CITY OF BURTON
SPECIAL COUNCIL MEETING MINUTES
AUGUST 31, 2004, 6:30 P.M., COUNCIL CHAMBERS
www.burtonmi.us

Council President Danny Wells called the Special Meeting to order at 6:30 P.M.

MEMBERS PRESENT: Bement, Centilli, Cross, Curtis, Martinbianco and Wells.

MEMBERS ABSENT: Isham.

OTHERS PRESENT: Mayor Charles Smiley; J. Major, DPW; Steve Perez, City Treasurer; D. Neiman, Bonding Attorney; Robert Bendzinski, Municipal Finance Advisor; P. Wingblad, DPW and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: Acceptance of Low Bid and Award the Sale for $1,770,000.00 of "Special Assessment Limited Tax Bonds Series 2004" and the printing thereof for Districts Mallard Ponds Condominiums, P-04-2, W-04-2, SS-04-2, Kosta Street P-04-3, and Dudley Avenue P-04-4.

PRESENTATION:

Mayor Smiley indicated that Mr. Dennis Neiman and Mr. Robert Bendzinski would be making a presentation concerning the sale of the bonds.

Mr. Neiman explained that Mr. Bendzinski had received three bids earlier in the day and the low bidder was Citizens Bank with an interest rate of 3.693745%. All three bids were fully in conformity with the Notice of Sale and they are all valid bids. He recommended that the City Council accept the bids and award the bonds to Citizens Bank.

Mr. Bendzinski said there were three bids with nine member firms in all three of the bids. An overview of the market was explained with Mr. Bendzinski noting that the City did very well. The city officials raised the question after the bond sale today, about the comparison to the sale that was done in April of this year. It is almost identical when comparing it to the market at that time. The City did maintain its excellent A- rating by Standard & Poor's, so the Council and Administration should be very proud of this fact. The State has not been able to maintain its ratings by the major rating agencies. We concur that you accept this bid and if you do so, the closing would be held on September 21st when you will have bond proceeds.

Mr. Major said the interest rate is excellent as it was estimated at 6%, so this is a windfall for the residents and the Mallard Pond Project.

AUDIENCE PARTICIPATION:

The following residents expressed their concerns about loans being paid by the developer; the project being positive for the City; Questions were raised concerning a previous project at Brookwood and the method of payment in regards to the Brookwood development versus a special assessment.

Alicia Piotrowski, 5414 Potter Rd., Burton, MI
Pauline Dargel, 6119 Hugh St., Burton, MI
Joseph Grathoff, 6239 Burning Tree Drive, Burton, MI

Mr. Major gave a brief explanation of the project at Brookwood, noting that the situation was properly taken care of by the developer.

Mr. Neiman explained that the City's repayment obligation to the City from those in the special assessment district are secured by a first lien on the property, ahead of the bank and any other lender. The City is comfortable that they would be repaid.

COUNCIL DISCUSSION:

A brief discussion was held between Council, Mr. Neiman and Mr. Bendzinski concerning bids from other financial institutions; the adverse affects of the bond rating when going to the market too often and trying to lock in good interest rates before they are raised.

COUNCIL ACTION:

Cross moved and Curtis seconded the following motion:

1a. APPROVE AND AUTHORIZE the acceptance of the low bid for the $1,770,000.00 Limited Tax Bonds, Series II, for a various public improvements for Special Assessment Districts P-04-2, W-04-2, and SS-04-2, Mallard Ponds Condominiums, P-04-3 Kosta Street and P-04-4 Dudley Avenue to Citizens Bank with an effective interest rate of 3.693745%.
Motion carried 6-0.

Cross moved and Curtis seconded the following motion:

1b. APPROVE AND AUTHORIZE the sale of $1,770,000.00 Limited 2004 Tax Bonds, Series II, for various public improvements for Special Assessment Districts: P-04-2, W-04-2, and SS-04-2, Mallard Ponds Condominiums, P-04-3 Kosta Street and P-04-4 Dudley Avenue to Citizens Bank with an effective interest rate of 3.693745 %, and the printing thereof.
Motion carried 6-0.

Meeting Adjourned at 6:47 P.M.

Cheryl M. Ladd, CMC
Deputy City Clerk

CML

RESOLUTION AUTHORIZING SPECIAL ASSESSMENT
LIMITED TAX BONDS, SERIES 2004B

Minutes of a regular meeting of the City Council of the City of Burton, County of Genesee, Michigan (the "City"), held on the 16th day of August, 2004, at _______ p.m., Eastern Daylight Time.

PRESENT: Members: ____

____

ABSENT: Members ____

____

The following preamble and resolution were offered by Member _______________ and supported by Member __________________:

WHEREAS, Special Assessment Rolls as hereinafter set forth (the "Rolls") for the construction of various public improvements in said Special Assessment Districts have been prepared, reviewed and confirmed by the City Council; and

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

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The estimated period of usefulness of said improvements is not less than twenty (20) years.

2. Special assessment bonds be issued in the amount of One Million Seven Hundred Seventy Thousand Dollars ($1,770,000) (the "Bonds") in anticipation of the collection of an equal amount of future due installments on the Rolls, together with interest and investment income thereon.

In addition to the special assessments primarily pledged, the City's full faith, credit and resources shall be pledged secondarily for the prompt payment of the principal of and interest on the Bonds as the same become due. The amount of each roll pledged for bond payment is as follows:

SS-04-2	$366,215
P-04-2	982,637
W-04-2	293,492
P-04-3	58,078
P-04-4	69,578

If the pledged special assessments are not collected in amounts sufficient to pay the principal of and interest on the Bonds as the same become due, the City 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 City therefor, subject to applicable constitutional, charter and statutory tax rate limitations.

3. The Bonds shall be designated SPECIAL ASSESSMENT LIMITED TAX BONDS, SERIES 2004B and shall consist of bonds registered as to principal and interest of the denomination of $5,000 or multiples of $5,000 up to the amount of a single maturity, numbered consecutively in order of registration, dated as of September 1, 2004 and shall be payable annually on October 1 of each of the years as follows:

$125,000	2005 to 2014, inclusive;
120,000	2015;
100,000	2016 to 2019, inclusive.

4. The Bonds shall bear interest at a rate or rates determined on sale thereof, not exceeding seven percent (7%) per annum, payable on April 1, 2005, and semiannually thereafter, by check drawn on the transfer agent mailed to the registered owner at the registered address, as shown on the registration books of the City maintained by the transfer agent. Interest shall be payable to the registered owner of record as of the fifteenth (15^{th}) day of the month prior to the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. J. P. Morgan Trust Company, National Association, Detroit, Michigan is hereby appointed to act as transfer agent for this issue (the "transfer agent"). The Bonds shall be subject to redemption prior to maturity as set forth in Section 7 hereof. Interest on the Bonds from September 1, 2004 to April 1, 2005 shall be capitalized and paid from the proceeds of the Bonds.

5. The Bonds shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and the City Clerk and shall have the City's seal or a facsimile printed or affixed on them. No bond shall be valid until authenticated by an authorized officer of the transfer agent. The Bonds shall be delivered to the transfer agent for authentication and be delivered by him to the purchaser in accordance with instructions from the Controller/Treasurer of the City upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted. 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 Bonds may be issued in book-entry only form as one fully registered bond per maturity and, if so issued, shall be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust

Company ("DTC"), New York, New York. If the Bonds are issued in book-entry only form, DTC will act as securities depository for the Bonds, and purchasers will not receive certificates representing their interest in Bonds purchased. If the Bonds are issued in book-entry only form, provisions in this resolution to the contrary shall be of no force nor effect unless and until the suspension of the book-entry only system. The Controller/Treasurer is authorized to determine whether the Bonds shall be issued in book-entry only form, to make such changes in the form of the Bonds and the notice of sale as shall be necessary or convenient to enable the Bonds to be issued in book-entry only form, and to execute such documents as may be required to enable the Bonds to be so issued.

6. 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 his 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 City shall execute and the transfer agent shall authenticate and deliver a new bond or bonds, for like aggregate principal amount. 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.

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

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GENESEE

CITY OF BURTON

SPECIAL ASSESSMENT LIMITED TAX BOND, SERIES 2004B

Date of Original Issue	Interest Rate	Date of Maturity	CUSIP
September 1, 2004		October 1, ____	

Registered Owner:

Principal Amount: ____ Dollars

The City of Burton, County of Genesee, State of Michigan (the "City"), for value received, hereby promises to pay to the Registered owner specified above, or registered assigns, the Principal Amount specified above on the Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue specified above, or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on April 1, 2005, and semiannually thereafter. Principal of this bond is payable at the principal corporate trust office of J.P. Morgan Trust Company, National Association, Detroit, 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 is payable to the registered owner of record as of the 15th day of the month preceding the interest payment date as shown on the registration books of the City 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 full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds of even original issue date aggregating the principal sum of $1,770,000, issued in anticipation of the collection of special assessments in certain Special Assessment Districts (the "Districts") of the City, for the purpose of paying the cost of public improvements in the Districts, all in accordance with the provisions of state law and the City Charter and pursuant to duly adopted resolutions of the City.

Bonds of this issue maturing in the years 2005 to 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 years 2013 to 2019, inclusive, shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any interest payment date on or after October 1, 2012, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

This bond is transferable only upon the books of the City 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 authorizing the bonds of this series, and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest hereon, is payable primarily out of special assessments to be collected on the lands situated in the Districts. The liability of each District is limited as set forth in the bond authorizing 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 City, including the collection of any ad valorem taxes which the City is authorized to levy, subject to applicable constitutional, statutory and charter tax rate limitations.

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 City, including this bond and the series of bonds of which this is one, does not exceed any constitutional, statutory or charter 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 Burton, County of Genesee, State of Michigan, by its City Council, has caused this bond to be executed with the facsimile signatures of its Mayor and its City Clerk and its corporate seal or a facsimile thereof to be printed hereon, all as of the Date of Original Issue.

CITY OF BURTON

By: ______________________________
Mayor

(SEAL)

Countersigned:

____
City Clerk

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

Date of Registration: ___________________

CERTIFICATE OF AUTHENTICATION

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

J. P. Morgan Trust Company, National Association
Detroit, Michigan
Transfer Agent

By: _________________________________
Authorized Signatory

8. The City Clerk shall fix the date of sale for the Bonds and shall cause notice of sale of the Bonds to be published in ***The Bond Buyer***, New York, New York, or other authorized newspaper at least seven (7) full days before the date fixed for sale of the Bonds.

9. The notice of sale shall be in substantially the following form:

OFFICIAL NOTICE OF SALE

$1,770,000
CITY OF BURTON
COUNTY OF GENESEE, STATE OF MICHIGAN
SPECIAL ASSESSMENT LIMITED TAX BONDS, SERIES 2004B

SEALED BIDS for the purchase of the above bonds will be received by the undersigned at the office of Bendzinski & Company, Municipal Finance Advisors, 607 Shelby, Suite 600, Detroit, Michigan 48226 on Tuesday, the 31st of August, 2004, until 2:00 o'clock p.m., Eastern Daylight Time, at which time and place said bids will be publicly opened and read. The City Council will meet on that date to consider the award or rejection of bids.

FAXED BIDS: Signed bids may be submitted by fax to Bendzinski & Company, Municipal Finance Advisors, at (313) 961-8220; 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 entitled "GOOD FAITH" below.

IN THE ALTERNATIVE, electronic bids will also be received on the same date and until the same time by an agent of the undersigned, Bidcomp/Parity. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or Client Services, 40 West 23rd Street, New York, New York 10010, (212) 404-8102; (800) 850-7422. NO ELECTRONIC BID WILL BE ACCEPTED UNLESS THE BIDDER HAS SUBMITTED A FINANCIAL SURETY BOND OR A CERTIFIED OR CASHIER'S CHECK IN THE AMOUNT DESCRIBED IN THE SECTION CAPTIONED "GOOD FAITH" BELOW. IF ANY PROVISIONS 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

BOND DETAILS: The Bonds will be registered bonds of the denomination of $5,000 or multiples thereof up to the amount of a single maturity, dated as of September 1, 2004, numbered in order of authentication, and will bear interest from their date payable on April 1, 2005, and semiannually thereafter.

The bonds will mature on the 1st day of October as follows:

$125,000	2005 to 2014, inclusive;
120,000	2015;
100,000	2016 to 2019, inclusive.

INTEREST RATE AND BIDDING DETAILS: The Bonds shall bear interest at a rate or rates not exceeding 7% 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 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 two percent (2%) per annum. No proposal for the purchase of less than all of the bonds or at a price less than 98.5% of their par value will be considered.

TRANSFER AGENT AND REGISTRATION: Principal on the Bonds shall be payable at the principal corporate trust office of J. P. Morgan Trust Company, National Association, Detroit, 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 mailed to the owner 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.

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 multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It shall be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds. The book-entry-only system is described further in the preliminary Official Statement for the bonds.

PRIOR REDEMPTION: Bonds maturing through 2012 shall not be subject to redemption prior to maturity. The bonds maturing in the year 2013 and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any interest payment date or after October 1, 2012, at par and accrued interest to the date fixed for redemption.

In cases less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

PURPOSE AND SECURITY: The Bonds are being issued for the purpose of defraying the cost of public improvements in certain Special Assessment Districts in the City, and are issued in anticipation of the collection of future due installments of special assessments for the public improvements in the Special Assessment Districts, as set forth in the bond authorizing resolution. The liability of each Special Assessment District is limited 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 each issue of the bonds when due. The bonds 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 each issue of the 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, statutory and charter tax rate limitations. The rights or 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.

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 $17,700 and payable to the order of the Treasurer of the City is required for each bid as a guarantee of good faith on the part of the bidder, to be forfeited as a portion of the City's 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 be from an insurance company licensed to issue such a bond in the State of Michigan and such Bond must be submitted to the City's financial advisor 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 City or its financial advisor in the form of a cashier's check (or wire transfer such amount as instructed by the City or its financial advisor in the form of a cashier's check not later than Noon, Eastern Daylight 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 City 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 City. No interest shall be allowed on the good faith check and checks of the unsuccessful bidders will be returned to each bidder's representative or by overnight courier service. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on April 1, 2005, and semiannually thereafter) necessary to discount the debt service payments from their respective payment date to September 21, 2004, in an amount equal to the price bid, excluding accrued interest. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion 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 opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue their approving opinion 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. In submitting a proposal for the bonds, the bidder agrees to the representation of the City by Miller, Canfield, Paddock and Stone, P.L.C., as bond counsel.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of the delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, Eastern Daylight Time, on the 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 its 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.

TAX MATTERS: In the opinion of bond counsel, assuming compliance with certain covenants by the City, interest on the bonds is excluded from gross income for federal income tax purposes, as described in the opinions, 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.

BANK QUALIFICATION: The City has designated the bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions.

BIDDER'S CERTIFICATE: The successful bidder will be required to furnish, prior to the delivery of the bonds, 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.

BOND INSURANCE AT PURCHASER'S OPTION: If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the bonds. Any increased costs of issuance of the bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the City has requested and received a rating on the bonds from a rating agency, the City will pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.

CUSIP NUMBERS: CUSIP numbers will be printed on the bonds at the City's expense, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for refusal by the purchaser to accept delivery of and pay for the bonds. The purchaser shall be responsible for the payment of any charges for the assignment of numbers.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City shall execute a Continuing Disclosure Undertaking for each issue to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the last day of the 6th month after the end of the fiscal year of the City, commencing with the fiscal year ending June 30, 2004, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

OFFICIAL STATEMENT: A copy of the Official Statement may be obtained by contacting Bendzinski & Co., Municipal Finance Advisors, 607 Shelby, Suite 600, Detroit, Michigan 48226-3322, telephone (313) 961-8222. The Official Statement is in a form deemed final as of its date by the City for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion of a final Official Statement. The successful bidder shall supply to the City, within twenty-four hours after the award of the bonds, all pricing information and any underwriter identification determined by the City to be necessary to complete the Official Statement.

The City will furnish to the successful bidder, at no cost, 100 copies of the final Official Statement within seven business days after the award of the bonds. Additional copies will be supplied upon the bidder's agreement to pay the cost of the City for those additional copies. Requests for additional copies should be made to Bendzinski & Co., Municipal Finance Advisors, within twenty-four hours of the sale.

ADDITIONAL INFORMATION may be obtained from Bendzinski & Co., Municipal Finance Advisors, 607 Shelby, Suite 600, Detroit, Michigan 48226-3322 (telephone 313/961-8222, FAX 313/961-8220), financial advisors to the City.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

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

Gayle Webster
City Clerk
City of Burton

10. There shall be established and maintained a fund to be designated SERIES 2004B SPECIAL ASSESSMENT BOND DEBT RETIREMENT FUND. Into said fund there shall be placed the accrued interest, capitalized interest and premium, if any, received at the time of delivery thereof. In addition, there shall be paid into said fund the collections of principal and interest on the Rolls in anticipation of the collection of which the 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 Bonds as the same becomes due, the City 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, levy taxes on all taxable property in the City for such purpose, subject to applicable constitutional, statutory and charter tax rate limitations.

11. There shall be established and maintained a separate fund, to be designated SERIES 2004B SPECIAL ASSESSMENT BOND CONSTRUCTION FUND, into which shall be placed the proceeds of sale of the Bonds, except for accrued interest, capitalized interest and premium, if any, and from which fund there shall be paid the cost of the improvements.

12. The City hereby covenants that it shall not (i) invest, reinvest or accumulate any moneys deemed to be proceeds of the Bonds pursuant to Sections 103(a) and 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder (the "Code"), in such a manner as to cause the bonds to be "arbitrage bonds" within the meaning of the Code, or (ii) take or fail to take any lawful action which would cause the interest on the Bonds to be included in gross income for general federal income tax purposes. The City hereby designates the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest by financial institutions.

13. The City shall enter into an undertaking for the benefit of the holders and beneficial owners of the Bonds (the "Undertaking"); provided, however, that the terms of the Undertaking are subject to completion and modification prior to delivery of the Bonds by the authorized officer of the City executing the Undertaking as such authorized officer shall deem necessary to comply with law or market requirements. The Mayor, City Clerk and the Treasurer each is authorized to execute and deliver the Undertaking after completion and modification as provided in this Resolution.

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

AYES: Members: ____

____

NAYS: Members: ____

RESOLUTION DECLARED ADOPTED.

____

Gayle Webster
City Clerk

I HEREBY CERTIFY that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Burton, County of Genesee, Michigan, at a regular meeting held on August 16, 2004, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Gayle Webster
City Clerk

DELIB:2536632.1\012916-00050