

**Authorization to Issue Bonds
Civic Center Project and
Williams Street Parking Structure**

August 21, 2017

The Honorable Mayor Fournier and
Members of the City Commission:

The approval of the bond authorizing resolutions to issue capital improvement bonds in the amount of (not to exceed) \$40,000,000 for the civic center project and auto parking system revenue bonds in the amount of (not to exceed) \$18,000,000 for construction costs for the proposed Williams Street parking structure are requested should the city commission desire to proceed with the projects.

The 19-page capital improvement bond resolution (Attachment 1) was drafted primarily by bond counsel Mr. Robert Schwartz of Dickinson Wright PLLC, for your review and consideration. The proposed resolution includes (but is not limited to) the following noteworthy provisions:

- The full faith and credit of the city is pledged and the principal and interest are payable as a first budget obligation from the city's general fund.
- The bonds may be sold pursuant to a negotiated sale.
- The term of the bond is no longer than 30-years, however, it's likely to be a 25-year amortization due to the market.
- Authorization for the finance director to approve the sale of the bond without further approval from the city commission.
- Approval to utilize Dickinson Wright PLLC and Blue Rose Capital Advisors as consultants for the issuance as well as an underwriter and paying agent.

The total cost for construction for the parking structure is estimated at \$15,000,000 with a potential for additional levels to be added at the request of the Downtown Development Authority (DDA). It is proposed to use some cash from the auto parking fund to help fund the difference between the cost of the project and the bond proceeds.

The 36-page revenue bond resolution (Attachment 2) was drafted primarily by bond counsel Mr. Robert Schwartz of Dickinson Wright PLLC, for your review and consideration. The proposed resolution includes (but is not limited to) the following noteworthy provisions:

- The term of the bond is no longer than 30-years however it's likely to be a 15-year amortization due to the market.
- A statutory first lien upon the net revenues of the parking system.
- The principal and interest are not general obligations of the city's general fund.
- No free service or use of the system or use at less than cost shall be allowed.
- Cannot issue additional bonds of equal standing with respect to the net revenues with the series 2017 bonds (may issue junior lien bonds only) unless net revenues of the system for the last preceding audited fiscal year are equal to 100 percent of the maximum annual debt service payment on any outstanding bonds and the additional bonds then being issued

- The city will not sell, lease, mortgage or in any manner dispose of all or any substantial part of the system until all bonds payable from the net revenues of the system have been paid in full or provision has been made for the payment.
- The bonds may be sold pursuant to a negotiated sale.
- Authorization for the finance director to approve the sale of the bond without further approval from the city commission.
- Approval to utilize of Dickinson Wright PLLC and Blue Rose Capital Advisors as consultants for the issuance as well as an underwriter and paying agent.

Should the city commission desire to authorize the issuance of capital improvement bonds for the civic center project and parking system revenue bonds for the Williams Street parking structure project then your consideration of the proposed resolutions is requested. Separate roll call votes are required for each resolution. Please be advised that adopting the two resolutions does not require the sale of the bonds.

Respectfully submitted,
Julie Rudd
Finance Director

Approved,

A handwritten signature in black ink, appearing to read "Donald E. Johnson". The signature is written in a cursive, flowing style.

Donald E. Johnson
City Manager

2 Attachments

Attachment 1

**City Commission
of the
City of Royal Oak**

At a regular meeting of the City Commission of the City of Royal Oak, Oakland County, Michigan, held on the 28th day of August, 2017, at 7:30 p.m., Michigan time, in the commission room of the Royal Oak city hall, Royal Oak, Michigan, there were:

Present: _____

Absent: _____

The following preambles and resolution were offered by _____
and seconded by _____:

**RESOLUTION AUTHORIZING ISSUANCE OF
GENERAL OBLIGATION LIMITED TAX BONDS**

Whereas, the City Commission (the “city commission”) of the City of Royal Oak, Oakland County, Michigan (the “city”), with the advice of the city’s City Center Committee and its planning consultant, Plante Moran CRESA, has determined that the city hall and the police headquarters of the city are of such an age and condition that the acquisition and construction of new city hall and police headquarters facilities are necessary and desirable to better serve the needs of the city and its residents, and that a new public park in the city center would enhance the beauty of the downtown area and attract more residents, business, and visitors; and

Whereas, the city commission has discussed at length the acquisition and construction of (i) a new approximately 30,000 square foot city hall to be located east of Troy Street between 11 Mile and Third Street, (ii) a new downtown public park bounded by Troy Street, Third Street and Williams Street and the library (where city hall and the police building currently stand), and (iii) a new police department headquarters building to be located near the southwest corner of 11 Mile and Knowles (collectively, the “project”); and

Whereas, the cost of the project is estimated to be not less than Forty Million Dollars (\$40,000,000); and

Whereas, the city commission has determined that it is necessary to finance all or part of the cost of the project and, to that end and for that purpose, to issue general obligation limited tax bonds in one or more series pursuant to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), as herein provided; and

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Whereas, pursuant to section 517(2) of act 34, on June 21, 2017, the city caused to be published in the *Royal Oak Review* a notice of intent to issue capital improvement bonds in an amount not to exceed \$40,000,000 to pay all or part of the costs of the project.

Now, therefore, be it resolved by the City Commission of the City of Royal Oak, Oakland County, Michigan, as follows:

1. Authorization of Bonds – Purpose. Bonds of the city in one or more series shall be issued and sold pursuant to the provisions of act 34 and other applicable statutory provisions for the purpose of defraying all or part of the costs of the project and the costs of issuance of the bonds. The bonds of each series shall be issued in the aggregate principal amount determined by order of the city manager or the finance director of the city (each an “authorized officer” and, together, the “authorized officers”) at the time of sale, but not in an aggregate amount in excess of \$40,000,000.

2. Bond Details. The bonds of each series shall be designated “Capital Improvement Bonds (General Obligation Limited Tax), Series 2017_” (with appropriate alternative or additional series designations or descriptive terms of the bonds); may be issued in one or more series in different principal amounts with respect to each component or any combination of components of the project as shall be determined by an authorized officer based on then-prevailing market conditions; shall be numbered from 1 upwards (or otherwise as determined by the paying agent); 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 (or in such other denominations as may be required by the purchaser of the bonds); and shall be in a principal amount per series, shall be dated such date, shall bear interest at a rate or rates not exceeding 6% per annum, shall be payable on such dates, and shall be serial bonds and/or term bonds and mature in such amounts, on such dates and in such years as shall be determined by an authorized officer in the sale order, as further provided in

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section 16 hereof. Reference herein to the “bonds” shall include reference to individual series of bonds as the context may indicate or require.

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 paying agent (as defined in section 6 below) 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 15th 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 paying agent to the registered owner at the registered address.

4. Book-Entry System. Initially, if requested by the original purchaser of the bonds and approved by an authorized officer at the time of sale, 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 paying agent, whereupon DTC will notify the participants of the availability through DTC of bond certificates. In such event, the 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 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

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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 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 paying agent to do so, the city and the 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.

Bonds issued in different series may be issued in book-entry form to DTC or outside a book-entry system as determined by an authorized officer.

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 to DTC, as provided in the Blanket Issuer Letter of Representations between DTC and the city.

5. Prior Redemption. The bonds shall be subject to mandatory and/or optional redemption prior to maturity upon such terms and conditions as shall be determined by an authorized officer in the sale order; provided, however, that the redemption premium to be payable in connection with any optional redemption of the bonds shall not exceed 3% of the principal amount of any bond to be redeemed.

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6. Bond Registrar, Transfer and Paying Agent. The finance director is hereby authorized to select the bond registrar, transfer and paying agent (the “paying agent”) for the bonds. The finance director may, as may be necessary or appropriate under the circumstances, designate an additional paying agent or terminate the services of the paying agent and designate a successor paying agent, which, in each such case, shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan.

7. Execution, Authentication and Delivery of Bonds. The bonds shall be executed in the name of the city by the manual or facsimile signatures of the mayor and the clerk of the city and authenticated by the manual signature of an authorized representative of the 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 finance director to the purchaser upon receipt of the purchase price. Additional bonds bearing the manual or 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 paying agent for authentication and delivery in connection with the exchange or transfer of bonds. The paying agent shall indicate on each bond the date of its authentication.

8. Exchange and Transfer of Bonds. Any bond, at the option of the registered owner thereof and upon surrender thereof to the paying agent with a written instrument of transfer satisfactory to the 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 series and aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond.

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

Upon the exchange or transfer of any bond, the 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 series and aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond. If, at the time the paying agent authenticates and delivers a new bond pursuant to this section, payment of interest on the bonds is in default, the 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 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 or her 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 paying agent shall be affected by any notice to the contrary. The city agrees to indemnify and save the 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 paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required

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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.

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

9. Form of Bonds. The bonds shall be in substantially the following form:

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UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF ROYAL OAK
CAPITAL IMPROVEMENT BONDS
(GENERAL OBLIGATION LIMITED TAX), SERIES 2017_

INTEREST RATE MATURITY DATE DATE OF ORIGINAL ISSUE CUSIP

Registered Owner:

Principal Amount:

The City of Royal Oak, 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 15th 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, 201_. Principal and interest are payable in lawful money of the United States of America.

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 ("Act 34")) and a bond authorizing resolution adopted by the City Commission of the City and an order of the Finance Director of the City (collectively, the "Resolution") for the purpose of defraying the costs of the acquisition and construction of a new city hall, police headquarters and central park in the City and the costs of issuance of the Bonds. The full faith and credit of the City have been pledged to the prompt payment of the principal of and interest on this Bond. The principal and interest are payable as a first budget obligation of the City

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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.

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 REDEMPTION

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

<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
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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 optional 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

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be redeemed plus [a redemption premium of ___% of the Bond or portion of the Bond to be redeemed and] interest to the date fixed for redemption.

Not less than thirty 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 Royal Oak, Oakland County, Michigan, by its City Commission, has caused this Bond to be executed in its name by the manual or facsimile signatures of the Mayor and 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 ROYAL OAK
(SEAL)

By: _____
Melanie Halas
City Clerk

By: _____
Michael Fournier
Mayor

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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:

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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.

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10. Security. The bonds shall be limited tax general obligations of the city. The full faith and credit of the city are pledged for the prompt payment of the principal of and interest on the bonds as the same shall become due. Each year the city shall be obligated, as a first budget obligation, to advance moneys from its general funds or to levy ad valorem property taxes on all taxable property within its corporate boundaries to pay such principal and interest as the same become due. The ability of the city to raise funds to pay such amounts is subject to applicable constitutional, statutory and charter limitations on the taxing power of the city.

11. Estimates of Period of Usefulness and Cost. The estimated period of usefulness of the project for which the bonds are to be issued is hereby determined to be thirty (30) years and upwards, and the estimated cost of the project in the amount of not less than \$40,000,000 as submitted to this commission is hereby approved and adopted.

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, redemption premium, if any, and interest on the bonds, or any series or portion thereof, shall have been deposited in trust, this resolution shall be defeased with respect to such bonds, and the owners of such bonds shall have no further rights under this resolution except to receive payment of the principal of, redemption premium, if any, and interest on such bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

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13. Principal and Interest Fund or Account. There shall be established for each series of the bonds a principal and interest fund or account. From the proceeds of the sale of the bonds there shall be set aside in the principal and interest fund any accrued interest received from the purchaser of the bonds at the time of delivery thereof, as well as any cash then or thereafter contributed by the city in its discretion. Funds of the city to be used to pay the principal and interest on the bonds when due shall be placed in the principal and interest fund and so long as the principal or interest on the bonds shall remain unpaid, no moneys shall be withdrawn from the principal and interest fund except to pay principal and interest on the bonds.

14. Construction Fund or Account. The remainder of the proceeds of the sale of the bonds, including original issue premium, if any, and any cash contributed then or thereafter by the city in its discretion, shall be used, first, to pay the costs of issuing the bonds (if so provided in the sale order) and, second, to pay the costs of the project. Any unexpended balance of the proceeds of the bonds after completion of the project shall be deposited in or credited to the principal and interest fund established pursuant to section 13 hereof.

15. Approval of Department of Treasury. The issuance and sale of the bonds shall be subject to the city obtaining qualified status or prior approval from the Department of Treasury of the State of Michigan pursuant to act 34. If necessary, an authorized officer is hereby authorized and directed to make application to the department of treasury for such approval to issue and sell the bonds as provided by the terms of this resolution and by act 34. An authorized officer is further authorized to pay any filing fees required in connection with obtaining qualified status or prior approval from the department of treasury and to request such waivers of the requirements of the department of treasury or act 34 as the authorized officer shall determine to be necessary or desirable in connection with the sale of the bonds.

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16. Sale, Issuance, Delivery, Transfer and Exchange of Bonds. (a) Subject to the provisions of paragraph (b) of this section 16, the bonds of each series shall be sold pursuant to a negotiated sale in accordance with act 34. It is hereby determined that such negotiated sale is in the best interests of the city and is calculated to provide the city with maximum flexibility in the timing of the pricing and sale of the bonds so as to achieve the lowest cost of borrowing funds for the project. An authorized officer is authorized to select a placement agent and/or a purchaser (including an underwriter) (the “purchaser”) and to negotiate and enter into a placement agreement with the placement agent or a purchase commitment or bond purchase agreement (each a “purchase agreement”) with the purchaser at or before the time of the sale of each series of the bonds, which purchase agreement shall set forth the principal amount, principal maturities and dates, interest rates and interest payment dates, redemption provisions, if any, and purchase price to be paid by the purchaser with respect to the bonds, as well as such other terms and provisions as an authorized officer determines to be necessary or appropriate in connection with the sale of the bonds. If the bonds are purchased and sold by an underwriter, the purchase agreement and the terms of the bonds set forth therein, when executed by an authorized officer, may constitute the sale order with respect to the bonds if so determined by the authorized officer. Bonds of different series may be placed by a placement agent or sold to an underwriter or otherwise sold by different means as determined by an authorized officer based on then-prevailing market conditions.

(b) Notwithstanding the city commission’s determination herein to sell the bonds pursuant to a negotiated sale, if an authorized officer, with the advice of the city’s financial advisor, determines on the basis of then-prevailing market conditions that all or any series of the bonds should be sold pursuant to a competitive sale in accordance

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with the provisions of act 34, the authorized officers are hereby authorized to proceed accordingly, sell the bonds or series of bonds pursuant to a competitive sale and take such action as may be necessary under act 34 and otherwise desirable to achieve the purposes of this paragraph and this resolution.

(c) The authorized officers and other appropriate city officials are severally authorized to execute and deliver such certificates or documents as bond counsel shall require and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the bonds in accordance with the provisions of this resolution. In making the determinations in the sale order or purchase agreement with respect to principal maturities and dates, interest rates, purchase price of the bonds and compensation to be paid to an underwriter or placement agent, the authorized officers shall be limited as follows:

- (i) The interest rate on any bond shall not exceed 6% per annum.
- (ii) The final maturity date of the bonds shall not be later December 1, 2047.
- (iii) The purchase price of the bonds shall not be less than 97.5% of the aggregate principal amount thereof.
- (iv) The placement agent's fee or underwriter's discount with respect to the bonds shall not exceed 1.5% of the aggregate principal amount of the bonds.

17. Replacement of Bonds. Upon receipt by the finance director 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 finance director, the finance director may authorize the 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

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event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the finance director may authorize the paying agent to pay the bond without presentation upon the receipt of the same documentation required for the delivery of a replacement bond. The 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 paying agent and the city in connection therewith. 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. Tax Covenant. The city covenants to comply with all applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), necessary to ensure that the interest on the bonds of all series will be and will remain excludable from gross income for federal income tax purposes. The authorized officers and other appropriate officials of the city are severally authorized to do all things necessary (including the making of such covenants of the city as shall be appropriate under the circumstances) to ensure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes.

19. Official Statement; Continuing Disclosure. An authorized officer is authorized to cause the preparation and distribution to prospective bond purchasers of an official statement for the bonds of each series for the purpose of enabling compliance with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended (the "rule"), and to do all other things necessary to enable compliance with the rule. If and after the city enters into the bond purchase agreement with the underwriter, it will provide copies of a "final official statement" (as defined in paragraph (e)(3) of the rule) on a timely basis and in reasonable quantity as requested by the underwriter to

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enable the underwriter to comply with paragraph (b)(4) of the rule and the rules of the Municipal Securities Rulemaking Board.

An authorized officer is authorized to execute and deliver in the name and on behalf of the city (i) a certificate of the city to comply with the requirements for a continuing disclosure undertaking of the city pursuant to subsection (b)(5) of the rule and (ii) amendments to such certificate from time to time in accordance with terms of such certificate (the certificate and any amendments thereto being 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 the provisions of the continuing disclosure certificate will be set forth therein.

20. Municipal Bond Insurance or other Credit Enhancement. An authorized officer may obtain municipal bond insurance or other credit enhancement in respect of all or part of the bonds, any series of bonds or any additional bonds which, if obtained, shall be provided for in the resolution or order of the authorized officer authorizing the sale of the bonds or any additional bonds. Such municipal bond insurance or other credit enhancement may secure only certain bonds and may or may not benefit or secure any other series of bonds or any part thereof. The municipal bond insurer or other credit enhancement provider may be afforded certain rights and remedies to direct the proceedings with respect to the enforcement of payment of the bonds as shall be provided in the resolution or order of the authorized officer authorizing the sale of the bonds or additional bonds.

21. Professional Services. The law firm of Dickinson Wright PLLC, Troy, Michigan, is hereby appointed to act as bond counsel for the city in connection with the issuance of the bonds, and the financial advisory firm of Blue Rose Capital Advisors is

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hereby appointed to act as the financial advisor to the city in connection with the issuance of the Bonds. The fees of bond counsel and the financial advisor may be paid out of the proceeds of the bonds or with other funds of the city as determined by an authorized officer at the time of sale of the bonds.

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

A roll call vote on the foregoing resolution was then taken, and was as follows:

Yes: _____

No: _____

Abstain: _____

The resolution was declared adopted.

State of Michigan)
) ss.
County of Oakland)

Certification

The undersigned, being the clerk of the City of Royal Oak, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the City of Royal Oak City Commission at a regular meeting held on the 28th day of August, 2017, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the city. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act, Act 267, Public Acts of Michigan, 1976, as amended, and that minutes of such meeting were kept and will be or have been made available as required thereby.

Dated: _____, 2017

Melanie Halas
City Clerk

Attachment 2

City Commission of the City of Royal Oak

At a regular meeting of the City Commission of the City of Royal Oak, Oakland County, Michigan, held on the 28th day of August, 2017, at 7:30 p.m., Michigan time, in the commission room of the Royal Oak city hall, Royal Oak, Michigan, there were:

Present: _____

Absent: _____

The following preambles and resolution were offered by _____
and seconded by _____:

Resolution Authorizing the Issuance of Parking System Revenue Bonds

Whereas, the City Commission (the "commission") of the City of Royal Oak (the "city") deems it to be in the best interests of the city to acquire, construct and install certain improvements in the city's downtown area, including, particularly, the construction of a new parking garage located on the south side of 11 Mile Road, immediately west of the existing Library, as well as all work necessary and incidental to these improvements (collectively, the "improvements"), and to finance the improvements by the issuance of revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended ("act 94"); and

Whereas, the improvements will enable the city to provide more efficient and better quality public services to its residents; and

Whereas, the improvements, the total cost of which is estimated to be \$18,000,000, including contingencies, shall be financed in part by the issuance of revenue bonds or other evidences of indebtedness in accordance with act 94 in a sum not to exceed \$18,000,000 for a term not to exceed thirty (30) years (the "series 2017 bonds"); and

Whereas, the cost of the improvements in excess of the amount financed with the proceeds of the series 2017 bonds, if any, will be provided with funds on hand in the parking system enterprise fund; and

Whereas, pursuant to act 94, the city has published a "notice of intent" to issue the series 2017 bonds in a newspaper of general circulation within the boundaries of the city; and

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Whereas, act 94 permits the city to authorize an officer or officers to sell, deliver and receive payment for obligations, and to approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, optional or mandatory redemption rights, place of delivery and payment, and other matters and procedures necessary to complete an authorized transaction; and

Whereas, the commission is empowered and desires to authorize the issuance of the series 2017 bonds.

Therefore, be it resolved by the City Commission of the City of Royal Oak, as follows:

Section 1. Definitions. Whenever used in this resolution, except when otherwise indicated by the context, the following terms, in upper or lower case form, shall have the following meanings:

- (a) “Act 20” means Act 20, Public Acts of Michigan, 1943, as amended.
- (b) “Act 34” means Act 34, Public Acts of Michigan, 2001, as amended.
- (c) “Act 94” means Act 94, Public Acts of Michigan, 1933, as amended.
- (d) “Act 354” means act 354, Public Acts of Michigan, 1972, as amended.
- (e) “Additional bonds” means any additional bonds of equal standing with the series 2017 bonds issued pursuant to section 27 hereof.
- (f) “Authorized officer” means the city manager or the finance director of the city.
- (g) “Bond” or “bonds” means the series 2017 bonds, together with any additional bonds.
- (h) “City” means the City of Royal Oak, County of Oakland, Michigan.
- (i) “City manager” means the city manager of the city.
- (j) “Code” means the Internal Revenue Code of 1986, as amended.
- (k) “Commission” means the City Commission of the city.

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(l) “Delivery date” means the date that the series 2017 bonds are delivered to the purchaser thereof upon receipt of payment therefor.

(m) “Finance director” means the finance director of the city.

(n) “Fiscal year” means the fiscal year and operating year of the city which begins on July 1 and ends on the following June 30.

(o) “Government obligations” means any bonds or other obligations which as to principal and interest constitute direct obligations of the United States of America or obligations the principal and interest on which are guaranteed by the United States of America.

(p) “Improvements” means the construction of a new parking garage located on the south side of 11 Mile Road, immediately west of the library, as well as all work necessary and incidental to these improvements.

(q) “Junior lien bonds” means bonds or other obligations which may be issued or incurred by the city to provide funds for any lawful purpose of the city which are of junior standing and priority of lien to the claim of the bonds with respect to the net revenues.

(r) “Maximum annual debt service” means, at any point in time, with respect to bonds then outstanding, the maximum amount of principal and interest coming due in the then current or any future fiscal year, calculated as provided in this definition. For purposes of calculating maximum annual debt service, the principal amount due in each fiscal year shall be assumed to be made in accordance with any amortization schedule established for such debt, including any scheduled mandatory redemption of bonds, and for such purpose the mandatory redemption payment shall be deemed a principal payment; provided, however, that principal of and interest on bonds maturing on the first

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day of any fiscal year shall be deemed for purposes of this definition to mature on the last day of the immediately preceding fiscal year.

(s) “Net revenues” has the meaning ascribed to such term in section 3 of act 94.

(t) “Paying agent” means the financial institution appointed by the finance director to act as paying agent, transfer agent and bond registrar for the bonds, pursuant to section 9 hereof.

(u) “Permitted investments” means government obligations or obligations or investments permitted by Act 20.

(v) “Project fund” means the fund established pursuant to section 24 hereof.

(w) “Resolution” means this resolution and any other resolution amendatory to or supplemental to this resolution and shall include any resolution authorizing the sale of any bonds. For purposes of this resolution, a resolution authorizing the sale of bonds shall be construed to include an order of an authorized officer of the city authorizing the sale of bonds.

(x) “Revenues” has the meaning ascribed to such term in section 3 of act 94.

(y) “Sale order” means the order of an authorized officer authorizing the sale of bonds and the terms of such bonds as provided in section 29 hereof.

(z) “Series 2017 bonds” means the Parking System Revenue Bonds, Series 2017, of the city authorized by this resolution.

(aa) “State” means the State of Michigan.

(bb) “System” means the parking system of the city, including all surface lots, garages and appurtenances thereto presently owned or hereafter acquired by the city and whose revenues are properly allocable to the city’s parking system enterprise fund.

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Section 2. Necessity; Public Purpose. It is hereby determined to be a necessary public purpose of the city to acquire, construct and install the Improvements.

Section 3. Estimates of Period of Usefulness and Cost. The commission adopts the estimate of thirty (30) years and upwards as the period of usefulness of the improvements and \$18,000,000 as the total cost of the improvements. The estimate of usefulness is now on file with the clerk of the city.

Section 4. Issuance of Series 2017 Bonds Authorized. To pay a portion of the cost of acquiring, constructing and installing the improvements, including payment of bond insurance premiums, if any, underwriter's discount, legal, financial and other expenses incident thereto and incident to the issuance and sale of the series 2017 bonds, the city shall borrow the sum of not to exceed eighteen million dollars (\$18,000,000), as finally determined in the sale order, and issue the series 2017 bonds therefor pursuant to the provisions of act 94.

Section 5. Bond Details. The bonds shall be designated "Parking System Revenue Bonds, Series 2017" (with appropriate alternative or additional series designations or descriptive terms of the bonds), numbered from 1 upwards (or otherwise as determined by the paying agent); 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 (or in such other denominations as may be required by the purchaser of the bonds); and shall be dated such date, shall bear interest at a rate or rates not exceeding 6% per annum, shall be payable on such dates, and shall be serial bonds and/or term bonds and mature in such amounts, on such dates and in such years as shall be determined by an authorized officer in the sale order.

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Section 6. 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 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 15th 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 paying agent to the registered owner at the registered address.

Section 7. Book-Entry System. Initially, if requested by the original purchaser of the bonds and approved by an authorized officer at the time of sale, 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 paying agent, whereupon DTC will notify the participants of the availability through DTC of bond certificates. In such event, the 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 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 paying agent shall be obligated to deliver bond certificates in

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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 paying agent to do so, the city and the 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 to DTC, as provided in the Blanket Issuer Letter of Representations between DTC and the city.

Section 8. Prior Redemption. The bonds shall be subject to mandatory and/or optional redemption prior to maturity upon such terms and conditions as shall be determined by an authorized officer in the sale order; provided, however, that the redemption premium to be payable in connection with any optional redemption of the bonds shall not exceed 3% of the principal amount of any bond to be redeemed.

Section 9. Bond Registrar, Transfer and Paying Agent. The finance director is hereby authorized to select the bond registrar, transfer and paying agent (the “paying agent”) for the bonds. The finance director may, as may be necessary or appropriate under the circumstances, designate an additional paying agent or terminate the services of the paying agent and designate a successor paying agent which, in each such case, shall be a bank or trust company located in the State of Michigan which is qualified to

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act in such capacity under the laws of the United States of America or the State, including act 94.

Section 10. Execution, Authentication and Delivery of Bonds. The bonds shall be executed in the name of the city by the facsimile signatures of the mayor and the clerk of the city and authenticated by the manual signature of an authorized representative of the 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 finance director 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 paying agent for authentication and delivery in connection with the exchange or transfer of bonds. The paying agent shall indicate on each bond the date of its authentication.

Section 11. Exchange and Transfer of Bonds. Any bond, at the option of the registered owner thereof and upon surrender thereof to the paying agent with a written instrument of transfer satisfactory to the 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 series and 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 paying agent, upon surrender of such bond together with a written instrument of transfer satisfactory to the paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any bond, the 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 series and aggregate

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principal amount and maturity date and bearing the same rate of interest as the surrendered bond. If, at the time the paying agent authenticates and delivers a new bond pursuant to this section, payment of interest on the bonds is in default, the 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 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 or her 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 paying agent shall be affected by any notice to the contrary. The city agrees to indemnify and save the 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 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.

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

Section 12. Payment of Bonds; Pledge of Net Revenues. The bonds and the interest thereon shall be payable solely from net revenues derived from the operation of the system, including future improvements, enlargements and extensions thereof, after

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provision has been made for the payment of expenses of administration, operation and maintenance thereof (except to the extent payable from the proceeds of bond insurance or other credit enhancement, if any, or from the proceeds of bonds). To secure such payment there is hereby created a statutory lien upon the whole of the net revenues which, as of the delivery date, shall be a first lien, to continue until payment in full of the principal of and interest on all bonds or until the bonds are defeased in accordance with section 31 hereof.

The series 2017 bonds, including principal of, premium, if any, and interest thereon, shall not be general obligations of the city, and shall not constitute an indebtedness of the city for the purpose of any debt limitations imposed by any constitutional, statutory or charter limitations. Except as herein provided in this section 12, no additional security of the city has been pledged to the payment of the series 2017 bonds.

Section 13. Bondholders, Rights; Receiver. The registered owner or owners of the bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the net revenues, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the city under this resolution, act 94 and any other applicable provisions of law, including the fixing of sufficient rates, the collection of revenues, the proper segregation of the revenues of the city and the proper application thereof. The statutory lien upon the net revenues, however, shall not be construed as to compel the sale of the system or any part thereof.

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If there is a default in the payment of the principal of or interest upon the bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the system on behalf of the city and, under the direction of the court and by and with the approval of the court, to perform all of the duties of the officers of the city more particularly set forth herein and in act 94.

The registered owner or owners of the bonds shall have all other rights and remedies given by law, and particularly by act 94, for the payment and enforcement of the bonds and the security therefor.

Section 14. Municipal Bond Insurance or other Credit Enhancement. An authorized officer may obtain municipal bond insurance or other credit enhancement in respect of all or part of the series 2017 bonds or any additional bonds which, if obtained, shall be provided for in the resolution or order of the authorized officer authorizing the sale of the series 2017 bonds or any additional bonds. Such municipal bond insurance or other credit enhancement may secure only certain bonds and may or may not benefit or secure any other series of bonds or any part thereof. The municipal bond insurer or other credit enhancement provider may be afforded certain rights and remedies to direct the proceedings with respect to the enforcement of payment of the bonds as shall be provided in the resolution or order of the authorized officer authorizing the sale of the series 2017 bonds or additional bonds.

Section 15. Management. Except as otherwise specifically provided in this resolution, the operation, repair and management of the system shall be under the supervision and control of the commission. The city may employ such persons in such capacities as it deems advisable to carry on the efficient management and operation of the system. The commission may make such rules, orders and regulations as it deems

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advisable and necessary to assure the efficient management and operation of the system.

Section 16. Fixing and Revising Rates; Rate Covenants. The rates for the system shall be fixed and revised from time to time by the commission to provide for the payment of the interest on and the principal of all bonds payable from the net revenues following the delivery of the series 2017 bonds as and when the same become due and payable, to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the system as are necessary to preserve the same in good repair and working order, and to provide for such other requirements, expenditures and funds for the system as this resolution and act 94 may require. Such rates shall be fixed and revised from time to time as may be necessary to produce net revenues, determined at the beginning of each fiscal year, at least equal to the annual principal and interest payable during such fiscal year on all bonds payable from the net revenues, and the city hereby covenants and agrees at all times to fix and maintain such rates for services furnished by the system as shall be sufficient to provide for the foregoing. Promptly upon any material change in the circumstances which was not contemplated at the time such rates and charges were most recently reviewed, but not less frequently than once in each fiscal year, review the rates and charges for its services and promptly revise such rates and charges as necessary to comply with the foregoing requirement. For purposes of this paragraph, principal of and interest on bonds which mature on the first day of any fiscal year shall be deemed to mature on the last day of the immediately preceding fiscal year.

The charges for the system's services, which are, under the provisions of section 21 of act 94, made a lien on all premises served by the system, unless notice is given

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that a tenant is responsible, are hereby recognized to constitute such a lien and whenever any such charge against any premises shall be delinquent for six months, the system official or officials in charge of the collection thereof may certify to the tax-assessing officer in which such premises are located not later than May 1 of each year the fact of such delinquency, whereupon such charge shall be entered upon the next tax roll as a charge against such premises and the lien thereof enforced in the same manner as the city's general taxes against such premises are collected and the lien thereof enforced; provided, however, where notice is given that a tenant is responsible for such charges and service as provided by said section 21 of act 94, no further service shall be provided such premises until a cash deposit equal to the estimated amount of the next ensuing bill shall have been made as security for payment of such charges and services.

In addition to other remedies provided, the city shall have the right to discontinue its services to any premises for the non-payment of rates and charges, when due.

The city acknowledges that additional requirements are imposed on the fixing of rates and charges pursuant to the city commission's Resolution Authorizing the Issuance of Parking System Revenue Bonds, adopted on November 14, 2016 (the "series 2016 resolution"), pursuant to which the city issued its Parking System Revenue Bonds, Series 2016 (the "series 2016 bonds"). Those requirements will be satisfied with respect to the series 2017 bonds so long as the series 2016 bonds are outstanding and the series 2016 resolution is in effect.

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Section 17. No Free Service or Use. No free service or use of the system, or service or use of the system at less than cost shall be furnished by the city to any person, firm or corporation, public or private, or to any public agency or instrumentality.

Section 18. Operating and Fiscal Year. The system shall be operated on the basis of the fiscal year.

Section 19. Funds and Accounts; Flow of Funds. Commencing on the delivery date, all revenues shall be set aside as collected and credited to a fund to be designated Receiving Fund (the "*receiving fund*"), which is currently and may continue to be designated the auto parking fund. The revenues credited to the receiving fund are pledged for the purpose of the following funds and shall be transferred or debited from the receiving fund periodically in the manner and at the times and in the order of priority hereinafter specified:

(a) Operation and Maintenance Fund:

Out of the revenues credited to the receiving fund there shall be first set aside in, or credited to, a fund established and maintained by the city designated Operation and Maintenance Fund (the "*operation and maintenance fund*"). Prior to the beginning of each fiscal year, the commission shall prepare an annual budget of the system for the ensuing fiscal year. Out of the revenues in the receiving fund, there shall be set aside and deposited into the operation and maintenance fund a sum sufficient to pay the reasonable and necessary current expenses of administering, operating and maintaining the system for the ensuing fiscal year.

(b) Bond and Interest Redemption Fund:

The city shall establish and maintain a fund designated Bond and Interest Redemption Fund (the "*redemption fund*"), the moneys on deposit therein from time to

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time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the bonds.

Each year, out of the revenues remaining in the receiving fund, after payments required to be made to the operation and maintenance fund as above provided, there shall be set aside in the redemption fund a sum proportionately sufficient to provide for the payment when due of the current principal of and interest on the bonds during such year, less any amount in the redemption fund representing accrued or capitalized interest on the bonds. If there is any deficiency in the amount previously set aside, that deficiency shall be added to the next succeeding bond debt service requirements.

The city reserves the right to establish a bond reserve account within the redemption fund for each or any issue of additional bonds, upon the terms set forth in the sale order relating to such additional bonds.

(c) Junior Lien Bond and Interest Redemption Fund:

If the city shall ever issue junior lien bonds, there shall be established and maintained a fund for the purpose of paying the principal, redemption premiums, if any, and interest on such junior lien bonds as they come due. Revenues remaining in the receiving fund after satisfaction of the requirements of the operation and maintenance fund and the redemption fund (including any bond reserve account) shall be set aside, but not more often than quarterly, in such fund for the junior lien bonds in accordance with the resolution authorizing the issuance or sale of the junior lien bonds. Additionally, a separate account also may be established within such fund as a bond reserve account to be funded on a junior lien basis in accordance with the resolution authorizing the issuance or sale of the junior lien bonds. The detail of the establishment and maintenance of such fund shall be provided in the resolution of the commission

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authorizing the issuance or sale of such junior lien bonds or the sale order relating to such junior lien bonds.

(d) Extraordinary Repair and Replacement Reserve Fund:

There is hereby authorized to be established a fund, to be designated the Extraordinary Repair and Replacement Reserve Fund. If such fund is established, there shall be deposited therein such moneys or securities, after satisfaction of the requirements of the other funds and accounts set forth above, as the commission shall determine for the purpose of acquiring and constructing improvements, additions and extensions of the system and for making repairs and replacements thereto. Earnings on this fund, if any, shall be transferred to the receiving fund.

(e) Surplus Fund:

Money remaining in the receiving fund at the end of any fiscal year, after satisfaction of the requirements of the foregoing funds, may be transferred to a fund designated the Surplus Fund (the "surplus fund"), which may also be part of the auto parking fund. Moneys from time to time on hand in the surplus fund, at the option of the city, may be used and applied for any of the purposes related to the system for which the foregoing funds and accounts were established or for any other lawful purpose of the system, including the payment of the principal of and interest on indebtedness incurred by the city for system purposes; provided, however, that if there should be any deficit in the operation and maintenance fund or the redemption fund (including any bond reserve account), and funds or accounts created for the benefit of junior lien bonds, then transfers shall be made from the surplus fund to such funds in the priority and order named, to the extent of any such deficit.

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Except for the redemption fund, the funds and accounts designated above may be commingled and kept in one account as permitted by section 24(1) of act 94.

Section 20. Depository and Funds on Hand. Moneys in the several funds and accounts established pursuant to this resolution, except moneys in the redemption fund (including any bond reserve account) and the project fund, may be kept in one or more bank accounts at a bank or banks designated by the finance director and permitted by act 94, and if kept in one bank account the moneys shall be allocated on the books and records of the system in the manner and at the times provided in this resolution. The depository of all funds and accounts, except as otherwise specifically provided for herein, shall be those banks or trust companies designated from time to time as such by the finance director.

Section 21. Priority of Funds. In the event the moneys in the receiving fund are insufficient to provide for the current requirements of the operation and maintenance fund and the redemption fund, any moneys or securities in other funds of the system (except moneys in the project fund) shall be credited or transferred first to the operation and maintenance fund and, second, to the redemption fund, to the extent of any deficit therein.

Section 22. Investments. Moneys in the funds and accounts established herein and moneys derived from the proceeds of sale of the bonds may be invested in permitted investments, in conformance with the city's investment policy adopted in accordance with act 20. Profit realized or interest income earned on investment of funds in the receiving fund, operation and maintenance fund, redemption fund (including any bond reserve account), the extraordinary repair and replacement reserve fund and the project fund shall be deposited in or credited to the receiving fund.

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Section 23. Series 2017 Bond Proceeds. From the proceeds of the sale of the series 2017 bonds there shall be deposited in the redemption fund an amount equal to the accrued interest, if any, received on the delivery of the series 2017 bonds. The city may take credit for the amount so deposited against the amount required to be deposited in the redemption fund for payment of the next maturing interest on the series 2017 bonds.

The balance of the proceeds of sale of the series 2017 bonds shall be deposited in the project fund for the purpose of paying (i) the cost of acquiring, constructing and installing the improvements, including engineering and other fees relating thereto and (ii) if so provided in the sale order, the costs of issuance of the series 2017 bonds.

Section 24. Project Fund. The portion of the proceeds of the sale of a series of bonds, including the series 2017 bonds, issued for the purpose of acquiring and constructing repairs, enlargements, extensions, additions and improvements of the system, as determined by the commission in the authorizing resolution or an authorized officer in the sale order, shall be deposited in a project fund, in separate accounts for each series of bonds, which accounts shall be established and maintained with a depository pursuant to section 20 hereof. In addition, subaccounts may be created for the deposit of moneys other than bond proceeds to better account for the expenditure of bond proceeds. Moneys in the project fund shall be applied solely to the payment of the cost of each separate project, including bond issuance costs such as legal and financial advisor fees, bond insurance premiums or other credit enhancement fees, if any, rating agency fees and other expenses incident to the project and to the financing thereof, as determined in the related authorizing resolution or sale order authorizing. Payments for construction, either on account or otherwise, shall not be made unless the consulting

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engineer, contract manager or other professional in charge of such work shall file with the commission or its designee a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor, that it was done pursuant to and in accordance with the contract therefor, that such work is satisfactory and that such work has not been previously paid for. Payment of bond issuance costs, including legal and financial advisor fees, bond insurance premiums or other credit enhancement fees, rating agency fees and other expenses incident to the financing of the project shall be made upon submission of documentation satisfactory to the finance director.

Section 25. Series 2017 Bond Form. The series 2017 bonds shall be in substantially the following form, with such changes and additions as shall be determined to be appropriate by an authorized officer:

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UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND

CITY OF ROYAL OAK
PARKING SYSTEM REVENUE BOND
SERIES 2017

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
			780464__

Registered Owner:

Principal Amount:

The City of Royal Oak, 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 _____, 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 15th 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 and principal are payable on the first days of _____ and _____ in each year, commencing on _____ 1, 2017. Principal and interest are payable in lawful money of the United States of America.

This bond is one of a series of bonds (the "Series 2017 Bonds") of even date and like tenor, except as to denomination, rate of interest and date of maturity, aggregating the principal sum of _____ Dollars (\$_____) issued by the City under and pursuant to a resolution duly adopted by the City Commission of the City on _____, 2017 (the "Resolution") and an order of the Finance Director of the City and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of

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paying the cost of acquiring, constructing and installing improvements to the City's parking system (the "System").

This bond is a self-liquidating bond and is not a general obligation of the City and does not constitute an indebtedness of the City within any constitutional, statutory or charter limitation, but is payable, both as to principal and interest, solely from the net revenues of the System, including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "*Net Revenues*"). The principal of and interest on this bond are secured by a statutory lien on the Net Revenues. The bonds of this series shall have equal standing with any additional bonds that may be issued pursuant to the Resolution and additional bonds satisfying the requirements of the Resolution.

Bonds of this issue [maturing in the years _____ to _____ inclusive,] are not subject to redemption prior to maturity. [Bonds, or portions of bonds in multiples of \$5,000, maturing in the year _____ and thereafter may be redeemed at the option of the City, in such order of maturity as the City shall determine and within any maturity by lot, on any date on or after _____ 1, _____ at par and accrued interest to the date fixed for redemption [but without premium][plus a premium expressed as a percentage of par as follows:]

[_____% of the par value of each bond or portion thereof called for redemption on or after _____ 1, _____ but prior to _____ 1, _____;]

[_____% of the par value of each bond or portion thereof called for redemption on or after _____ 1, _____ but prior to _____ 1, _____;]

[_____% of the par value of each bond or portion thereof called for redemption on or after _____ 1, _____ but prior to _____ 1, _____;]

[No premium shall be paid on bonds called for redemption on or after _____ 1, _____;]

[Bonds or portions of bonds in authorized denominations are subject to mandatory redemption on _____ 1 and _____ 1, _____ as set forth below, at par and accrued interest to the date fixed for redemption. The principal amounts of bonds to be redeemed pursuant to this paragraph are as follows:

<u>_____ 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>	<u>_____ 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>
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In case less than the full amount of an outstanding bond is called for redemption, the bond registrar and paying agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver the registered owner a new bond in the principal amount of the portion of the portion of the original bond not called for redemption.

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A notice of redemption shall be mailed to the registered owners of the bonds or portions of bonds to be redeemed by first class mail not less than thirty (30) days prior to the date fixed for redemption at the address of the registered owner shown on the registration books maintained by the bond registrar and paying agent. Bonds or portions of bonds so 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 bonds or portions of bonds called for redemption.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued, the rights and limitations on the owner of this bond and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Resolution.

The City has covenanted and agreed, and does hereby covenant and agree to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on this bond and any other bonds payable from the Net Revenues as and when the same shall become due and payable, and to maintain a bond redemption fund therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Resolution.

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.

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 this bond existed, have happened and have been performed in due time, form and manner as required by law.

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IN WITNESS WHEREOF, the City of Royal Oak, County of Oakland, State of Michigan, by its City Commission, has caused this bond to be executed in its name by the manual or facsimile signatures of its Mayor and City Clerk, all as of the Date of Original Issue. 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 ROYAL OAK

By: _____

Mayor

By: _____

City 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

Date of Authentication:

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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 Series 2017 Bond Form]

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Section 26. Covenants. The city covenants and represents to the registered owners of the bonds that so long as any bond remains outstanding and unpaid as to either principal or interest:

(a) That it will punctually perform all duties with reference to the system and comply with applicable State laws and regulations and continually operate and maintain the system in good condition and working order.

(b) That it will not sell, lease, mortgage or in any manner dispose of all or any substantial part of the system, until all bonds payable from the net revenues of the system shall have been paid in full or provision has been made for such payment.

(c) That it will cause an annual review of rates and charges to be made and based thereon will adjust such rates and charges to provide the amounts required by this resolution.

(d) That it will maintain complete books and records relating to the operation of the system and its financial affairs, will cause such books and records to be audited annually at the end of each fiscal year and an audit report prepared (which may be part of the city's audit report).

(e) That it will prepare, keep and file such records, statements and accounts as may be required by law and that, if required by law, it will file a report with the State Department of Treasury not later than one hundred and eighty (180) days after the close of the fiscal year, on forms provided by the Department of Treasury, completely setting forth the financial operation for such fiscal year of the system in accordance with the accounting method of the city and the system.

(f) That it will maintain and carry insurance on all physical properties of the system, for the benefit of the bondholders, of the kinds (including self-insurance) and in

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the amounts normally carried by municipalities engaged in the operation of similar facilities. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of calling bonds.

(g) The city will take all action, and refrain from taking any action, that is necessary, including paying any rebates to the United States government that may be required by the code, which are hereby authorized to be paid from the operation and maintenance fund as an expense of the system, to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes.

(h) That it hereby pledges, from other funds of the system available for such purpose, such moneys as may be necessary on an annual basis to maintain the requirements of Section 27 for the issuance of additional bonds.

Section 27. Additional Bonds. Except as hereinafter provided, the city shall not issue additional bonds of equal standing with respect to the net revenues with the series 2017 bonds but may issue junior lien bonds. Additional bonds shall be issued only in accordance with this section 27.

In accordance with the provisions of act 94, the right is reserved to issue additional bonds payable from the net revenues of the system, which shall be of equal standing and priority of lien on the net revenues of the system with the series 2017 bonds but only for the acquisition and construction of repairs, enlargements extensions, additions and improvements to the system, for refunding all or a part of any outstanding bonds or any other debt incurred by the city for any purpose for which bonds may be issued hereunder, for paying costs of issuing such additional bonds, including deposits, if any, to be made to a bond reserve account, and for payment of interest on such

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additional bonds. Additional bonds for such purposes shall not be issued pursuant to this section 27 unless the actual or augmented (as hereinafter provided) net revenues of the system (not including investment earnings on the various funds and accounts established hereunder but including investment earnings on any bond reserve account) for the then last preceding fiscal year for which an audit was performed shall be at least equal to one hundred percent (100%) of the maximum annual debt service on any outstanding bonds and the additional bonds then being issued. If the additional bonds are to be issued in whole or in part for refunding of outstanding bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each fiscal year the annual principal and interest requirements of any bond or bonds to be refunded from the proceeds of the additional bonds. For this purpose, the city may elect to use as the last preceding fiscal year any fiscal year ending not more than sixteen (16) months prior to the date of delivery of the additional bonds for which an audit is available. If any change in the rates, fees or charges of the system shall be authorized at or prior to the time of the resolution or order authorizing the sale of any additional bonds, the net revenues for the preceding fiscal year shall be augmented by an amount reflecting the effect of such change had the system's billings during such fiscal year been at the adopted rates. In addition, the actual net revenues for the preceding fiscal year for which an audit is available may be augmented by seventy percent (70%) of the estimated increase in net revenues to accrue as a result of the acquisition and construction of the repairs, enlargements, extensions, additions and improvements to the system to be paid for in whole or in part from the proceeds of the additional bonds and one hundred percent (100%) of the increase in net revenues resulting from any repair, enlargement, extension, addition or

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improvement which was made subsequent to the end of the last fiscal year for which an audit is available. Determination by the finance director as to existence of conditions permitting the issuance of additional bonds shall be conclusive; provided, however, that with respect to augmentation of net revenues, the city shall engage the services of and receive the certificate of a consulting engineer (with experience in advising municipalities with respect to setting rates and charges for parking systems) regarding the existence of such conditions, or, if no augmentation is required, the finance director may rely only on audited financial statements. No additional bonds of equal standing with respect to the net revenues of the system shall be issued pursuant to the authorization contained in this section if the city is then in default in making its required payments to any funds or accounts created hereunder.

The city acknowledges that additional limitations are imposed on the issuance of additional bonds secured by net revenues pursuant to the city commission's series 2016 resolution. Those limitations will be satisfied with respect to the series 2017 bonds so long as the series 2016 bonds are outstanding and the series 2016 resolution is in effect.

Section 28. Department of Treasury Approval. The issuance and sale of the bonds shall be subject to permission being granted therefor, or "qualified status" being granted, by the Department of Treasury of the State pursuant to act 34 and, if necessary, the finance director is authorized and directed to make application to the Department of Treasury for permission to issue and sell the bonds as provided by the terms of this resolution or seek any additional approvals or waivers from the Department of Treasury as may be necessary or desirable, in the determination of an authorized

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officer, to implement the purposes of this resolution and sell the bonds in the most efficient and at the lowest interest rate achievable under the circumstances.

Section 29. Sale, Issuance, Delivery, Transfer and Exchange of Series 2017 Bonds. (a) Subject to the provisions of paragraph (b) of this section 29, the series 2017 bonds shall be sold pursuant to a negotiated sale in accordance with act 34. It is hereby determined that such negotiated sale is in the best interests of the city and is calculated to provide the city with maximum flexibility in the timing and terms of the sale of the bonds. An authorized officer is authorized to select a placement agent and/or a purchaser (including an underwriter) (the “purchaser”) and to negotiate and enter into a placement agreement with the placement agent or a purchase commitment or bond purchase agreement (each a “purchase agreement”) with the purchaser at or before the time of the sale of the series 2017 bonds, which purchase agreement shall set forth the principal amount, principal maturities and dates, interest rates and interest payment dates, redemption provisions, if any, and purchase price to be paid by the purchaser with respect to the series 2017 bonds, as well as such other terms and provisions as an authorized officer determines to be necessary or appropriate in connection with the sale of the series 2017 bonds. If the series 2017 bonds are purchased and sold by an underwriter, the purchase agreement and the terms of the series 2017 bonds set forth therein, when executed by an authorized officer, may constitute the sale order with respect to the series 2017 bonds if so determined by the authorized officer.

(b) Notwithstanding the city commission's determination herein to sell the series 2017 bonds pursuant to a negotiated sale, if an authorized officer, with the advice of the city's financial advisor, determines on the basis of then-prevailing market conditions that the series 2017 bonds should be sold pursuant to a competitive sale in accordance with the provisions of act 34, the authorized officers are hereby authorized to proceed accordingly, sell the bonds pursuant to a competitive sale and take such

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action as may be necessary under act 34 and otherwise desirable to achieve the purposes of this paragraph and this resolution.

(c) The authorized officers and other appropriate city officials are severally authorized to execute and deliver such certificates or documents as bond counsel shall require and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the series 2017 bonds in accordance with the provisions of this resolution. In making the determinations in the sale order or purchase agreement with respect to principal maturities and dates, interest rates, purchase price of the bonds and compensation to be paid to an underwriter, the authorized officers shall be limited as follows:

- (i) The interest rate on any bond shall not exceed 6% per annum.
- (ii) The final maturity date of the bonds shall not be later December 1, 2047.
- (iii) The purchase price of the bonds shall not be less than 97.5% of the aggregate principal amount thereof.
- (iv) The underwriter's discount or placement agent's fee with respect to the bonds shall not exceed 1.5% of the aggregate principal amount of the bonds.

Section 30. Official Statement; Continuing Disclosure. An authorized officer is authorized to cause the preparation and distribution to prospective bond purchasers of an official statement for the series 2017 bonds for the purpose of enabling compliance with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended (the "rule"), and to do all other things necessary to enable compliance with the rule to the extent required by law. If and after the city enters into the bond purchase agreement with an underwriter, it will provide copies of a "final official statement" (as defined in

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paragraph (e)(3) of the rule) on a timely basis and in reasonable quantity as requested by the underwriter to enable the underwriter to comply with paragraph (b)(4) of the rule and the rules of the Municipal Securities Rulemaking Board.

An authorized officer is authorized to execute and deliver in the name and on behalf of the city (i) a certificate of the city to comply with the requirements for a continuing disclosure undertaking of the city pursuant to subsection (b)(5) of the rule and (ii) amendments to such certificate from time to time in accordance with terms of such certificate (the certificate and any amendments thereto being 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.

Section 31. 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 such bonds shall have no further rights under this resolution except to receive payment of the principal of, redemption premium, if any, and interest on such bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

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Section 32. Amendments; Consent of Bondholders.

(a) The commission, from time to time and at any time, subject to the conditions and restrictions in this resolution contained, may enact one or more supplemental or amendatory resolutions which thereafter shall form a part hereof, for any one or more or all of the following purposes:

(i) To issue additional bonds or junior lien bonds;

(ii) To add to the covenants and agreements of the city contained in this resolution, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the city;

(iii) To cure any ambiguity in this resolution or to cure, correct or supplement any defective provision contained in this resolution, provided that such supplemental or amendatory resolution shall not be inconsistent with this resolution and shall not have a material, adverse affect on the interests of the owners of the Bonds;

(iv) To increase the size or scope of the system; and

(v) To make such modifications in the provisions hereof as may be deemed necessary by the city to accommodate the issuance of additional bonds or junior lien bonds, but only if such modifications, in the written opinion of nationally recognized bond counsel delivered to the city, do not result in materially diminishing the security hereby granted to the owners of any bonds at the time outstanding.

Any amendment or supplemental resolution or resolution authorized by the provisions of this section 32(a) may be enacted by the commission without the consent

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of or notice to the owners of any of the bonds at the time outstanding, notwithstanding any of the provisions of section 32(b) below.

(b) With the consent of the owners of not less than fifty-one percent (51%) in principal amount of the bonds then outstanding, the commission from time to time and at any time may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall (i) extend the fixed maturity of any bond or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce or extend the time for payment of any premium payable on the redemption thereof, without the consent of the owner of each bond so affected, or (ii) reduce the aforesaid percentage of owners of the bonds required to approve any such supplemental resolution, or (iii) deprive the owners of the bonds (except as aforesaid) of the right to payment of the bonds from net revenues, without the consent of the owners of all the bonds then outstanding. No amendment may be made under this section 32(b) which affects the rights or duties of the insurer or credit enhancer of any of the bonds without its consent.

It shall not be necessary for the consent of the bondholders under this section 32(b) to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the enactment by the commission of any supplemental resolution pursuant to the provisions of this section 32(b), the city shall cause the bond registrar to mail a notice by registered or certified mail to the registered owners of all bonds outstanding at their addresses shown on the registration books, or at such other

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address as is furnished in writing by such registered owner to the bond registrar, setting forth in general terms the substance of such supplemental resolution.

Section 33. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution. The paragraph headings in this resolution are furnished for convenience of reference only and shall not be considered to be part of this resolution.

Section 34. Publication and Recordation. This resolution shall be published in full in the *Royal Oak Review* or other newspaper of general circulation within the boundaries of the city qualified under State law to publish legal notices, promptly after its adoption and shall be recorded in the official proceedings of the commission and such recording shall be authenticated by the signature of the city clerk.

Section 35. Rating; Other Actions. The finance director is hereby authorized, for and on behalf of the city, to seek and apply for a rating from any nationally-recognized statistical rating organization, if the finance director determines it is in the best interests of the city and for the sale of series 2017 bonds to do so. Further, the finance director is hereby authorized, without the further approval of the commission, to do all acts and to take all necessary steps required to effectuate the sale, issuance and delivery of the series 2017 bonds in accordance with the terms of this resolution.

Section 36. Professional Services. The law firm of Dickinson Wright PLLC, Troy, Michigan, is hereby appointed to act as bond counsel for the city in connection with the issuance of the series 2017 bonds; and the financial advisory firm of Blue Rose Capital Advisors is hereby appointed to act as financial advisor to the city with respect to the series 2017 bonds. The fees of bond counsel and the financial advisor may be

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paid out of the proceeds of the series 2017 bonds or with other funds of the city as determined by an authorized officer at the time of sale of the series 2017 bonds.

Section 37. Effective Date. This resolution shall be effective immediately upon its adoption.

Section 38. Conflicting Resolutions. All resolutions and parts of resolutions, insofar as they are in conflict herewith, are rescinded.

A roll call vote on the foregoing resolution was then taken, and was as follows:

Yes: _____

No: _____
Abstain: _____

The resolution was declared adopted.

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State of Michigan)
) ss.
County of Oakland)

Certification

The undersigned, being the clerk of the City of Royal Oak, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the City of Royal Oak City Commission at a regular meeting held on the 28th day of August, 2017, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the city. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act 267, Public Acts of Michigan, 1976, as amended, and that minutes of such meeting were kept and will be or have been made available as required thereby.

Dated: _____, 2017

Melanie Halas, City Clerk