

**MINUTES OF A REGULAR MEETING
OF THE
LAPEER CITY COMMISSION**

March 15, 2010

A regular meeting of the Lapeer City Commission was held March 15, 2010 at Lapeer City Hall, 576 Liberty Park, Lapeer, Michigan. The meeting was called to order at 6:30 p.m.

Present: Mayor Sprague.
Commissioners Bennett, Marquardt, Robinet, Farrington, and Bostick-Tullius.
City Manager Dale Kerbyson.
City Attorney Michael Nolan.

Absent: None.

Others Present: City Clerk Donna Cronce; Deputy City Clerk Tracey Russell; Police Chief Todd Alexander; Fire Chief Terry Kluge; City Assessor Tom Hubbell; Director of Public Works John Lyons; Director of Financial Services Paul Boucher; Planning Director Linda Jackman; Water Superintendent Pam Reid; Rowe Professional Services Company representative Doug Skylis; Lapeer County Press representative Jeff Hogan; Brent Hershberger; and Lapeer County Commissioner Lenny Schneider.

Mayor Sprague led the Pledge of Allegiance.

AGENDA APPROVAL

49 2010 03-15

Moved by Marquardt. Seconded by Bennett.
To approve the Agenda for March 15, 2010 as presented.
MOTION CARRIED.

MINUTES

50 2010 03-15

Moved by Farrington. Seconded by Marquardt.
To approve the minutes from the Regular Meeting held on March 1, 2010.
MOTION CARRIED.

Minutes from the various Boards and Commissions were received into record.

CONSENT AGENDA

51 2010 03-15

Moved by Marquardt. Seconded by Farrington.
To approve the Consent Agenda for March 15, 2010 resulting in the following:

1. Approved the Special Event Application from Lapeer Community Schools for the Annual Swing Out to be held on June 3, 2010.
2. Approved the Special Event Application from Bishop Kelley School for the Annual Walk-A-Thon to be held on April 30, 2010.
3. Approved the budget adjustment for the Building Department Fund.

MOTION CARRIED.

BILL LISTING FOR MARCH 15, 2010

52 2010 03-15

Moved by Robinet. Seconded by Bostick-Tullius.
To approve the Bill Listing for March 15, 2010 in the amount of \$2,727,990.13.
MOTION CARRIED.

PUBLIC COMMENTS

No public comments.

PROCLAMATIONS, RECOGNITIONS AND RESOLUTIONS

None.

PUBLIC HEARINGS

No public hearings scheduled.

ADMINISTRATIVE REPORTS

Zoning Ordinance Amendment: Vacant 8.6-acre parcel on Demille Boulevard.
Rezone from R-4 Single-Family Residential to RM Multiple-Family Residential.

53 2010 03-15

Moved by Robinet. Seconded by Bennett.

To adopt the Amendment Chapter 7 (Zoning Ordinance), Section 7.03,H, Number 95, of the General Ordinances of the City of Lapeer.

THE CITY OF LAPEER ORDAINS:

7.03 ZONING DISTRICTS AND MAP

G. ZONING DISTRICT AMENDMENTS:

95. The following property, formerly zoned R-4 One-Family Residential District, is hereby rezoned to RM Multiple-Family District:

City of Lapeer Part of Section 6 and 7, T7N, R10E; beg at N 1/ 4 cor Sec 7; th S03°26'26"E alg N-S 1/ 4 line of said Sec 7 652.85 ft; th S86°33'40"W 530.06 ft; th N03°26'20"W 767.70 ft; th alg curve to left 76.39 ft (rad 1106.13 ft, chd brg S79°14'30"E 76.37 ft); th S81°13'11"E 295.65 ft; th alg curve to left 170.39 ft (rad 5633.13 ft, chd brg S82°05'10"E 170.39 ft) to POB. 8.61 Acres; subject to any restrictions, easements and/or rights of way of record."

ON A ROLL CALL VOTE:

AYES: Commissioners Farrington, Bostick-Tullius, Marquardt, Robinet, and Bennett.

NAYS: None.

ABSENT: None.

ABSTAIN: None.

MOTION CARRIED. AMENDMENT TO CHAPTER 7 ADOPTED.

Resolution to Authorize the Sale of Special Assessment Bonds.

54 2010 03-15

Moved by Marquardt. Seconded by Farrington.

To approve the Resolution to Authorize the Sale of Special Assessment Bonds in the amount of \$350,000 and General Obligation Bonds in the amount of \$200,000 for Project #2009-01 S. Main Street Sewer Extension and Project #2009-02 N. Saginaw Street Reconstruction.

CITY OF LAPEER
COUNTY OF LAPEER, STATE OF MICHIGAN

WHEREAS, Special Assessment Rolls Nos. 2009-01and 2009-02 (the "Rolls") for the construction of local public improvements in Special Assessment Districts 2009-01and

2009- 02 (“the “Districts”) in the Issuer have been prepared, reviewed and confirmed by the City Commission; and

WHEREAS, the City Commission has determined that it will be necessary to issue special assessment bonds pledging for their payment collections on the Rolls; and

WHEREAS, the City Commission has further determined that it will be necessary to issue general obligation bonds to pay the Issuer’s portion of the cost of the aforesaid improvements;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The estimated period of usefulness of said improvements is not less than twelve (12) years.

2. Special assessment bonds shall be issued in the amount of Three Hundred and Fifty Thousand Dollars (\$350,000) (the “SA Bonds”) in anticipation of the collection of the future due installments on the Rolls, as herein set forth together with interest and investment income thereon:

Special Assessment District No. 2009-01	\$255,000
Special Assessment District No. 2009-02	\$ 95,000

The liability of the Rolls shall be limited to the principal amount thereof pledged and interest and investment income thereon. In addition to the special assessments primarily pledged as aforesaid, the full faith, credit and resources of the Issuer shall be pledged secondarily for the prompt payment of the principal of and interest on the SA Bonds as the same become due. If the pledged special assessments are not collected in amounts sufficient to pay the principal of and interest on the SA Bonds as the same become due, the Issuer will promptly advance from its general funds as a first budget obligation sufficient moneys to pay said principal and interest, or, if necessary, levy taxes upon all taxable property in the Issuer therefor, subject to applicable constitutional, charter and statutory tax rate limitations.

3. The SA Bonds shall be designated 2010 SPECIAL ASSESSMENT BONDS (Limited Tax General Obligation), consist of bonds registered as to principal and interest in the denomination of \$5,000 or multiples thereof not exceeding for each maturity the aggregate principal amount of that maturity, numbered in order of registration, dated as of the date of their delivery and be payable annually on January 1 of the years and in the principal amounts as follows:

\$10,000	2011;
40,000	2012;
35,000	2013;
40,000	2014 and 2015;
35,000	2016 and 2017;
40,000	2018 and 2019;
35,000	2020.

4. General obligation bonds shall be issued in the amount of Two Hundred Thousand Dollars (\$200,000) (the “GO Bonds”) to defray the Issuer’s portion of the cost of public improvements in the Districts. The limited tax full faith, credit and resources of the Issuer are hereby pledged for the prompt payment of the principal of and interest on the GO Bonds as the same become due, which pledge shall include the Issuer’s obligation to pay from its general funds as a first budget obligation said principal and interest, and, if necessary, to levy ad valorem taxes on all taxable property in the Issuer within applicable constitutional, charter and statutory tax rate limitations.

5. The GO Bonds shall be designated 2010 GENERAL OBLIGATION LIMITED TAX BONDS, shall consist of bonds registered as to principal and interest in the denomination of \$5,000 or multiples thereof not exceeding for each maturity the aggregate principal amount of that maturity, numbered in order of registration, dated as of the date of their delivery, and be payable annually on January 1 of the years and in the principal amounts as follows:

\$15,000	2011 and 2012;
20,000	2013 through 2018;
25,000	2019 and 2020.

6. The SA Bonds and GO Bonds shall both bear interest at a rate or rates determined on sale thereof, but not exceeding six percent (6%) per annum, payable on January 1, 2011, and semiannually thereafter, by check or draft drawn on the Transfer Agent (hereinafter defined) mailed to the registered owner at the registered address as shown on the registration books of the Issuer maintained by the Transfer Agent. Interest shall be payable to the person or entity who or which is the registered owner of record as of the fifteenth (15th) day of the month prior to the payment date for each interest payment. The date of determination of the registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. The principal of both the SA Bonds and GO Bonds shall be payable upon presentation and surrender thereof at the location of the Transfer Agent so indicated in Sections 9 and 10 of this resolution.

The SA Bonds and the GO Bonds shall not be subject to prior redemption.

The City Finance Director is hereby authorized and directed to designate as bond registrar, paying agent and transfer agent (the "Transfer Agent") a bank or trust company located in the State of Michigan and qualified to carry out such duties under the laws of the State of Michigan, and to insert the name of such bank or trust company in the form notice of sale set forth in Section 12 of this resolution prior to arranging for the publication thereof. The Issuer may designate a new Transfer Agent by notice mailed to the registered owner of each of the SA Bonds and the GO Bonds at such time outstanding not less than sixty (60) days prior to an interest payment date. The City Treasurer or Finance Director are each hereby authorized to execute an agreement with the Transfer Agent on behalf of the Issuer.

7. The SA Bonds and GO Bonds shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and the City Clerk and shall have the Issuer's seal or a facsimile thereof printed or affixed on them. No bond authorized by this resolution shall be valid until authenticated by an authorized representative of the Transfer Agent.

The SA Bonds and GO Bonds shall be delivered to the Transfer Agent for authentication and shall be delivered by the Transfer Agent to the purchaser in accordance with instructions from the Treasurer of the Issuer upon payment of the purchase price for the SA Bonds and GO Bonds in accordance with the accepted bid therefor. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

The Series SA and GO Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York.

8. Any bond authorized by this resolution may be transferred upon the books required to be kept by the Transfer Agent pursuant to this section by the person or entity in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond or bonds shall be surrendered for transfer, the Issuer shall execute and the Transfer Agent shall authenticate and deliver a new bond or bonds in like aggregate principal amount, maturity and maturity rate. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

9. The SA Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF LAPEER
CITY OF LAPEER
2010 SPECIAL ASSESSMENT BOND
(LIMITED TAX GENERAL OBLIGATION)

Interest Maturity Date of
Rate Date Original Issue CUSIP

Registered Owner:

Principal Amount: _____ Dollars

The City of Lapeer, County of Lapeer, State of Michigan (the "Issuer"), promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown above, in lawful money of the United States of America, on the Maturity Date shown above, unless redeemed prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue shown above, or the last interest payment date to which interest has been paid, until paid, at the Interest Rate per annum shown above, first payable on January 1, 2011, and semiannually thereafter. Principal of this bond is payable at the principal office of _____, _____, Michigan, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than 60 days prior to any interest payment date. Interest on this bond is payable when due to the person or entity who or which is the registered owner of record as of the 15th day of the month preceding the payment date as shown on the registration books of the Issuer maintained by the transfer agent, by check or draft mailed to the registered owner at the registered address. For the prompt payment of this bond, both principal and interest, the limited tax full faith, credit and resources of the Issuer are hereby irrevocably pledged.

This bond is one of a series of bonds of even Date of Original Issue, aggregating the principal sum of \$350,000, issued in anticipation of the collection of special assessments in Special Assessment Districts Nos. 2009-01 and 2009-02 (the "Districts") of the Issuer for the purpose of paying part of the cost of local public improvements in the Districts, all in accordance with the provisions of Act 279, Public Acts of Michigan, 1909, as amended, the Issuer's Charter and a duly adopted resolution (the "Resolution") of the Issuer.

Bonds of this issue are not subject to redemption prior to maturity.

This bond, including the interest thereon, is payable primarily out of special assessments to be collected on the lands situated in the aforesaid Districts. The liability of each District is limited to the principal amount, and the interest and investment income thereon, specified in the Resolution. In case of insufficiency of said special assessment collections, this bond is payable as a first budget obligation out of the general funds of the Issuer, including the collection of any ad valorem taxes which the Issuer is authorized to levy, subject to applicable constitutional, charter and statutory tax rate limitations.

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the transfer agent by the registered owner hereof in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered 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 and upon the payment of the charges, if any, therein prescribed.

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

This bond is not valid or obligatory for any purpose until the transfer agent's Certificate of Authentication on this bond has been executed by the transfer agent.

IN WITNESS WHEREOF, the City of Lapeer, County of Lapeer, State of Michigan, by its City Commission, has caused this bond to be executed with the facsimile signatures of its Mayor and its Clerk and its corporate seal or a facsimile thereof to be printed hereon, all as of the Date of Original Issue.

CITY OF LAPEER
By [facsimile]
Mayor

(SEAL)

Countersigned

[facsimile]
Clerk

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]
Certificate of Authentication

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

_____, Michigan,
Transfer Agent

By: _____
Authorized Representative

Date of Registration: _____

10. The GO Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF LAPEER
CITY OF LAPEER
2010 GENERAL OBLIGATION LIMITED TAX BOND

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Owner:

Principal Amount: _____ Dollars

The City of Lapeer, County of Lapeer, State of Michigan (the "Issuer"), promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown above in lawful money of the United States of America, on the Maturity Date shown above, unless redeemed prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue shown above, or the last interest payment date to which interest has been paid, until paid, at the Interest Rate per annum shown above, first payable on January 1, 2011 and semiannually thereafter. Principal of this bond is payable at the principal office of _____, _____, Michigan, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner hereof not less than sixty (60) days prior to any interest payment date. Interest on this bond is payable when due to the person or entity who or which is the registered owner of record as of the 15th day of the month preceding the payment date as shown on the registration books of the Issuer maintained by the transfer agent, by check or draft mailed to the registered owner at the registered address. For the prompt payment of this bond, both principal and interest, the limited tax full faith, credit and resources of the Issuer are hereby irrevocably pledged.

This bond is one of a series of bonds of even Date of Original Issue, aggregating the principal sum of \$200,000, issued for the purpose of paying part of the cost of acquiring and constructing public improvements in Special Assessment District No. 2009-02 of the Issuer. This bond is issued under the provisions of Act 279, Public Acts of Michigan, 1909, as amended, the Issuer's Charter, and a duly adopted resolution ("Resolution") of the Issuer.

Bonds of this issue are not subject to redemption prior to maturity.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional, charter and statutory tax rate limitations.

This bond is transferable only upon the books of the Issuer kept for that purpose at the office of the transfer agent by the registered owner hereof in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Resolution and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done in the issuance of this bond and the series of bonds of which this is one have been done in the manner required by law, and that the total indebtedness of the Issuer, including this bond and the series of bonds of which this is one, does not exceed any constitutional, charter or statutory debt limitation.

This bond is not valid or obligatory for any purpose until the transfer agent's Certificate of Authentication on this bond has been executed by the transfer agent.

IN WITNESS WHEREOF, the City of Lapeer, County of Lapeer, State of Michigan, by its City Commission, has caused this bond to be executed with the facsimile signatures of its Mayor and its Clerk and its corporate seal or a facsimile thereof to be printed hereon, all as of the Date of Original Issue.

CITY OF LAPEER

By _____ [facsimile]
Mayor

(SEAL)
Countersigned

[facsimile]
Clerk

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]
Certificate of Authentication

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

_____,
_____, Michigan,
Transfer Agent

By: _____
Authorized Representative

Date of Registration: _____

11. The Finance Director shall fix the date of sale of the SA Bonds and the GO Bonds and shall cause notice of sale thereof to be published in either the Detroit Legal News, published in Detroit, Michigan or the Bond Buyer, published in New York, New York, each an authorized newspaper for such purposes, at least seven (7) full days before the date fixed for the sale of the SA Bonds and the GO Bonds.

12. Said notice of sale shall be in substantially the following form:

OFFICIAL NOTICE OF SALE
CITY OF LAPEER
COUNTY OF LAPEER, STATE OF MICHIGAN
\$350,000 2010 SPECIAL ASSESSMENT BONDS
(Limited Tax General Obligation)
\$200,000 2010 GENERAL OBLIGATION LIMITED TAX BONDS

SEALED BIDS for the purchase of the above bonds will be received by the undersigned at the office of the City Clerk located at 576 Liberty Park, Lapeer, Michigan 48446, on Monday, the ___ day of _____, 2010, until ___ o'clock p.m., Eastern Daylight Savings Time, at which time and place said bids will be publicly opened and read. Bids will also be received simultaneously and publicly opened and read at the Municipal Advisory Council of Michigan, 535 Griswold, Detroit, Michigan 48226. The City Commission will meet no later than 7:00 o'clock p.m., Eastern Daylight Time, on that date to consider the award of such bids.

FAXED BIDS: Signed bids may be submitted by members of the Municipal Advisory Council of Michigan to the Municipal Advisory Council of Michigan at (313) 963-0943; or at the offices of the City at (810) 664-2610, attention: City Clerk, provided that faxed bids must arrive before the time of sale and the bidder bears all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the section captioned "GOOD FAITH" below.

ELECTRONIC BIDS: Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. NO ELECTRONIC BID WILL BE ACCEPTED UNLESS THE BIDDER HAS SUBMITTED A FINANCIAL SURETY BOND OR A CERTIFIED OR CASHIERS CHECK IN THE AMOUNT DESCRIBED IN THE SECTION CAPTIONED "GOOD FAITH" BELOW. IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE SHALL CONTROL.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means.

BOND DETAILS: Bonds of both issues will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the aggregate principal amount of such maturity, dated as of the date of their delivery, numbered in order of registration, and will bear interest from their dates payable on January 1, 2011, and semiannually thereafter.

The bonds will mature on the 1st day of January of the years and in the principal amounts as follows:

	Special Assessment Bonds	General Obligation Bonds
2011	\$10,000	\$15,000
2012	40,000	15,000
2013	35,000	20,000
2014	40,000	20,000

2015	40,000	20,000
2016	35,000	20,000
2017	35,000	20,000
2018	40,000	20,000
2019	40,000	25,000
2020	35,000	25,000

PRIOR REDEMPTION OF BONDS: Bonds of both issues are not subject to redemption prior to maturity.

INTEREST RATE AND BIDDING DETAILS: Both issues of bonds shall bear interest at a rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds of either issue maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rate on the bonds shall not exceed three percent (3%) per annum. No proposal for the purchase of less than all of the bonds of both issues or at a price less than 100% of their par value will be considered.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at _____, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than 60 days prior to any interest payment date. Interest shall be paid by check or draft mailed to the person or entity who or which is the registered owner of record as shown by the registration books of the City as of the 15th day of the month preceding any interest payment date. The bonds will be transferable only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The Special Assessment Bonds are issued in anticipation of the collection of future due installments of special assessments for local public improvements in Special Assessment Districts 2009-1 and 2009-02 in the City, as set forth in the bond authorizing resolution. The special assessments and interest and investment income thereon shall be sufficient to pay the principal of and interest on the Special Assessment Bonds when due. The liability of each of the Special Assessment Districts is limited as set forth in the bond authorizing resolution. The bonds will pledge the limited tax full faith and credit of the City as additional security for payment of principal and interest. Pursuant to such pledge, should special assessment collections be insufficient, the City shall be obligated to pay the principal of and interest on said bonds as a first budget obligation from its general funds, including the collection of any ad valorem taxes which the City is authorized to levy, but any such levy shall be subject to applicable constitutional, charter and statutory tax rate limitations.

The General Obligation Bonds are issued for the purpose of paying the City's share of the cost of the above- described improvements. The General Obligation Bonds will be a first budget obligation of the City, payable as a first budget obligation from the general funds of the City including the collection of ad valorem taxes on all taxable property in the City subject to applicable constitutional, charter and statutory tax rate limitations.

The rights and remedies of bondholders may be affected by bankruptcy insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

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

GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust company or a financial surety bond, in the amount of \$11,000 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. If a check is used, it must accompany each bid. If a financial surety bond is used, it must accompany each bid. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Michigan and such financial surety bonds must be submitted to the Issuer's Clerk and the Municipal Advisory Council of Michigan prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser (the "Purchaser") is required to submit its good faith deposit to the Issuer in the form of a cashier's check (or wire transfer such amount) as instructed by the Issuer in the form of a cashier's check not later than Noon, Eastern Time, on the next business day following the award. If such good faith deposit is not received by that time, the financial surety bond may be drawn by the Issuer to satisfy the good faith deposit requirement. 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 checks and checks of the unsuccessful bidders will be promptly returned. The good faith check of the successful bidder may be deposit immediately by the Issuer and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS-TRUE INTEREST COST: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on January 1, 2011 and semi annually thereafter) necessary to discount the debt service payments from their respective payment dates to _____ 1, 2010, in an amount equal to the bid price, excluding accrued interest.

LEGAL OPINION: Bids shall be conditioned upon the unqualified approving opinions of Miller, Canfield, Paddock and Stone, attorneys of Detroit, Michigan, copies of which opinions will be printed on the reverse side of the respective issues of bonds, and the originals of which will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinions are expected to be paid from bond proceeds. Except to the extent necessary to issue its unqualified approving opinions as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

TAX EXEMPTION: In the opinion of bond counsel the bonds will be exempt from taxation in the State of Michigan and from Federal income taxation subject in both cases to certain exceptions described in bond counsel's opinion.

QUALIFIED TAX EXEMPT OBLIGATION: The bonds will be designated as "qualified tax exempt obligations" for purposes of deduction of interest by financial institutions.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser at Detroit, Michigan, or such other place as may be mutually agreed upon. 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 Standard Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw his proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in immediately available funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery. Unless the purchaser furnishes the transfer agent with a list giving the denominations and names in which the purchaser wishes to have each issue of the bonds issued at least five business days prior to the date of delivery of the bonds, each issue of the bonds may be delivered in the form of a single certificate for each maturity registered in the name of the purchaser.

CERTIFICATE REGARDING ISSUE PRICE: The successful bidder will be required to furnish, prior to the delivery of the bonds, a certificate in 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.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on said bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds in accordance with terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for Special Assessment and General Obligation Bonds".

Donna L. Cronce, MMC
City Clerk, City of Lapeer

13. There shall be established and maintained a fund (which may be a general ledger account) to be designated 2009 SPECIAL ASSESSMENT BONDS DEBT RETIREMENT FUND. Into said fund there shall be placed the accrued interest and premium, if any, attributable to the SA Bonds received at the time of delivery thereof. In addition, there shall be paid into said fund the collections of principal of and interest on the Rolls in anticipation of the collection of which the SA Bonds authorized by the provisions of this resolution are to be issued. If at any time said fund is insufficient to pay the principal of and interest on said SA Bonds as the same become due, the Issuer shall advance from its general funds as a first budget obligation a sufficient amount of money to pay such principal and interest and, if necessary, shall levy taxes on all taxable property in the Issuer for such purpose, subject to applicable constitutional, charter and statutory tax rate limitations.

14. There shall be established and maintained a fund to be designated 2009 GENERAL OBLIGATION LIMITED TAX BONDS DEBT RETIREMENT FUND, which

shall be used solely to pay principal of and interest on the GO Bonds. Into said fund there shall be placed the accrued interest and premium, if any, attributable to said GO Bonds received at the time of delivery thereof. Commencing with the 2009 tax levy, the Issuer shall provide in its budget each year until the GO Bonds are paid a sum sufficient to pay the principal of and interest on the GO Bonds. The Issuer in calculating the sum to be budgeted and set aside may take credit for any surplus remaining in the fund from prior years or money deposited into said fund from other sources.

15. There shall be established and maintained separate funds for each special assessment district to be designated 2009 SPECIAL ASSESSMENT DISTRICT NO. 2009-___ CONSTRUCTION FUND, into which shall be placed the proceeds of sale of both the GO Bonds and SA Bonds, except accrued interest and premium, if any, and from which fund there shall be paid the cost of the improvements in such District.

16. Covenant Regarding Tax Exempt Status of the Bonds. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, (the "Code") including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds, and to prevent the Bonds from being or becoming "private activity bonds" as that term is used in Section 141 of the Code.

17. The Bonds be and are hereby designated as qualified tax exempt obligations pursuant to the Code.

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

AYES: Commissioners Farrington, Bostick-Tullius, Bennett, Marquardt, and Robinet.

NAYS: None.

ABSTAIN: None.

ABSENT: None.

MOTION CARRIED. RESOLUTION DECLARED ADOPTED.

Paying Agent for 2010 General Obligation and Special Assessment Bonds.

55 2010 03-15

Moved by Robinet. Seconded by Farrington.

To approve The Bank of New York for Paying Agent Services for the 2010 General Obligation and Special Assessment Bonds.

MOTION CARRIED.

CITY MANAGER'S REPORT

City Manager Dale Kerbyson commented he spoke with Mr. Densmore regarding snow, salt, etc. being placed on his sidewalk with no resolution and that Mr. Densmore may be contacting an attorney.

CITY ATTORNEY'S REPORT

No updates at this time.

UNFINISHED BUSINESS

56 2010 03-15

Appointed by Mayor Sprague. Moved by Robinet. Seconded by Marquardt.

To appoint the following:

Lapeer Center for the Arts: Tom Bartholomew for a term ending October 1, 2012.

MOTION CARRIED.

DEPARTMENTAL COMMUNICATIONS

The Monthly Departmental Reports, the Investment Report for the Quarter Ending December 2009 and the Monthly Financial Report for January 2010 was received into record.

MAYOR/COMMISSIONER COMMENTS

Commissioner Robinet informed the Commission of the passing and funeral arrangements being last Friday for Attorney Bruce Lawrence.

City Manager Dale Kerbyson informed the Commission of the passing of Diane Forfar, a former Housing employee.

ADJOURNMENT

57 2010 03-15

Moved by Bennett. Seconded by Marquardt.

To adjourn the meeting.

MOTION CARRIED.

The regular meeting adjourned at 6:37 p.m.

William J. Sprague, Mayor

Donna L. Crounce, MMC, City Clerk

Tracey S. Russell, Deputy City Clerk