COUNTY OF OAKLAND, STATE OF MICHIGAN  
2017 SPECIAL ASSESSMENT BONDS  
(LIMITED TAX GENERAL OBLIGATION)

SEALED BIDS for the purchase of the above bonds will be received by the undersigned at the office of the \_\_\_\_\_, 1827 North Squirrel Road, Auburn Hills, Michigan 48326, on \_\_\_\_\_, the \_\_\_\_ day of \_\_\_\_\_, 2017, at \_\_\_\_\_ .m., Eastern Daylight Time, at which time and place said bids will be publicly opened and read. Bids will also be received on the same date and until the same time by an agent of the undersigned at the offices of the Municipal Advisory Council of Michigan (the “MAC”), Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, where they will be opened and read publicly. Signed bids may be submitted by fax to the MAC at fax number (313) 963-0943, but no bid will be received after the time for receiving bids specified above and the bidder bears all risks of transmission failure

IN THE ALTERNATIVE: Bids may be submitted electronically via PARITY pursuant to this Notice on the same date and until the same time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice, the terms of this Notice shall control. For further information about PARITY, potential bidders may contact PFM Financial Advisors LLC at (734) 994-9700 or PARITY at (212) 849-5021.

BOND DETAILS: The bonds will be fully registered bonds of the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof, dated the date of their delivery, and will bear interest from their date payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter.

The bonds will mature on the first day of \_\_\_\_\_ as follows:

<u>Year</u>	<u>Principal Amount</u>
2018	\$
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	

TERM BOND OPTION: Bidders shall have the option of designating bonds as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 20\_\_ through final maturity represents a serial maturity or a mandatory redemption requirement for a term bond maturity. There may be more than one term bond designated. In any event, the above principal amount scheduled for the years 20\_\_ through final maturity shall be represented by either serial bond

maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

PRIOR REDEMPTION:

A. MANDATORY REDEMPTION. Bonds designated as term bonds shall be subject to mandatory redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities hereinbefore set forth. The bonds or portions of bonds to be redeemed shall be selected by lot.

B. OPTIONAL REDEMPTION. Bonds maturing prior to \_\_\_\_\_ 1, 20\_\_, are not subject to redemption prior to maturity. Bonds maturing on and after \_\_\_\_\_ 1, 20\_\_, are subject to redemption prior to maturity, at the option of the City, in such order as determined by the City, in whole or in part, on any date, on or after \_\_\_\_\_ 1, 20\_\_, in integral multiples of \$5,000 and by lot within a maturity, at the par value of the bond or portion of the bond called to be redeemed, plus accrued interest to the redemption date.

C. NOTICE OF REDEMPTION. Not less than thirty nor more than sixty days' notice of redemption shall be given by first class mail to the registered owner at the registered address. Failure to receive notice of redemption shall not affect the validity of the proceedings for redemption. Bonds or portions of bonds called for redemption shall not bear interest after the redemption date; provided, funds are on hand with the bond registrar and paying agent to redeem the bonds called for redemption.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 5% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/100 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The interest rate borne by bonds maturing in any one year shall not be less than the interest rate borne by bonds maturing in the preceding year. The difference between the highest and lowest interest rates on the bonds shall not exceed three percentage points. No proposal for the purchase of less than all of the bonds or at a price less than 100% nor more than 108% of their par value will be considered.

BOOK-ENTRY-ONLY: The bonds will be issued in book-entry-only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased.

BOND REGISTRAR AND PAYING AGENT: The bonds shall be payable as to principal in lawful money of the United States upon surrender thereof at the corporate trust office of

\_\_\_\_\_, the bond registrar and paying agent.

Interest shall be paid to the registered owner of each bond as shown on the registration books at the close of business on the 15<sup>th</sup> day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address. As long as DTC, or its nominee Cede & Co., is the registered owner of the bonds, payments will be made directly to such registered owner. Disbursements of such payments to DTC participants is the responsibility of DTC and disbursements of such payments to the beneficial owners of the bonds is the responsibility of DTC participants and indirect participants. The City may from time to time as required designate a successor bond registrar and paying agent.

**PURPOSE AND SECURITY:** The bonds are issued in anticipation of the collection of certain special assessments for public improvements in Special Assessment District No. 4, Special Assessment District no. 5, and the Deepwood Drive Road Improvement Special Assessment District in said City, as set forth in the bond authorizing resolution. The special assessments and interest thereon are sufficient to pay the principal of and interest on bonds when due. The full faith and credit of the City have been pledged for the payment of the principal of and interest on the bonds and in case of the insufficiency of said special assessments, moneys shall be advanced from the general fund of the City to meet such deficiency. The City's ability to raise such moneys is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

**ADJUSTMENT IN PRINCIPAL AMOUNT:** Following receipt of bids and prior to final award, the City reserves the right to decrease the principal amount of the bonds. Such adjustment, if necessary, will be made in increments of \$5,000, and may be made in one or more maturities. The purchase price will be adjusted proportionately to the decrease in the principal amount of the bonds, but the interest rates specified by the successful bidder will not change. The successful bidder may not withdraw its bid as a result of any changes made as provided in this paragraph.

**GOOD FAITH:** A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of \$\_\_\_\_\_ payable to the order of the Treasurer will be required of the winning bidder. The winning bidder is required to submit its good faith deposit to the City not later than Noon, Eastern Daylight Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the winning bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

**AWARD OF BONDS:** The bonds will be awarded to the bidder whose bid produces the lowest true interest cost to the City. True interest cost shall be computed by determining the annual interest rate (compounded semiannually) necessary to discount the debt service payments on the bonds from the payment dates thereof to \_\_\_\_\_, 2017, and to the price bid.

**LEGAL OPINION:** Bids shall be conditioned upon the approving opinion of Dickinson Wright PLLC, attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the Purchaser at the delivery thereof. The fees of Dickinson Wright PLLC for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the above bonds, Dickinson Wright PLLC has made no inquiry as to any financial information, statements or material contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

**TAX MATTERS:** The approving opinion of bond counsel will include an opinion to the effect that 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; such opinion will 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 will be subject to the condition that the City 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 certain of such requirements could cause the interest on the bonds to be included in gross income retroactive to the

date of issuance of the bonds. The City 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.

The City has not designated the bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

If the winning bidder will obtain a municipal bond insurance policy or other credit enhancement for the bonds in connection with their original issuance, the winning bidder will be required, as a condition of delivery of the bonds, to certify that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

In addition, the approving opinion of bond counsel will include an opinion to the effect that under existing law, the bonds and the interest thereon are exempt from all taxation by the State of Michigan or a political subdivision thereof, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

**ISSUE PRICE:** The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the bonds, together with the supporting pricing wires or equivalent communications, substantially in the form provided by bond counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and bond counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the bonds may be taken on behalf of the City by the City’s municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City’s municipal advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the bonds) will apply to the initial sale of the bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the bonds to the bidder who submits a firm offer to purchase the bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City shall treat the first price at which 10% of a maturity of the bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the bonds satisfies the 10% test as of the date and time of the award of the bonds. The City will not require bidders to comply with the “hold-the-

offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the bonds will be subject to the 10% test in order to establish the issue price of the bonds.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the bonds of that maturity or until all bonds of that maturity have been sold.

By submitting a bid, each bidder confirms that: (i) except as otherwise provided in its bid, it has an established industry reputation for underwriting new issuances of municipal bonds, (ii) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the bonds of that maturity or all bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (iii) any agreement among underwriters relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the bonds of that maturity or all bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the bonds to the public),
- (iii) a purchaser of any of the bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit

interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) “sale date” means the date that the bonds are awarded by the City to the winning bidder.

OFFICIAL STATEMENT: A copy of the City’s preliminary official statement relating to the bonds may be obtained by contacting PFM Financial Advisors LLC at the address referred to below. In addition, the preliminary official statement is available on the internet and can be viewed and downloaded at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). The preliminary official statement is in a form deemed final by the City for purposes of paragraph (b)(1) of SEC Rule 15c2-12 (the “Rule”), but is subject to revision, amendment and completion in a final official statement.

After the award of the bonds, the City will provide on a timely basis 100 copies of a final official statement, at the City’s expense (and such additional copies of the final official statement as reasonably requested by, and at the expense of, the winning bidder or bidders). Requests for such additional copies of the final official statement shall be made to PFM Financial Advisors LLC at the address set forth below within 24 hours of the award of the bonds.

CONTINUING DISCLOSURE: In order to assist bidders in complying with paragraph (b)(5) of the Rule, the City will undertake, pursuant to a resolution adopted by its governing body and a continuing disclosure certificate, to provide annual reports and notices of certain events. A description of these undertakings is set forth in the preliminary official statement and will also be set forth in the final official statement.

CUSIP: CUSIP numbers will be printed on bonds of this issue at the City’s expense. Neither the failure to print numbers nor an improperly printed number will constitute cause for the Purchaser to refuse to accept delivery. The Purchaser shall be responsible for requesting assignment of numbers and for the payment of any charges for the assignment of numbers.

BIDDER CERTIFICATION: NOT “IRAN-LINKED BUSINESS”. By submitting a bid, the bidder shall be deemed to have certified that it is not an “Iran-Linked Business” as defined in Act No. 517, Public Acts of Michigan, 2012; MCL 129.311 et seq.

DELIVERY OF BONDS: Bonds will be delivered without expense to the Purchaser through DTC, New York, New York, or other mutually agreeable place. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o’clock noon, Detroit, Michigan Time, on the 45<sup>th</sup> day following the date of sale, or the first business day thereafter if said 45<sup>th</sup> day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the Purchaser at the time of delivery.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked “Proposal for Bonds.”



**REGISTERED MUNICIPAL ADVISOR:** Further information regarding the bonds may be obtained from PFM Financial Advisors LLC, 555 Briarwood Circle, Suite 333, Ann Arbor, Michigan 48108, Telephone (734) 994-9700, Fax (734) 994-9710, Financial Consultant to the City.

\_\_\_\_\_, \_\_\_\_\_  
City of Auburn Hills

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

YEAS: \_\_\_\_\_ 6 (McDaniel, Burmeister, Hammond, Kittle, Knight, Verbeke)

NAYS: \_\_\_\_\_ 1 (Mitchell)

ABSENT: \_\_\_\_\_ None

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN        )  
  )ss  
COUNTY OF OAKLAND     )

I, the undersigned, the City Clerk of the City of Auburn Hills, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of said City at a regular meeting held on the 28th day of August, 2017, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with the provisions of the open meetings act, MCL 15.261 et. seq.

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Clerk  
City of Auburn Hills