

**CITY OF MASON  
REGULAR CITY COUNCIL MEETING  
MINUTES OF JULY 18, 2005**

Naeyaert called the meeting to order at 7:30 p.m. in the Council Chambers at 201 W. Ash Street, Mason, Michigan. Bruno led the Pledge of Allegiance and offered the invocation.

Present: Councilmembers: Bruno, Clark, Coady, Johnson, Mulvany, Naeyaert, Whipple  
Absent: Councilmember: None  
Also present: Martin Colburn, City Administrator  
Kathy Revels, Finance Director  
Dennis McGinty, City Attorney  
Deborah Cwierniewicz, Deputy City Clerk

**APPROVAL OF MINUTES - REGULAR COUNCIL MEETING: JULY 5, 2005**

The Regular Meeting Minutes of July 5, 2005 were approved as presented.

**APPROVAL OF BILLS**

MOTION by Whipple, seconded by Coady,  
To approve the payment of bills in the amount of \$70,862.44 as submitted.  
**MOTION APPROVED UNANIMOUSLY**

**PEOPLE FROM THE FLOOR**

Elaine Ferris, Friends of the Library President, read a letter from the "Library Friends" thanking the City for the work that was completed to open the library Thursday, July 14, 2005. They held a book sale last Friday and asked for donations for the books to help off-set the remediation costs for the library building. On behalf of the Friends, Ms. Ferris presented \$419.05 to the City. She added that the Farmer's Market was a great success.

Susan Hill, Capitol Area District Library (CADL) Director, stated that CADL is delighted that the Library is open and expressed sincere appreciation to the City of Mason, Marty Colburn, and city employees that worked on the project. She stated that Thursday's opening was overwhelming.

**REGULAR BUSINESS**

**Resolution No. 2005-42 – Special Assessment Bond for Project 2005-4, Rayner Creek Sanitary District**

**Resolution No. 2005-42** was introduced by Bruno and seconded by Mulvany.

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2005-42  
July 18, 2005**

At a regular meeting of the City Council of the City of Mason, Ingham County, Michigan (the "City" or the "Issuer"), held in the City Hall, 201 West Ash Street, Mason, Michigan, on Monday, the 18<sup>th</sup> day of July, 2005, at 7:30 o'clock, p.m.

Present: Council Members - Bruno, Clark, Coady, Johnson, Mulvany, Naeyaert, Whipple  
Absent: Council Members - None

**WHEREAS**, the City Council has determined to undertake the following projects: [A] the installation and construction of the South Temple Street extension, including street, sidewalk, curb and gutter, street lighting, storm drain and water main improvements, seeding, fertilizing and mulching in the public right-of-way; and [B] the installation and construction of a sanitary sewer district with the common elements of a pump station and force main, as well as the acquisition and installation of related equipment, improvements and appurtenances (collectively, the "Improvements") in [A] the South Temple Street Extension Special Assessment District 2005-3 and [B] the Rayner Creek Sanitary Special Assessment District 2005-4, respectively (collectively, the "Special Assessment Districts"); and

**WHEREAS**, the total aggregate cost of said Improvements is estimated to be approximately \$1,755,798.04; and

**WHEREAS**, the special assessments assessed against properties in the Special Assessment Districts are in the total aggregate amount of \$1,755,798.04 and have been divided into fifteen (15) equal annual installments, with the first installments coming due on July 1, 2006 (the "Special Assessments"); and

**WHEREAS**, in anticipation of the collection of the installment payments of the Special Assessments, commencing with the installments due July 1, 2006, the City Council deems it necessary to issue special assessment bonds in order to borrow the sum of not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) to finance a portion of the cost of the above-described Improvements; and

**WHEREAS**, prior to the issuance of bonds, the City achieved qualified status from the Michigan Department of Treasury (the "Department") pursuant to Act 34, Public Acts of Michigan, 2001, as amended; and

**WHEREAS**, the process of soliciting bids for the Bonds by publishing a notice of sale in a publication as specified in Section 309(2) of Act 34, Public Acts of Michigan, 2001, as amended, appears to be prohibitively more expensive than obtaining bids through the distribution of a solicitation for bids, and such a negotiated sale would allow flexibility in timing, sale and structure of the Bonds in response to changing market conditions; and

**WHEREAS**, the City Council desires to authorize the City Administrator and/or Finance Director/Treasurer to negotiate the sale of the Bonds to a local bank or financial institution (the "Bank") and to authorize the execution and delivery of any documents necessary to effectuate the sale and delivery of the Bonds to the Bank; and

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. Section 3 of Resolution No. 6 for Project No. 2005-3, confirming the South Temple Street Extension Special Assessment District 2005-3 Special Assessment Roll, adopted by the City Council on May 3, 2005, is hereby amended to provide that the first special assessment installment shall be due on July 1, 2006. Further, Section 3 of Resolution No. 6 for Project No. 2005-4, confirming the Rayner Creek Sanitary Special Assessment District 2005-4 Special Assessment Roll, adopted by the City Council on May 3, 2005, is hereby amended to provide that the first special assessment installment shall be due on July 1, 2006.

2. The estimated period of usefulness of the Improvements is not less than fifteen (15) years.

3. The special assessment bonds shall be issued in the amount of not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) in anticipation of the collection of a like amount of the unpaid installments from the Special Assessments, commencing with the installments due July 1, 2006, which sums with interest thereon are pledged to the payment of the bonds and interest thereon in the respective amounts as shown on the form of the special assessment bonds below. The liability of each special assessment district shall be limited to the aforesaid amounts and neither district shall be liable for the payment of the share of the other district. In addition to the Special Assessments as aforesaid, the full faith, credit and resources of the City is hereby pledged for the prompt payment of the principal and interest on said bonds as the same become due, subject to applicable statutory, charter and constitutional limitations.

Said issue shall consist of fully registered bonds of the denomination of Five Thousand Dollars (\$5,000) each, or multiples thereof, not to exceed the maximum amount of principal due in any

maturity year, numbered in direct order of issue from 1 upwards, dated August 1, 2005, or date of delivery, and payable serially on November 1 of each year, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2006	\$65,000	2011	\$55,000	2016	\$45,000
2007	65,000	2012	50,000	2017	40,000
2008	60,000	2013	50,000	2018	40,000
2009	60,000	2014	50,000	2019	35,000
2010	55,000	2015	45,000	2020	35,000

Said special assessment bonds shall be designated as 2005 Special Assessment Improvement Bonds (Limited Tax-General Obligation) (the "Bond" or "Bonds"), and shall bear interest at a rate or rates not exceeding seven percent (7%) per annum, payable on May 1, 2006 and semiannually thereafter on the first day of November and May of each year.

The City's Mayor, City Administrator, Finance Director/Treasurer (hereinafter, the "Authorized Officers" or, individually, an "Authorized Officer"), or a designee thereof, are hereby authorized to adjust the maturity schedule and/or reduce the principal amount of the borrowing in accordance with the amount of any prepayments received by the City with respect to the Special Assessments.

4. The principal of the Bonds and the interest thereon shall be payable in lawful money of the United States of America at or by a bank or trust company located in the State of Michigan to be designated by the City Council (herein called "Paying Agent"), which shall act as the Bond Registrar and Paying Agent, or such successor Paying Agent as may be approved by the City Administrator, on each semiannual interest payment date and the date of each principal maturity. The City Council hereby authorizes the City Administrator to appoint a Paying Agent and enter into, on behalf of the City, any necessary agreement with the Paying Agent for its services.

5. Book Entry. The ownership of one fully registered bond for each maturity in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). So long as the Bonds are in the book entry form only, the Paying Agent shall comply with the terms of the Blanket Issuer Letter of Representations to be entered into between the Issuer and DTC, which provisions shall govern registration, notices and payment, among other things, and which provisions are incorporated herein with the same effect as if fully set forth herein. The City Administrator is hereby authorized and directed to enter into the Blanket Issuer Letter of Representations with DTC in such form as determined by the City Administrator, in consultation with bond counsel, to be necessary and appropriate. In the event the Issuer determines that the continuation of the system of book entry only transfer through DTC (or a successor securities depository) is not in the best interest of the DTC participants, beneficial owners of the Bonds, or the Issuer, the Issuer will notify the Paying Agent, whereupon the Paying Agent will notify DTC of the availability through DTC of the bond certificates. In such event, the Issuer shall issue and the Paying Agent shall transfer and exchange Bonds as requested by DTC of like principal amount, series and maturity, in authorized denominations to be identifiable beneficial owners in replacement of the beneficial interest of such beneficial owners in the Bonds, as provided herein.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemptions, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

6. In the event the Bonds are no longer in book entry form only, the following provisions would apply to the Bonds:

The Paying Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred on said books, Bonds as herein provided.

Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by a duly authorized agent, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall furnish or cause to be furnished a sufficient number of manual or facsimile

executed Bonds and the Paying Agent shall authenticate and deliver a new Bond or Bonds for like aggregate principal amount. The Paying Agent shall require the payment of any tax or other governmental charge required to be paid with respect to the transfer to be made by the bondholder requesting the transfer.

7. Bonds of this issue maturing in the years 2005 through 2012, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of Bonds in multiples of \$5,000 of this issue maturing in the year 2013 and thereafter, shall be subject to redemption prior to maturity, at the option of the Issuer, in such order as the Issuer may determine and by lot within any maturity, on any date on or after November 1, 2012, at par and accrued interest to the date fixed for redemption.

Notice of redemption of any Bond shall be given not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption by mail to the Registered Owner at the registered address shown on the registration books kept by the Paying Agent. Bonds shall be called for redemption in multiples of \$5,000 and Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the Registered Owner thereof. No further interest payment on the Bonds or portions of Bonds called for redemption shall accrue after the date fixed for redemption, whether presented for redemption, provided funds are on hand with the Paying Agent to redeem the same.

If less than all of the Bonds shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Paying Agent, in such manner as the Paying Agent in its discretion may deem proper, in the principal amounts designated by the Issuer. Upon presentation and surrender of such Bonds at the corporate trust office of the Paying Agent, such Bonds shall be paid and redeemed.

8. Blank bonds with the manual or facsimile signatures of the Mayor and countersigned by the Clerk affixed thereto and the seal of the City or a facsimile thereof affixed thereto, shall, upon issuance and delivery and from time to time thereafter as necessary, be delivered to the Paying Agent for safekeeping to be used for registration and transfer of ownership.

Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by a duly authorized agent, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and seal and the Paying Agent shall authenticate and deliver a new Bond or Bonds for the like aggregate principal amount. The Paying Agent shall require the payment of any tax or other governmental charge required to be paid with respect to the transfer to be made by the bondholder requesting the transfer.

The Paying Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the City; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred on said books, Bonds as herein provided.

If any Bond shall become mutilated, the City, at the expense of the holder of the Bond, shall furnish, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the Paying Agent of the mutilated Bond. If any Bond issued under this resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the Paying Agent, and if satisfactory to the Paying Agent and the City, the City, at the expense of the owner, shall furnish, and the Paying Agent shall authenticate and deliver a new Bond of like tenor and bearing the statement required by Act 354, Public Acts of Michigan, 1972, as amended, being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted, in lieu of and in substitution for the bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof.

9. The Mayor and Clerk are hereby authorized to provide the Bonds in conformity with the specifications of this resolution by causing their manual or facsimile signatures to be affixed thereto, together with the City Seal or facsimile thereof issued in certificate form, and upon the manual execution by the authorized signatory of the Paying Agent, and the Mayor, City Administrator, and Finance Director/Treasurer be and are hereby authorized and directed to cause said Bonds to be delivered to the purchaser thereof upon receipt of the purchase price and accrued interest, if any.

10. All collections of principal and interest on the aforesaid Special Assessments shall be accounted for separately on the books of the City and shall be held together with any premium on the Bonds and the accrued interest thereon paid on date of delivery thereof, for the sole purpose of retiring when due the principal of and interest on said Bonds. The City shall levy annually, subject to applicable statutory, charter and constitutional limitations, as part of its general ad valorem taxes, such sums as may be necessary to retire when due the principal of and interest on the Bonds should collections of the Special Assessments pledged for that purpose prove insufficient.

11. The Bonds shall be in substantially the following form:

[NO.]  
**UNITED STATES OF AMERICA**  
**STATE OF MICHIGAN**  
**COUNTY OF INGHAM**  
**CITY OF MASON**

**2005 SPECIAL ASSESSMENT IMPROVEMENT BOND**  
**(LIMITED TAX-GENERAL OBLIGATION)**

<u>Rate</u> %	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
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REGISTERED OWNER:  
 PRINCIPAL AMOUNT:

CITY OF MASON, COUNTY OF INGHAM, STATE OF MICHIGAN (the "Issuer"), promises to pay to the Registered Owner specified above, or registered assigns, the specified Principal Amount, in lawful money of the United States of America on the specified Maturity Date, with interest thereon, from the Date of Original Issue until paid at the specified Rate on the basis of a 360-day year, 30-day month, payable on May 1, 2006, and semiannually thereafter on the first day of November and May of each year (the "Bond" or "Bonds"). Principal on this Bond is payable at the corporate office of \_\_\_\_\_, MICHIGAN (the "Paying Agent"), upon presentation and surrender hereof. Interest is payable by check or draft mailed to the Registered Owner at the registered address shown on the registration books of the Issuer kept by the Paying Agent as of the close of business on the 15th day of the month preceding any interest payment date. The Issuer may hereafter designate a successor paying agent/bond registrar by notice mailed to the Registered Owner not less than sixty (60) days prior to any interest payment date.

This Bond is one of a series of Bonds of even date and like tenor, except as to denomination and date of maturity, aggregating the principal sum of Seven Hundred Fifty Thousand Dollars (\$750,000), issued under and in pursuance of the provisions of Act 34, Public Acts of Michigan, 2001, as amended, Act 279, Public Acts of Michigan, 1909, as amended, the Issuer's Special Assessment Ordinance, and a resolution duly adopted by the City Council of the Issuer on July 18, 2005, for the purpose of paying a portion of the cost of certain street, sidewalk, curb and gutter, street lighting, storm drain and water main improvements in the City of Mason in the South Temple Street Extension Special Assessment District 2005-3 and certain sanitary sewage system improvements in the City of Mason in the Rayner Creek Sanitary Special Assessment District 2005-4 (the "Special Assessment Districts").

The Bonds are issued in anticipation of the collection of a like amount of unpaid installments on the following special assessment rolls against lands in the Special Assessment Districts: South Temple Street Extension Special Assessment District 2005-3 Special Assessment Roll; and [b] Rayner Creek Sanitary Special Assessment District 2005-4 Special Assessment Roll, and the total principal amount of the Bonds is hereby respectively allocated in the amounts of: [a] \$385,950; and [b] \$364,050. The liability of each special assessment district shall be limited to the aforesaid amounts and neither district shall be liable for the payment of the share of the other district.

This Bond is payable out of special assessments collected on the special assessment rolls for the Special Assessment Districts. The Issuer, in addition to the foregoing, has pledged its full faith and credit subject to applicable constitutional, statutory and charter tax rate limitations, for repayment of the Bonds. In case of insufficiency of said special assessment collections, this Bond is payable out of the general funds of the Issuer. The Issuer reserves the right to issue additional bonds of equal standing.

Bonds of this issue maturing in the years 2005 through 2012, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of Bonds in multiples of \$5,000 of this issue maturing in the year 2013 and thereafter, shall be subject to redemption prior to maturity, at the option of the Issuer, in such order as the Issuer may determine and by lot within any maturity, on any date on or after November 1, 2012, at par and accrued interest to the date fixed for redemption.

Notice of redemption of any Bond shall be given not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption by mail to the Registered Owner at the registered address shown on the registration books kept by the Paying Agent. Bonds shall be called for redemption in multiples of \$5,000 and Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the Registered Owner thereof. No further interest payment on the Bonds or portions of Bonds called for redemption shall accrue after the date fixed for redemption, whether presented for redemption, provided funds are on hand with the Paying Agent to redeem the same.

If less than all of the Bonds shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Paying Agent, in such manner as the Paying Agent in its discretion may deem proper, in the principal amounts designated by the Issuer. Upon presentation and surrender of such Bonds at the corporate trust office of the Paying Agent, such Bonds shall be paid and redeemed.

This Bond is registered as to principal and interest and is transferable, as provided in the resolution authorizing the Bonds, only upon the books of the Issuer kept for that purpose by the Paying Agent, by the Registered Owner hereof in person or by an agent of the Registered Owner duly authorized in writing, upon the presentation and surrender of this Bond together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or agent of the Registered Owner, and thereupon a new Bond or Bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing the Bonds, and upon payment of the charges, if any, therein provided. The Bonds are issuable in denominations of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

It is hereby certified and recited that all acts, conditions and things required to be done, to happen, and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed in due time, form and manner, as required by law.

This Bond shall not be deemed a valid and binding obligation of the Issuer in the absence of authentication by manual execution hereof by the authorized signatory of the Paying Agent.

**IN WITNESS WHEREOF**, City of Mason, County of Ingham, State of Michigan, by its City Council, has caused this Bond to be signed in the name of the Issuer by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its Clerk as of **July 18, 2005**, and to be manually signed by the authorized signatory of the Paying Agent as of the date set forth below.

(SEAL) CITY OF MASON  
COUNTY OF INGHAM  
STATE OF MICHIGAN

Countersigned: By Mayor

Clerk

CERTIFICATE OF AUTHENTICATION

Dated:

This Bond is one of the Bonds described herein.

By \_\_\_\_\_, MICHIGAN  
PAYING AGENT

Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and does hereby irrevocably \_\_\_\_\_ constitute \_\_\_\_\_ and \_\_\_\_\_ appoint \_\_\_\_\_ attorney to transfer the Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

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

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular without alteration or any change whatever.

Signature Guaranteed:

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

The Paying Agent will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address:

(Include information for all joint owners if the Bond is held by joint account.)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

[Empty rectangular box for identifying number]

(if held by joint account, insert number for first named transferee)

12. There is hereby created a separate depository account to be kept in the \_\_\_\_\_, \_\_\_\_\_, Michigan, a bank located in the State of Michigan, and insured by the Federal Deposit Insurance Corporation, to be designated 2005 SPECIAL ASSESSMENT BOND DEBT RETIREMENT FUND (the "DEBT RETIREMENT FUND"), an appropriate portion of the proceeds from special assessments assessed for the DEBT RETIREMENT FUND shall be deposited as collected into said fund to be used for the purpose of paying the principal and interest on the Bonds as they mature or are redeemed. DEBT RETIREMENT FUND monies may be invested as authorized by law.

13. There is hereby created a separate account to be designated 2005 SPECIAL ASSESSMENT CAPITAL PROJECTS FUND, to which the proceeds of the Bond issue are to be credited for the payment of costs related to the Improvements.

14. The advance payment for the Improvements is hereby approved, and the monies are authorized to be advanced from monies on hand in the City's general fund, which monies will be repaid to the general fund with a like amount, plus interest from the date of withdrawal, from the proceeds of the Bonds when received. The City shall reimburse the general fund not earlier than the date on which the costs and expenses are paid and not later than the later of:

- (a) the date that is eighteen (18) months after the costs and expenses are paid; or
- (b) the date the Improvements are placed in service or abandoned, but in no event more than three (3) years after the costs and expenses are paid.

15. The Bonds herein authorized are hereby designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended. In making said designation, the City Council determines that the reasonably anticipated amount of tax-exempt obligations which will be issued by

the City or entities which issue obligations on behalf of the City during calendar year 2005 will not exceed \$10,000,000.

16. The Authorized Officers, and all other officers, agents and representatives of the Issuer and each of them shall execute, issue and deliver any certificates, statements, warranties, representations, or documents necessary to effect the purposes of this resolution or the Bonds.

17. Bids for the Bonds shall be conditioned upon the unqualified approving opinion of Thrun Law Firm, P.C., Lansing, Michigan, bond counsel, the original of such opinion will be furnished without expense to the purchaser of the Bonds at the delivery thereof. Further, Thrun Law Firm, P.C., has informed this Board that it represents no other party in the issuance of the Bonds.

18. The Issuer shall furnish Bonds ready for execution at its expense. The Bonds will be delivered without expense to the purchaser at a place to be mutually agreed upon with the purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of the delivery of the Bonds.

19. The City Council covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended, necessary to maintain the exclusion of interest on the bonds from gross income for federal income tax purposes.

20. Any Authorized Officer, if permitted by law, is hereby authorized to:

(a) negotiate the sale of the Bonds to the Bank within the parameters established by this resolution. It is hereby determined that the process of soliciting bids for the Bonds by publishing a notice of sale in a publication as specified in Section 309(2) of Act 34, Public Acts of Michigan, 2001, as amended, is prohibitively more expensive than obtaining bids through the distribution of a solicitation for bids, and a negotiated sale would allow flexibility in timing, sale and structure of the Bonds in response to changing market conditions. The City Council hereby authorizes any Authorized Officer to solicit bids for the Bonds from banks and other financial institutions using the Solicitation for Bids in its substantial form as attached hereto as Exhibit A. Further, an Authorized Officer is further authorized to approve the specific interest rate to be borne by the Bonds, the purchase price of the Bonds, and other terms and conditions relating to the Bonds and the sale thereof. An Authorized Officer is directed to execute a certificate accepting the interest rate and purchase price of the Bonds on behalf of the Issuer.

(b) file with the Department an application for approval to issue the Bonds, if required, and to pay any applicable fee therefor and, further, within fifteen (15) business days after issuance of the Bonds, any and all documentation required subsequent to the issuance of the Bonds, together with any statutorily required fee.

(c) execute and file any necessary applications for approvals or waivers from the Department.

(d) the Authorized Officers are authorized to take all other actions necessary and convenient to facilitate sale and delivery of the Bonds.

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

Yeas (6) Clark, Coady, Johnson, Mulvany, Naeyaert, Whipple  
Nays (1) Bruno  
Absent: (0)  
Resolution declared adopted.

Martin A. Colburn, City Clerk  
City of Mason

STATE OF MICHIGAN )  
§

COUNTY OF INGHAM )

I, the undersigned, the duly qualified clerk of the City of Mason, Ingham County, Michigan, DO HEREBY CERTIFY that the foregoing is a true and complete copy of the proceedings taken by the City Council at a regular meeting held on the 18<sup>th</sup> day of July, 2005.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 18<sup>th</sup> day of July, 2005.

\_\_\_\_\_  
Martin A. Colburn, City Clerk  
City of Mason

**EXHIBIT A**

**SOLICITATION FOR BIDS**

**CITY OF MASON  
COUNTY OF INGHAM  
STATE OF MICHIGAN**

**\$750,000**

**2005 SPECIAL ASSESSMENT IMPROVEMENT BONDS  
(LIMITED TAX-GENERAL OBLIGATION)**

**SEALED BIDS** for the purchase of the above bonds will be received, opened and tabulated by the undersigned at the Mason City Hall, 201 West Ash Street, Mason, Michigan 48854, on \_\_\_\_\_, the \_\_\_\_ day of \_\_\_\_\_, 2005, until \_\_\_\_\_ o'clock, in the p.m., Eastern Time, at which time and place said bids will be publicly opened and read. Award of the bids will be considered by an authorized officer of the City of Mason on that date.

**DTC BOOK-ENTRY-ONLY:** At the request of the winning bidder, the Bonds may be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC") under DTC's Book-Entry-Only system of registration. Purchasers of interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry-only. As long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, payments of principal and interest payments will be made directly to such registered owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

**BOND DETAILS:** The Bonds will be registered bonds of the denomination of \$5,000 each, or integral multiples thereof, dated August 1, 2005, or date of delivery, numbered in direct order of maturity from 1 upwards and will bear interest from their date payable on May 1, 2006 and semiannually thereafter on the first day of November and May.

Said Bonds will mature on the 1st day of November as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2006	\$65,000	2011	\$55,000	2016	\$45,000
2007	65,000	2012	50,000	2017	40,000
2008	60,000	2013	50,000	2018	40,000
2009	60,000	2014	50,000	2019	35,000
2010	55,000	2015	45,000	2020	35,000

**PRIOR REDEMPTION:** Bonds of this issue maturing in the years 2005 through 2012, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of Bonds in multiples of \$5,000 of this issue maturing in the year 2013 and thereafter, shall be subject to redemption prior to maturity, at the option of the Issuer, in such order as the Issuer may determine and by lot within any maturity, on any date on or after November 1, 2012, at par and accrued interest to the date fixed for redemption.

**INTEREST RATE AND BIDDING DETAILS:** The Bonds shall bear interest at a rate not exceeding seven percent (7%) per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1% or both. The difference between the highest and lowest interest rates bid shall not exceed three percent (3%). The interest on any one bond shall be at one rate only, all bonds maturing in any one year must carry the same interest rate. No proposal for the purchase of less than all of the Bonds, or at a price less than par, or at a price which will cause the net interest cost on the Bonds to exceed seven percent (7%), will be considered.

**PAYING AGENT:** Principal and interest shall be payable at a bank or trust company qualified to act as a paying agent in Michigan (the "Paying Agent"), or such other Paying Agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any change in Paying Agent. In the event the Bonds cease to be held in book entry form only, the Paying Agent will serve as bond registrar and transfer agent, interest shall be paid by check mailed to the owner as shown by the registration books of the Issuer as of the close of business on the 15th day of the month preceding any interest payment date and the Bonds will be transferable only upon the registration books of the Issuer kept by the Paying Agent. See "DTC Book-Entry-Only" above.

**PURPOSE AND SECURITY:** The Bonds are issued for the purpose of defraying a portion of the cost of certain street, sidewalk, curb and gutter, street lighting, storm drain, water main, and sanitary sewer system improvements in the City and in anticipation of the collection of a like amount of the unpaid installments of special assessments on the following special assessment rolls:[a] South Temple Street Extension Special Assessment District 2005-3 Special Assessment Roll; and [b] Rayner Creek Sanitary Special Assessment District 2005-4 Special Assessment Roll, and the total principal amount of the Bonds is hereby respectively allocated in the amounts of: [a] \$385,950; and [b] \$364,050. Neither special assessment district shall be liable to pay the share of the other district. In addition to the special assessments, the City has pledged its full faith and credit for the payment of the Bonds, subject to applicable statutory, charter and constitutional limitations.

**GOOD FAITH:** A certified or cashier's check in the amount of \$15,000 drawn upon an incorporated bank or trust company and payable to the order of the Treasurer of the Issuer must accompany each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Bonds. The good faith deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the good faith deposit will be retained by the Issuer. No interest shall be allowed on the good faith check and checks of unsuccessful bidders will be promptly returned to each bidder's representative or by United Parcel Service Co. -- Next Day Air Service or its equivalent. The good faith check of the successful bidder will be immediately cashed and payment for the balance of the purchase price of the Bonds shall be made at the closing.

**AWARD OF BONDS:** The Bonds will be awarded to the bidder whose bid produces the lowest true interest cost which is the rate that will discount all future cash payments so that the sum of the present value of all cash flows will equal the Bond proceeds computed from August 1, 2005.

**LEGAL OPINION:** Bids shall be conditioned upon the unqualified approving opinion of Thrun Law Firm, P.C., Lansing, Michigan, bond counsel, the original of which will be furnished without expense to the Purchaser of the Bonds at the delivery thereof. The fees of Thrun Law Firm, P.C. for services rendered in connection with such approving opinion are expected to be paid from Bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the above Bonds, Thrun Law Firm, P.C. has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, marketing or issuance of the Bonds and, therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

**DELIVERY OF BONDS:** The Issuer will furnish Bonds ready for execution at its expense. Bonds will be delivered without expense to the Purchaser at a place to be mutually agreed upon with the Purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of the delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o'clock, noon, Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if the 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the Bonds, withdraw the proposal by serving notice of cancellation in writing, on the undersigned, in which event the Issuer shall promptly return the good faith deposit. Accrued interest to the date of delivery of the Bonds shall be paid by the Purchaser at the time of delivery. Payment for the Bonds shall be made in federal reserve funds. Unless the Purchaser furnishes the Paying Agent with a list giving the denominations and names in which it wishes to have the certificates issued at least five (5) business days prior to delivery of the Bonds, the Bonds will be delivered in the form of a single certificate for each maturity registered in the name of the Purchaser.

**TAX MATTERS:** In the opinion of bond counsel, assuming continued compliance by the Issuer with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes, as described in the opinion, and the Bonds and interest thereon are exempt from all taxation in

the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The Issuer has designated the Bonds as "**QUALIFIED TAX-EXEMPT OBLIGATIONS**" within the meaning of the Code, and has covenanted to comply with those requirements of the Code necessary to continue the exclusion of interest on the Bonds from gross income for federal income tax purposes.

**CERTIFICATE REGARDING "ISSUE PRICE"**: The successful bidder will be required to furnish, prior to the delivery of the Bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. In addition, if the successful bidder will obtain a municipal bond insurance policy or other credit enhancement for the Bonds in connection with their original issuance, the successful bidder will be required, as a condition of delivery of the Bonds, to certify whether the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

**CUSIP** Numbers will be imprinted on the Bonds at the expense of the City. An improperly imprinted number or failure to print CUSIP numbers shall not constitute a basis for the Purchaser to refuse to accept delivery of the Bonds. The Purchaser shall be responsible for requesting assignment of numbers and for the payment of any charges for the assignment of numbers.

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

**ENVELOPES** containing the bids should be plainly marked "Proposal for City of Mason 2005 Special Assessment Improvement Bonds".

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Martin A. Colburn, City Administrator  
City of Mason

**RESOLUTION APPROVED UNANIMOUSLY**

### **Presentation – Ingham Court – Phil Birdsall, DDA Executive Director**

Phil Birdsall, DDA Executive Director, and Mike Canteberry of Land Design Collaborative gave a brief presentation of the conceptual plan for Ingham Court.

### **Request – Waiver of Fees for Kiwanis Village**

The Kiwanis Village of Mason Board of Directors annually requests the City to waive the one percent administrative fee collected for real estate taxes. The State of Michigan pays the taxes in accordance with senior citizen housing legislation and asks the owners to seek a waiver because the fees are not covered by the legislative act.

MOTION by Johnson, second by Whipple,  
To waive the one percent administrative fee for 2005 real estate taxes  
collected for Kiwanis Village.

**MOTION APPROVED UNANIMOUSLY**

### **Report – Refuse Refunds**

Revels reported that she did not locate a formal procedure or the origination for the practice that has been followed to grant refuse refunds for residents that are away from home for the winter. She stated that Colburn had directed her to stop the practice and notify those residents that annually request a temporary interruption of refuse collection and billing.

**UNFINISHED BUSINESS**

Colburn stated that he will begin the interview process for the Zoning & Development Director position and expects to make an offer by the end of August.

**NEW BUSINESS**

- Whipple informed the Council that Dewayne Evan's health is failing. Mr. Evans served on City Council several times between 1956 and 1986.
- Clark stated that he wanted to recognize a few individuals that are often taken for granted. He stated that Doug Poufcas films City meetings and maintains the City cable channel. He congratulated Mr. Poufcas, also Coach for the Under Thirteen Baseball League, and his team for their State Championship win. They will go to the Regional Championship in Iowa this Wednesday. Also, he recognized Mayor Naeyaert and Administrator Colburn. They both sat at the hospital with the family of the child that was injured and run over by a parade float during the 4<sup>th</sup> of July celebration downtown. Recently, an 85 year old city resident fell from his bike while riding in town. Many cars passed him by. Administrator Colburn stopped took the injured man to urgent care for treatment. Clark stated that these actions exemplify the character of the man that leads our city.

**CORRESPONDENCE**

All correspondence was distributed.

**LIAISON REPORTS**

- Naeyaert informed Council regarding DDA business.
- Whipple informed Council regarding the CADL Strategic Planning Committee's first meeting.
- Colburn informed Council regarding Planning Commission business.

**ADMINISTRATOR'S REPORT**

Colburn informed the Council on current city issues.

**PEOPLE FROM THE FLOOR**

Elaine Ferris of 417 W. Sycamore informed the Council that there is a spot for a non-profit organization at the Farmers' Market.

**ADJOURNMENT**

The meeting adjourned at 8:20 pm.

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Martin A. Colburn, City Clerk