

COUNTY OF OAKLAND

\$200,000

OAKLAND COUNTY ROYAL OAK TOWNSHIP WATER SUPPLY SYSTEM IMPROVEMENTS  
BONDS, SERIES 2017

Dated and Closed: May 31, 2018

PROCEEDINGS AND CLOSING TRANSCRIPT

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Donna J. Squalls  
Supervisor

Gwendolyn Turner  
Clerk

Cynthia Phillips  
Treasurer

**CHARTER TOWNSHIP OF ROYAL OAK  
OFFICE OF THE CLERK  
21131 GARDEN LANE, 2ND FLOOR  
FERNDALE, MICHIGAN 48220**

**OFFICE PHONE (248) 547-9800  
FAX (248) 547-1415**

**Trustees  
Karen Ballard  
Jollie Dixon  
Richard Miles  
Kimberly Tillery**

**CHARTER TOWNSHIP OF ROYAL OAK  
2017 WATER SUPPLY SYSTEM IMPROVEMENTS  
RESOLUTION # 17-008**

At a regular meeting of the Township Board of the Charter Township of Royal Oak, Oakland County, Michigan (the "Township Board"), held on the 11<sup>th</sup> day of May, 2017.

**PRESENT:** Trustees, Karen Ballard, Kim S. Tillery, Jollie Dixon, Richard Miles;  
Clerk, Gwendolyn Turner and Supervisor Donna Squalls

**ABSENT:** Treasurer Cynthia A. Phillips

The Clerk presented to the Township Board a form of contract between the County of Oakland (the "County") and the Charter Township of Royal Oak (the "Township"), relative to acquisition, construction and financing of the Oakland County Royal Oak Township 2017 Water Supply System Improvements (the "Project"), and the plans and estimates of the cost and period of usefulness thereof. The Clerk also presented, for publication if the contract is approved, a form of notice.

The following resolution was offered by Trustee Tillery and seconded by Trustee Dixon:

**BE IT RESOLVED** by the Township Board of the Charter Township of Royal Oak, Oakland County, Michigan, that: The Township Board hereby approves the contract between the County and the Township providing for the acquisition and construction of the Royal Oak Township 2017 Water Supply System Improvements (the "Contract"); providing for the payment of the cost thereof by the Township to the County in annual instalments with interest and expenses; providing for the financing of all or part of the cost by the issuance of County

bonds in one or more series secured by the obligation of the Township and payable primarily from the annual installments to be paid by the Township to the County; providing for the pledging of the full faith and credit and the limited taxing power of the Township for the making of such payments; and providing for other matters relating to the Project and the acquisition, construction, financing and operation thereof, all under and pursuant to Act No. 342, Public Acts of Michigan, 1939, as amended.

1. The Township Board also hereby approves the preliminary plans for the Project, and the estimates of the cost and period of usefulness thereof, as contained in Exhibits A and B to the Contract.

2. The Township Supervisor and the Clerk are authorized and directed to execute and deliver the Contract for and on behalf of the Township in such number of counterparts as may be desirable.

3. The Township Clerk is authorized and directed to publish the notice hereunto attached in the *Resolution* and so as to be prominently displayed therein. It is found and declared that said newspaper is a qualified newspaper of general circulation in the Township and that said notice contains information which is sufficient to adequately inform all interested persons as to the nature and extent of the full faith and credit obligations of the Township under the Contract.

4. A copy of the Contract as presented to the Township Board and herein approved and authorized to be executed and delivered shall be attached to the minutes of this meeting and made a part thereof and shall be placed on file with the Township Clerk and made available for examination by any interested person during normal business hours.

5. The Project shall consist of the improvements and facilities described in Exhibit A to the Contract. The maximum amount of obligations expected to be issued for the Project is

6. \$400,000. The Township hereby declares that it expects the County to issue bonds to finance all or part of the cost of the Project and hereby declares that it reasonably expects to reimburse advances of the Township to the Project as anticipated by this resolution. The Township agrees to reimburse the County for its administrative and legal expenses incurred in connection with the County's assistance pursuant to Act 342 whether or not bonds are ultimately issued for the Project.

7. The Township Supervisor or the Township Clerk is authorized to file an application with the Michigan Department of Treasury for its approval of the sale and issuance of any series of County bonds, if necessary, and to take all other actions necessary in connection with such application.

**RESOLUTION DECLARED ADOPTED.**

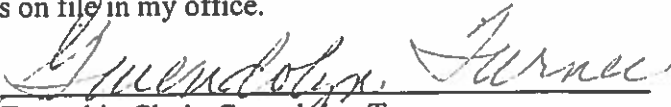
**YEAS:** Ballard, Tillery, Dixon, Miles, Turner, Squalls

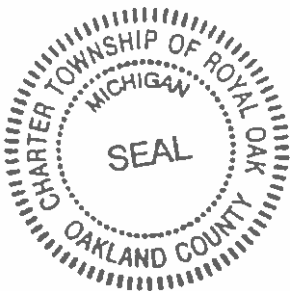
**NAYS:** NONE

**ABSTENTIONS:** NONE

STATE OF MICHIGAN     )  
                                      )ss  
COUNTY OF OAKLAND    )

I, the undersigned Township Clerk of the Charter Township of Royal Oak, Oakland County, Michigan, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board at a regular meeting duly called and held on the 11<sup>th</sup> day of May, 2017, the original of which resolution is on file in my office.

  
Township Clerk, Gwendolyn Turner



MICHIGAN GROUP

## AFFIDAVIT OF PUBLICATION

48 West Huron Street • Pontiac, MI 48342

ROYAL OAK, CHARTER TWP OF  
21131 GARDENLANE 2ND FL

FERNDAL, MI 48220  
Attention: GWENDOLYN TURNER

RECEIVED  
MAY 30 2017  
ROYAL OAK TWP CLERK

STATE OF MICHIGAN,  
COUNTY OF OAKLAND

The undersigned Jake Allport, being duly sworn the he/she is the principal clerk of Daily Tribune, macombdaily.com, published in the English language for the dissemination of local or transmitted news and intelligence of a general character, which are duly qualified newspapers, and the annexed hereto is a copy of certain order, notice, publication or advertisement of:

CHARTER TOWNSHIP OF ROYAL OAK  
OAKLAND COUNTY, MICHIGAN

NOTICE OF ADOPTION OF RESOLUTION  
BY TOWNSHIP BOARD  
AUTHORIZING EXECUTION OF A CONTRACT PLEDGING  
THE FULL FAITH AND CREDIT OF THE  
TOWNSHIP AND NOTICE OF RIGHT OF REFERENDUM

TO ALL ELECTORS AND TAXPAYERS OF  
THE CHARTER TOWNSHIP OF ROYAL  
OAK AND OTHER INTERESTED PERSONS:

NOTICE IS HEREBY GIVEN, that the Township Board of the Charter Township of Royal Oak has adopted a resolution approving and authorizing the execution and delivery of a contract between the County of Oakland (hereinafter sometimes referred to as the "County") and the Charter Township of Royal Oak (hereinafter sometimes referred to as the "Township") pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended, relative to the acquisition, construction and financing of improvements and facilities comprising the Oakland County Royal Oak Township 2017 Water Supply System as more specifically set forth in the contract (the "Project").

**PURPOSE OF CONTRACT**

The contract has for its purpose and provides for (a) the acquisition and construction of the Project at a total estimated cost of \$300,000; (b) the increase of the estimated cost under certain circumstances; (c) the payment of the cost by the Township to the County, including payments in annual installments with interest and expenses to the extent that County bonds are issued for payment of part of the cost; (d) the financing of that part of the cost not paid from other sources by the issuance of County bonds; and (e) the pledge of the full faith and credit of the Township to the payment of the amounts due the County as specified in the Contract that shall be sufficient to pay the principal of and interest on such bonds.

**TOWNSHIP'S CONTRACTUAL OBLIGATION AND SOURCE OF PAYMENT**

The bonds to be issued by the County to defray part of the cost of the acquisition and construction of the Project will bear interest at a rate not exceeding the maximum rate permitted by law and will mature serially over a period not exceeding 10 years. The full faith and credit of the Township have been pledged in the contract for the making of payments to the County in amounts sufficient to pay the principal of and interest on the bonds as the same shall become due and for the payment of bond service charges incurred by the County. Pursuant to its pledge of full faith and credit, the Township has obligated itself to levy ad valorem taxes on all taxable property in the Township to the extent necessary to enable it to make such payments to the County. The full faith and credit of the Township have also been pledged in the contract for the making of the payment of all other amounts due the County as provided in the contract. Taxes imposed by the Township are subject to constitutional, statutory and charter tax limitations.

**RIGHT TO PETITION FOR REFERENDUM ON CONTRACT**

This notice is given by order of the Township Board to and for the benefit of the electors and taxpayers residing in the Charter Township of Royal Oak and any other interested persons in order to inform them of their right to petition for a referendum upon the contract. The contract will not become effective until the expiration of 45 days after the publication of this notice. If, within said 45-day period, a petition signed by 10% or 15,000, whichever is the lesser, of the registered electors residing within the Township is filed with the Township Clerk requesting a referendum upon the contract, the contract will not become effective until approved by a majority of the electors of the Township qualified to vote and voting thereon at a general or special election.

**FURTHER INFORMATION**

For the information relative to the subject matter of the contract and this notice, including the description and location of the Project, may be secured at the office of the Township Clerk where a copy of the contract is available for examination during normal business hours.

This notice is given pursuant to the provisions of Section 5b of Act 342, Public Acts of Michigan, 1939, as amended.

Gwendolyn Turner, Clerk  
Charter Township of Royal Oak  
Published May 21, 2017

ROYAL OAK, CHARTER TWP OF  
Published in the following edition(s):

macombdaily.com 05/21/17  
Daily Tribune 05/21/17

Oakland

Sworn to the subscribed before me this 24<sup>th</sup> May 2017

Dina McCrown

Notary Public, State of Michigan  
Acting in Oakland County

### Advertisement Information

Client Id: 557089

Ad Id: 1337769

PO:

Sales Person: 200300



**MISCELLANEOUS RESOLUTION #17313**

**November 9, 2017**

BY: Commissioner Philip Weipert, Chairperson, Planning and Building Committee

**IN RE: WATER RESOURCES COMMISSIONER – RESOLUTION TO AUTHORIZE OAKLAND COUNTY ROYAL OAK TOWNSHIP WATER SUPPLY SYSTEM IMPROVEMENTS BONDS, SERIES 2017**

To the Oakland County Board of Commissioners

Chairperson, Ladies and Gentlemen:

WHEREAS the Charter Township of Royal Oak (the "Township") is in urgent need of water supply system improvements and facilities constituting a part of a system described in the form of the proposed contract hereinafter mentioned to be known as the "Oakland County Royal Oak Township 2017 Water Supply System" (hereinafter sometimes referred to as the "System"), in order to promote the health and welfare of the residents thereof, which water supply improvements, facilities and system also would benefit the County and its residents, and the parties to said proposed contract have concluded that such improvements and facilities can be provided and financed most economically and efficiently by the County through the exercise of the powers conferred by Act 342, Public Acts of Michigan, 1939, as amended ("Act 342"), and especially Sections 5a, 5b and 5c thereof; and

WHEREAS by the terms of Act 342, the County and the Township are authorized to enter into a contract for the acquisition, construction and financing of the water supply system improvements and facilities to serve the Township and for the payment of the cost thereof by the Township, with interest, and the County is then authorized to issue its bonds in one or more series to provide the funds necessary therefor; and

WHEREAS there has been submitted to this Board of Commissioners a proposed contract between the County, by and through the County Water Resources Commissioner, County Agency, party of the first part, and the Township, party of the second part (the "Contract"), which Contract provides for the acquisition, construction and financing of the water supply system improvements and facilities constituting the System (the "Project") and which Contract is hereinafter set forth in full; and

WHEREAS there have also been submitted for approval and adoption by this Board of Commissioners, preliminary plans, specifications and estimates of the cost and period of usefulness of the water supply system improvements and facilities; and

WHEREAS this Board of Commissioners desires to establish the System and to proceed with the Project and the approval and execution of the Contract to acquire, construct and finance the Project as provided in the Contract; and

WHEREAS the Board of Commissioners also desires to proceed with the acquisition, construction and financing of the Project and the issuance of the bonds of the County in an aggregate principal amount of not to exceed \$400,000 to defray part of the cost of the Project; and

WHEREAS the County has agreed in a Continuing Covenant Agreement dated as of September 27, 2013, between the County and Bank of America, N.A. (the "Bank of America Continuing Covenant Agreement") to provide to Bank of America, N.A. certain information pursuant to Article VI, Section 6.05 (f) of the Bank of America Continuing Covenant Agreement which relates to a final official statement or other offering or disclosure document prepared in connection with an offering of securities by the County.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the County of Oakland, Michigan, as follows:

1. APPROVAL OF PROJECT AND DESIGNATION OF COUNTY AGENCY. This Board of Commissioners by majority vote of its members-elect does hereby approve, under and pursuant to Act 342, the establishment of the Oakland County Royal Oak Township 2017 Water Supply System, which shall consist of (i) water supply system improvements and facilities, as specified and to be located as shown in Exhibit A to the Contract and (ii) the services provided thereby; that the Project and the System shall serve the Township; that the Oakland County Water Resources Commissioner is hereby designated and appointed as the "County Agency" for the Project and the System; that the County Agency shall have all the powers and duties with respect to the Project and the System as are provided by law and especially by Act 342; and that all obligations incurred by the County Agency with respect to the Project and the System, unless otherwise authorized by this Board of Commissioners, shall be payable solely from funds derived from the Township as hereinafter provided.
2. PLANS AND SPECIFICATIONS – ESTIMATES OF PERIOD OF USEFULNESS AND COST.

The preliminary plans and specifications for the Project as contained in Exhibits A and B to the

PLANNING AND BUILDING COMMITTEE

Motion carried unanimously on a roll call vote.



the County and the bond registrar and paying agent to do so, the County and the bond registrar and paying agent shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the bonds to any Participant having bonds certified to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the bonds.

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

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

8. PRIOR REDEMPTION. The bonds shall be subject to optional and/or mandatory redemption prior to maturity upon such terms and conditions, or shall not be subject to optional or mandatory prior to maturity, as shall be determined by the County Agency.
9. BOND REGISTRAR AND PAYING AGENT. The County Treasurer shall designate, and may enter into an agreement with, a bond registrar and paying agent for the bonds which shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The County Treasurer from time to time as required may designate a similarly qualified successor bond registrar and paying agent. Notwithstanding any provision of this section to the contrary, if the County Agency deems it to be in the best interest of the County, the County Treasurer shall serve as bond registrar and paying agent for the bonds.
10. EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS. The bonds shall be executed in the name of the County by the manual or facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and authenticated by the manual signature of the bond registrar and paying agent or an authorized representative of the bond registrar and paying agent, and the seal of the County (or a facsimile thereof) shall be impressed or imprinted on the bonds. After the bonds have been executed and authenticated for delivery to the original purchaser thereof, they shall be delivered by the County Treasurer to the purchaser upon receipt of the purchase price. Additional bonds bearing the manual or facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and upon which the seal of the County (or a facsimile thereof) is impressed or imprinted may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of bonds. The bond registrar and paying agent shall indicate on each bond the date of its authentication.
11. EXCHANGE AND TRANSFER OF BONDS. Any bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond.

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

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

[FORM OF BOND]

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF OAKLAND  
OAKLAND COUNTY ROYAL OAK TOWNSHIP  
WATER SUPPLY SYSTEM IMPROVEMENTS BOND, SERIES 2017

INTEREST RATE                      MATURITY DATE                      DATE OF ORIGINAL ISSUE                      CUSIP

Registered Owner:

Principal Amount:

The County of Oakland, State of Michigan (the "County") acknowledges itself indebted to and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at \_\_\_\_\_ in the city of \_\_\_\_\_, Michigan, the bond registrar and paying agent, and to pay to the Registered Owner, as shown on the registration books at the close of business on the 15<sup>th</sup> day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount from the Date of Original Issue or such later date through which interest shall have been paid until the County's obligation with respect to the payment of such Principal Amount is discharged at the rate per annum specified above. Interest is payable on the first day of \_\_\_\_\_ and \_\_\_\_\_ in each year, commencing \_\_\_\_\_ 1, 201\_. Principal and interest are payable in lawful money of the United States of America. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This bond is one of a series of bonds aggregating the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) issued by the County under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 342, Public Acts of 1939, as amended) and a bond authorizing resolution adopted by the Board of Commissioners of the County (the "Resolution") for the purpose of defraying part of the cost of acquiring and constructing water supply facilities to improve, enlarge and extend the Oakland County Royal Oak Township 2017 Water Supply System to serve the County and the Charter Township of Royal Oak (the "Township"). The bonds of this series are issued in anticipation of payments to be made by the Township in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), pursuant to the Oakland County Royal Oak Township 2017 Water Supply System Improvements Contract dated as of May 1, 2017 between the County and the Township. The full faith and credit of the Township has been pledged to the prompt payment of the foregoing amount and the interest thereon as the same become due. Taxes levied by the Township to make such payments are subject to constitutional, statutory and charter tax limitations. As additional security the full faith and credit of the County have been pledged for the prompt payment of the principal of and interest on the bonds of this series. Taxes levied by the County to pay the principal of and interest on the bonds of this series are subject to constitutional and statutory tax limitations.

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

IN WITNESS WHEREOF, the County of Oakland, Michigan, by its Board of Commissioners, has caused this bond to be executed in its name by facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

COUNTY OF OAKLAND

By: \_\_\_\_\_  
Chairperson, Board of Commissioners

[SEAL]

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

ASSIGNMENT

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

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

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

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

[END OF BOND FORM]

proposer. The County Agency is hereby authorized to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the bonds in accordance with the provisions of this Resolution.

19. REPLACEMENT OF BONDS. Upon receipt by the County Treasurer of proof of ownership of an unmatured bond, of satisfactory evidence that the bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the County Treasurer, the County Treasurer may authorize the bond registrar and paying agent to deliver a new executed bond to replace the bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the County Treasurer may authorize the bond registrar and paying agent to pay the bond without presentation upon the receipt of the same documentation required for the delivery of a replacement bond. The bond registrar and paying agent, for each new bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the County in the premises. Any bond delivered pursuant the provisions of this section 19 in lieu of any bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the bond in substitution for which such bond was delivered.
20. TAX COVENANT. The County covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes. The County Agency, the County Treasurer, the County Clerk and other appropriate County officials are authorized to do all things necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes.
21. NOTICE OF ISSUANCE OF BONDS. Within thirty (30) days after the issuance of the bonds, either (1) a copy of the final official statement or other offering or disclosure document prepared by the County in connection with the issuance of the bonds or (2) notice that such information has been filed with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and is publicly available shall be furnished to Bank of America, N.A. at the following locations:

Bank of America, N.A.  
Mail Code: IL4-135-07-28  
135 South LaSalle Street  
Chicago, IL 60603  
Attention: Thomas R. Denes

Bank of America, N.A.  
Public Sector Banking Group  
Mail Code: MI8-900-02-70  
2600 W. Big Beaver Road  
Troy, MI 48084  
Attention: Susan Pendygraft,  
Senior Credit Support Association

In accordance with the Bank of America Continuing Covenant Agreement, the notices provided for above shall be in writing and shall be transmitted by e-mail to the following addresses: [ryan.denes@baml.com](mailto:ryan.denes@baml.com) and [susan.pendygraft@baml.com](mailto:susan.pendygraft@baml.com).

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

Chairperson, on behalf of the Planning and Building Committee, I move adoption of the foregoing resolution.



Commissioner Philip Weipert, District #8  
Chairperson, Planning and Building Committee

issuance of bonds by the County secured by the pledge of the full faith and credit of the Township to pay such cost with interest to the County in installments extending over a period not exceeding thirty (30) years, and the County is authorized to issue such bonds and, if authorized by majority vote of the members-elect of its Board of Commissioners, to pledge its full faith and credit for the payment of such bonds and the interest thereon; and

WHEREAS, there is an urgent need of such water supply system improvements and facilities to provide water supply services to the Township in order to promote the health and welfare of the residents thereof, which improvements would likewise benefit the County and its residents, and the parties hereto have concluded that such improvements can be provided and financed most economically and efficiently by the County through the exercise of the powers conferred by Act 342, and especially sections 5a, 5b and 5c thereof; and

WHEREAS, preliminary plans for the Project and estimates of the cost and period of usefulness thereof have been prepared, all of which have been submitted to and approved by the Board of Commissioners of the County and the Township Board and placed on file with said Board of Commissioners in the office of the County Agency, said estimates being set forth in Exhibit B hereunto attached; and

WHEREAS, it is proposed that the cost of the Project be financed in whole or in part by the issuance of one or more series of County bonds; and

WHEREAS, in order to provide for the acquisition and construction of the Project by the County and the financing of all or part of the cost thereof by the issuance of County bonds, and for other related matters, it is necessary for the parties hereto to enter into this contract.

3. The County Agency shall take or cause to be taken all actions required or necessary, in accordance with Act 342, to procure the issuance and sale of bonds by the County, in one or more series, in whatever aggregate principal amount is necessary to finance the cost of the Project not paid from other sources. Such bonds shall be issued in anticipation of, and be payable primarily from, the payments to be made by the Township to the County as provided in this contract, and shall be secured secondarily, if so voted by the Board of Commissioners of the County, by a pledge of the full faith and credit of the County, and the said bonds shall be payable in annual maturities the last of which shall be not more than thirty years from the date thereof.

4. The County Agency shall proceed to take construction bids for the Project and, subject to the sale and delivery of bonds, enter into construction contracts with the lowest responsible bidder or bidders, procure from the contractors all necessary and proper bonds, cause the Project to be constructed within a reasonable time, and do all other things required by this contract and the laws of the State of Michigan. The County Agency may, in its sole discretion, retain the services of a third-party engineering firm to perform contract administration of the Project, and payment for such services shall be the responsibility of the Township as part of the cost of the Project as described in paragraph 6 hereof. All certificates for required payments to contractors shall be approved by the consulting engineers before presentation to the County Agency and the latter shall be entitled to rely on such approval in making payments.

5. In the event that it shall become necessary to increase the estimated cost of the Project for any reason, or if the actual cost of the Project shall exceed the estimated cost, whether as the result of variations or changes made in the approved plans or otherwise, then the County Agency shall not be obligated to pay such increased or excess cost unless the Township Board shall have adopted a resolution approving such increase or excess and agreeing that the same (or such part thereof as is not available from other sources) shall be defrayed by the issuance of increased or additional bonds in anticipation of increased or additional payments agreed to be

installments shall be at least sufficient to pay, when due, all principal and interest on the bonds, all bond service charges payable on account of the bonds and all other costs described in this paragraph. The County Agency, within thirty days after delivery of the County bonds to the purchaser, shall furnish the treasurer of the Township with a complete schedule of the principal of and interest on the bonds, and the County Agency also, at least thirty days before each payment is due, shall advise the treasurer of the Township of the amount payable to the County on such date. If the Township fails to make any payment to the County when due, the same shall be subject to a penalty of 1% thereof for each month or fraction thereof that such amount remains unpaid after due. Failure of the County Agency to furnish the schedule or give the notice as above required shall not excuse the Township from the obligation to make payments when due. The foregoing obligations shall apply to all bonds issued by the County to defray the cost of the Project. Payments shall be made by the Township when due whether or not the Project has then been completed or placed in operation.

7. The County Agency is hereby authorized, but not required, to utilize County personnel for the administration of the Project. The Township agrees that the costs of contract administration, auditing and financial services shall be part of the cost of the Project for purposes of paragraph 6 hereof, whether such services are provided by County personnel or third parties. In the case of County personnel, the costs attributed to the Project shall include the allocable share of such personnel's salary and fringe benefits to the Project as determined by the County Agency.

8. The Township may pay in advance of maturity all or any part of an installment due the County on the bonds by surrendering to the County bonds issued hereunder of a like principal amount maturing in the same calendar year or by paying to the County in cash the principal amount of any County bonds that are subject to redemption prior to maturity, plus all interest thereon to the first date upon which such bonds may be called for redemption, and plus



of such contractual obligations falling due prior to the time of the next tax collection, then the annual tax levy may be reduced by such amount. The Township Board each year, at least 90 days prior to the final date provided by law or charter for the making of the annual tax levy, shall submit to the County Agency a written statement setting forth the amount of its obligations to the County that become due and payable under this contract prior to the time of the next following year's tax collections, the amount of the funds that the Township has or will have on hand or to its credit in the hands of the County that have been set aside and pledged for payment of said obligations to the County and the amount of the taxes next proposed to be levied for the purpose of raising money to meet such obligations. The County Agency promptly shall review such statement and, if he finds that the proposed tax levy is insufficient, he shall so notify the Township Board. The County Agency agrees to use Township funds on hand with the County Agency, to the extent available, to make the Township's payments due on this contract as directed by the Township. The Township hereby covenants and agrees that it will thereupon increase its levy to such extent as may be required by the County Agency.

11. In the event that the Township shall fail for any reason to pay to the County Agency at the times herein specified, the amounts herein required to be paid, the state treasurer or other official charged with the disbursement of unrestricted state funds returnable to the Township pursuant to the Michigan constitution is authorized hereby to withhold sufficient funds to make up any default or deficiency in funds. In the event the County is required to advance any money by reason of its pledge of full faith and credit on the bonds to be issued to finance the acquisition and construction of the Project on account of the delinquency of the Township, the County Treasurer shall notify the state treasurer to deduct the amount of money so advanced by the County from any unrestricted moneys in the state treasurer's possession belonging to the Township and to pay such amount to the County. In addition to the foregoing, the County shall have all other rights and remedies provided by law to enforce the obligations of the Township to make payments in the manner and at the times required by this contract. It is specifically

recommendation within forty-five (45) days after its appointment or within any extension thereof by the County Agency, then the County Agency may proceed without such recommendation.

13. The County may advance funds, if approved by resolution adopted by a 2/3 vote of the members-elect of its Board of Commissioners (as required by Section 8 of Act 342) for administrative expenses, including engineering, legal and consulting expenses, incurred by the County Agency in the performance of its duties and powers authorized by Act 342 and for purposes of obtaining maps, plans, designs, specifications, cost estimates, rights-of-way and permits for the Project. In such event, and to avoid paying interest on the advance, the Township shall, not later than two years after the date of adoption of the resolution of the County Board of Commissioners approving such advance, reimburse the County for the amount of any such advance; provided, however, that (i) the County Board of Commissioners may extend the due date of such reimbursement by resolution adopted by a 2/3 vote of its members-elect and (ii) the obligations of the Township shall be reduced to the extent that County bonds are issued and the proceeds thereof are used to reimburse the County for such advances. The obligations of the Township to pay the amounts set forth in this paragraph are full faith and credit obligations as described in paragraph 10 hereof. The County shall have all rights and remedies provided by this contract and Act 342 and otherwise pursuant to law to enforce the obligations of the Township described in this paragraph. In the event that the Township fails to reimburse the County for an advance made pursuant to this paragraph when due, the Township shall pay to the County interest on such unreimbursed amount from the date of such advance to the date of repayment at the interest rate prevailing on six-month United States Treasury Bills on the date of adoption of the resolution of the County Board of Commissioners approving the advance, to be compounded quarterly.

14. If County bonds are not sold to finance the acquisition and construction of any portion of the Project within three years from the date of this contract through no fault of the

the System, and otherwise improving the System. It is expressly agreed, nevertheless, that no such connection shall be made to the System and no improvements, enlargements or extensions thereof shall be made without first securing a permit therefor from the County. Any such permit may be made conditional upon inspection and approval of new construction by the County.

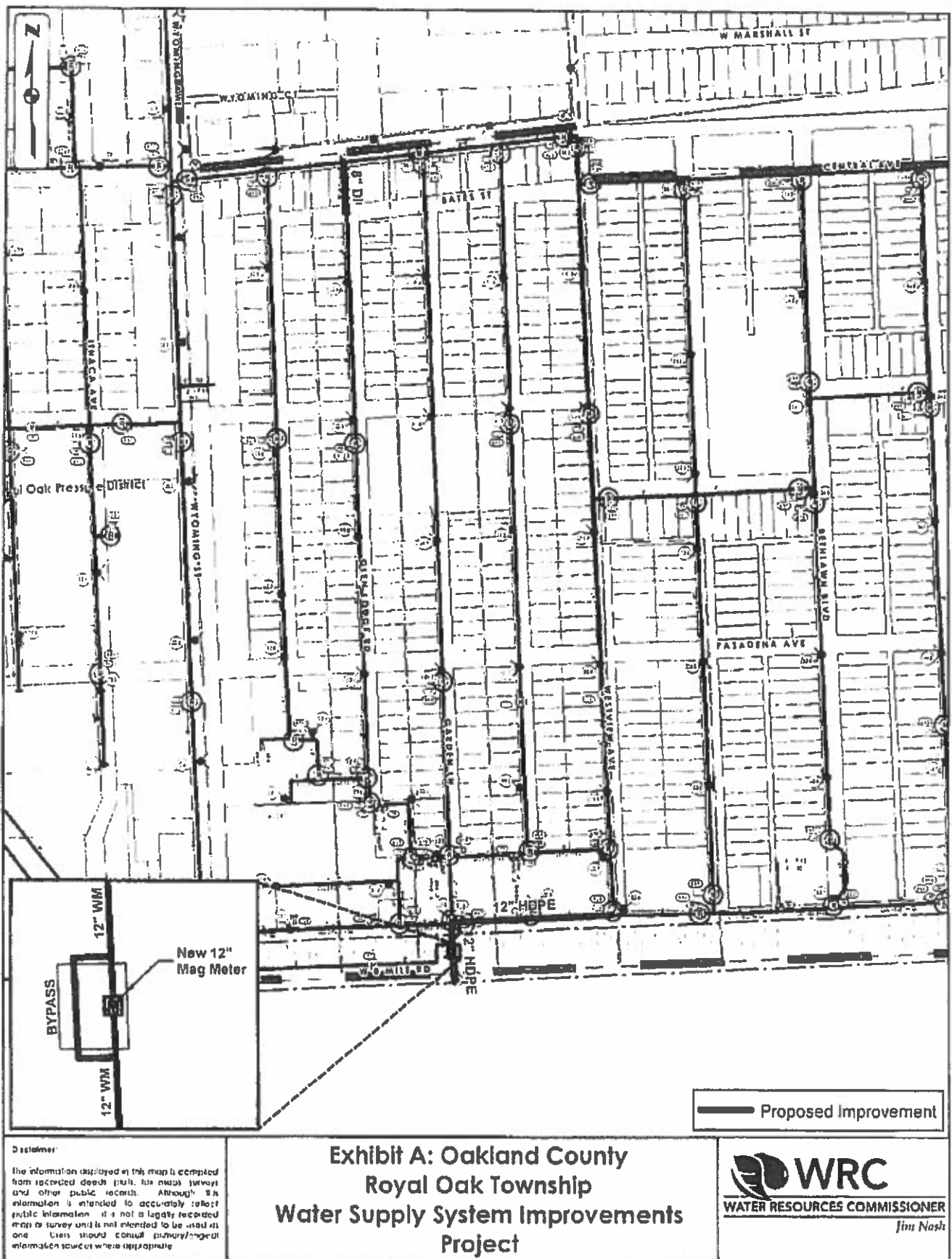
18. To the fullest extent permitted by law, and except as covered by the contractor's liability insurance, the Township shall indemnify and hold harmless the County and the County Agency, and agents and employees of each of them, from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from design or construction work relating to the Project, including, without limitation, claims for damage to public or private property and for injuries to or death of any person or persons, excluding, however, any claims or causes of action resulting from the County's or the County Agency's sole negligence.

19. The parties hereto agree that the costs and expenses of any lawsuits or Claims (as hereinafter defined) arising directly or indirectly out of this contract or the construction or financing of the Project, to the extent that such costs and expenses are chargeable against the County or the County Agency, shall be deemed to constitute a part of the cost of the Project and shall be paid by the Township in the same manner as herein provided with respect to other costs of the Project. In the event of such litigation or claims, the County Agency shall consult with the Township and shall retain legal counsel agreeable to the County and the Township to represent the County; provided that if the County and the Township cannot agree as to such representation within a reasonable time, the County Agency shall exercise its discretion as to the retention of such counsel. In this contract, "Claims" means any alleged losses, claims, complaints, demands for relief or damages, liability, penalties, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind

hereto, insofar as they pertain to said bonds or to the payment of the security thereof, shall be deemed to be for the benefit of the holders of said bonds.

22. In the event that any one or more of the provisions of this contract for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, but this contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

23. This contract shall become effective after its execution by each party hereto and the expiration of 45 days after the date of publication of the notice required by Section 5b of Act 342; provided, however, that if, within the 45-day period, a proper petition is filed with the Township Clerk in accordance with the provisions of Section 5b of Act 342, this contract shall not become effective until approved by the vote of a majority of the electors residing in the Township qualified to vote and voting thereon at a general or special election. This contract shall terminate forty (40) years from its date or on such earlier date when the Township is not in default hereunder and the principal, interest and bond service charges on the bonds issued as hereinabove described and all other amounts owed by the Township to the County hereunder are fully paid and discharged. This contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Nothing herein contained, however, shall require the County to finance the Project if it is unable to sell the bonds to finance the same. This contract may be executed in any number of counterparts.



**Disclaimer:**  
 The information displayed on this map is compiled from recorded deeds, plat, tax maps, survey and other public records. Although this information is intended to accurately reflect public information, it is not a legally recorded map or survey and is not intended to be used as one. Users should consult primary original information source(s) when appropriate.

# **Exhibit A: Oakland County Royal Oak Township Water Supply System Improvements Project**

**WRC**  
 WATER RESOURCES COMMISSIONER  
*Jim Nash*

Date 4/11/2011



## *Ferndale Fire Rescue*

*Kevin P. Sullivan*  
*Fire Chief*

*Brian E. Batten*  
*Fire Marshal*



**FERNDALE**

January 28, 2016

Supervisor Donna Squalls  
Charter Township of Royal Oak  
21131 Garden Lane 2<sup>nd</sup> Floor  
Ferndale, MI 48220  
Re: Fire Suppression Water Supply

Supervisor Squalls,

As your Fire Chief I need to bring a serious issue to your attention. On January 23<sup>rd</sup> there was a house fire at 21053 Mitchelldale, reported at 07:04 in the morning. The whole home and both garages were engulfed in fire when the first engine arrived. While crews were protecting 21045, and extinguishing 21053, the pump operator, supplying the crews fighting the fire and preventing fire spread, experienced serious failures with the water supply system.

From our research the availability of sufficient volumes of water and the pressures required to sustain firefighting operations in the Charter Township of Royal Oak are extremely low. Structure fires not discovered and reported during the initial incipient stage, are likely to grow rapidly out of control. With the current condition of the water supply system, large losses are predictable should the fire go undetected for only a short period of time, even in commercial and industrial buildings protected with automatic fire sprinklers.

I contacted The Oakland County Water Authority, to collect any reports or engineering assessments of the water system from their agency. Ferndale Fire Rescue has data on water flow tests from different areas of the Township, these tests confirm that the existing system is inadequate. With the current condition of the water supply system in the Charter Township of Royal Oak,

FISCAL NOTE (MISC. #17313)

November 9, 2017

BY: Commissioner Thomas Middleton, Chairperson, Finance Committee

IN RE: WATER RESOURCES COMMISSIONER – RESOLUTION TO AUTHORIZE OAKLAND COUNTY ROYAL OAK TOWNSHIP WATER SUPPLY SYSTEM IMPROVEMENTS BONDS, SERIES 2017

To The Oakland County Board of Commissioners

Chairperson, Ladies and Gentlemen:

Pursuant to Rule XII-C of this Board, the Finance Committee has reviewed the above referenced resolution and finds:

1. The resolution authorizes the Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017 in accordance with the provisions of Act 342 of the Public Acts of 1939, as amended.
2. The Project consists of water supply system improvements for an estimated cost of \$900,000, with a 30 year and upward useful life.
3. The bond issue is not to exceed \$400,000, however, it's anticipated that \$200,000 would be the likely issuance amount toward the acquisition, construction and financing the water supply system improvements that will promote the public health and welfare of the residents.
4. The bonds shall be secured primarily by the full faith and credit pledge of the Township of Royal Oak. The Oakland County Board of Commissioners will pledge the full faith and credit of the County as secondary obligors for the payment of principal and interest on the bonds.
5. The bonds shall bear an interest rate not to exceed 6% per annum, will be in aggregate principal amounts, will mature in such years and principal amounts and will be callable prior to maturity as determined necessary by the County Agency at the time of issue.
6. The statutory limit for County debt is \$6,900,835,221 (10% of State Equalized Value). As of October 2, 2017, the total pledged debt is \$711,202,791 or approximately 1.0306% of the S.E.V.
7. The principal and interest on the anticipated \$200,000 bond sale will be paid from the Township water rates. The remaining costs for the project will be covered from a \$500,000 grant awarded to the Township of Royal Oak and \$200,000 from the Township of Royal Oak Water System Fund reserves.
8. A Fiscal Year 2018 Budget Amendment is recommended to transfer money from the Royal Oak Township Water System Fund to the Act 342 Royal Oak Township Water Supply Project Fund.

Act 342 ROT Water Supply Fund (26350)

Proj Business Unit MAJOR, Project #100000002581, Activity FAC PROJ

<u>Revenue</u>		<u>FY 2018</u>
6010101-149015-695500-57291	Transfer In	<u>\$200,000</u>
	Total Revenue	<u>\$200,000</u>

<u>Expenditures</u>		
6010101-149015-731472	Project Construction & Improvement	<u>\$200,000</u>
	Total Revenue	<u>\$200,000</u>

Royal Oak Township Water Fund (57291)

<u>Revenue</u>		
6010101-149667-665882	Planned Use of Balance	<u>\$200,000</u>
	Total Revenue	<u>\$200,000</u>

<u>Expense</u>		
6010101-149667-788001-26350	Transfer Out	<u>\$200,000</u>
	Total Revenue	<u>\$200,000</u>

  
Commissioner Thomas Middleton, District #4  
Chairperson, Finance Committee

**FINANCE COMMITTEE VOTE:**

Motion carried unanimously on a roll call vote.

CERTIFICATE OF ADMINISTRATIVE DIRECTOR

I, the undersigned, Chris Ward, hereby certify as follows:

1. I am the duly qualified and acting Administrative Director of the Board of Commissioners of the County of Oakland, Michigan.

2. The notice attached hereto relating to the Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017 was posted at least 18 hours in advance of the meeting of the Board of Commissioners of the County of Oakland held on November 9, 2017, in those places where notices of meetings of the Board of Commissioners are normally posted.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 3 day of November, 2017.



Chris Ward, Administrative Director  
Oakland County Board of Commissioners



## NOTICE OF REGULAR MEETING

### BOARD OF COMMISSIONERS OF THE COUNTY OF OAKLAND

November 9, 2017

Please take notice that the next regular meeting of the Board of Commissioners of the County of Oakland will be held on Thursday, November 9, 2017, at 9:30 a.m. at the Oakland County Board of Commissioners Auditorium located at 1200 North Telegraph Road, Pontiac, Michigan.

The agenda for the meeting will include consideration by the Board of Commissioners of a resolution authorizing the issuance of Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017, in an aggregate principal amount not to exceed \$400,000 that will contain a limited tax full faith and credit pledge of the County of Oakland.

This notice is given pursuant to Section 308 of Act 34, Public Acts of Michigan, 2001, as amended.

Chris Ward, Administrative Director  
Oakland County Board of Commissioners



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

NICK A. KHOURI  
STATE TREASURER

January 24, 2018

**Order of Approval**

Code: 630000

Application ID Number: 48176

Report ID Number: 76342

**Sent Via Email**

Chief Administrative Officer

Oakland County

nashj@oakgov.com

Dear Chief Administrative Officer:

Thank you for submitting to the Department of Treasury an Application to Issue Long-Term Municipal Securities under Section 303(7) of Public Act 34 of 2001.

Based upon the information provided, the Department of Treasury has determined that the municipality has indicated the authority to issue the municipal security requested; projected the ability to repay the municipal security when due; and, adequately addressed any non-compliance with Section 303(3) of Act 34.

This approval is for Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017, in an amount not to exceed \$200,000.00, which matures by no later than 02/01/2028. In approving this application, the Department has relied upon information supplied by the municipality which would indicate the probable revenues pledged for the payment of the municipal security will be sufficient to pay the principal thereof and interest thereon when due. No person may rely on the issuance of this approval as evidence that the Department has undertaken any due diligence with regard to that information. No material changes, amendments, or addenda may be made to the information provided without further approval of the Department.

Within 15 business days after the issuance of a municipal security, you will need to file with the Department a Treasury Website (Security Report) and the documents required in Michigan Legislature Website (Section 319) of Public Act 34 of 2001. Please email them as a single portable document format (.pdf) file to Treas MunicipalFinance@Michigan.gov. The name of the file and the subject of the email should both be the six-digit municipal code, followed by 3892SecRpt (Example: 3320203892SecRpt).

If you have any questions, please contact the Division at 517-373-3227.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward B. Koryzno, Jr.", with a stylized flourish at the end.

Edward B. Koryzno, Jr., Director  
Bureau of Local Government and School Services



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

NICK A. KHOURI  
STATE TREASURER

January 24, 2018

**Order of Approval**

Code: 631190

Application ID Number: 48175

Report ID Number: 76341

**Sent Via Email**

Chief Administrative Officer  
Royal Oak Charter Township  
jthomas@jessicathomasllc.com

Dear Chief Administrative Officer:

Thank you for submitting to the Department of Treasury an Application to Issue Long-Term Municipal Securities under Section 303(7) of Public Act 34 of 2001.

Based upon the information provided, the Department of Treasury has determined that the municipality has indicated the authority to issue the municipal security requested; projected the ability to repay the municipal security when due; and, adequately addressed any non-compliance with Section 303(3) of Act 34.

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Edward B. Koryzno, Jr., Director  
Bureau of Local Government and School Services

PROPOSAL ACCEPTANCE PROCEEDINGS

COUNTY OF OAKLAND, MICHIGAN  
OAKLAND COUNTY ROYAL OAK TOWNSHIP WATER  
SUPPLY SYSTEM IMPROVEMENTS BONDS, SERIES 2017

On the date hereof, following consideration of the proposal, the following order was entered by Mr. Nash, to wit:

IT IS HEREBY ORDERED:

1. The proposal of Chemical Bank (the “Bank”) to purchase the Bonds at par plus accrued interest to date of the delivery of the Bonds and bearing interest per annum as set forth in Section 2 hereof is accepted.

2. The Bonds shall be issued as a single term bond in the principal amount of \$200,000, shall be dated as of May 31, 2018, shall mature on October 1, 2027 and shall bear interest at the rate of 3.34% per annum, payable on October 1, 2018, and semiannually thereafter.

4. The Bonds maturing on October 1, 2027, are subject to mandatory redemption prior to maturity on October 1 of the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
October 1, 2018	\$15,000
October 1, 2019	20,000
October 1, 2020	20,000
October 1, 2021	20,000
October 1, 2022	20,000
October 1, 2023	20,000
October 1, 2024	20,000
October 1, 2025	20,000
October 1, 2026	20,000
October 1, 2027 (final maturity)	25,000

3. The Bonds are not subject to optional redemption prior to maturity.

4. The County Treasurer is approved as the bond registrar and paying agent for the Bonds.

5. All orders and parts of orders insofar as they conflict with the provisions of this order are hereby rescinded.



JIM NASH  
Water Resources Commissioner

Dated: May 31, 2018

Troy 9007-426 2082121v1

CERTIFICATE OF COUNTY WATER RESOURCES COMMISSIONER

I hereby certify that:


1. I am the Water Resources Commissioner of the County of Oakland, State of Michigan (the "County"), and the "County Agency" for certain water supply and sewage disposal systems established by the County under Act No. 342, Public Acts of Michigan, 1939, as amended.

2. The foregoing is a complete and correct transcript of all the proceedings and records, the originals or certified copies of which are on file in my office, relating to the issuance and sale by the County of Oakland of the following bond:

Oakland County Royal Oak Township Water Supply System  
Improvements Bond, Series 2017, dated May 31, 2018, in the  
principal amount of \$200,000 (the "Bond").

3. The form of the Bond as attached hereto is approved. The facsimile signatures of Michael J. Gingell and Lisa Brown appearing on the Bonds are respectively the signatures of the Chairperson of the Board and the Clerk of the County and the facsimile seal appearing on the Bonds is the corporate seal of the County.

4. Said proceedings have not been rescinded, amended or modified in any manner whatsoever, except as set forth in said transcript, and that the time for reconsideration of such proceedings or filing notice thereof has expired.

  
\_\_\_\_\_  
JIM NASH, Water Resources Commissioner

Dated: May 31, 2018

May 31, 2018

Board of Commissioners  
County of Oakland, Michigan

We have acted as bond counsel to the County of Oakland, State of Michigan (the "County") in connection with the issuance by the County of its \$200,000 Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017 (the "Bonds"). We have examined the law and such certified proceedings and other papers, including an executed copy of the Oakland County Royal Oak Township 2017 Water Supply System Improvements Contract, dated as of May 1, 2017 (the "Contract"), between the County and the Charter Township of Royal Oak (the "Township"), as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon certified proceedings and other certificates of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding obligations of the County payable in the first instance from moneys to be paid to the County by the Township pursuant to the Contract.
2. The full faith and credit of the County have been pledged for the payment of the principal of and interest on the Bonds when due. Taxes imposed by the County for the payment of such principal and interest are subject to constitutional and statutory limitations.
3. The Contract is valid and binding on the parties thereto and the full faith and credit of the Township have been pledged for the prompt payment of its obligations pursuant to the Contract. Taxes imposed by the Township for the payment of its obligations are subject to constitutional, statutory and charter tax limitations.
4. Under existing law, the Bonds and the interest thereon are exempt from all taxation whatsoever by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.
5. The interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the individual federal alternative minimum tax ("AMT"); however, during tax years beginning before January 1, 2018, interest on the Bonds held by a corporation (other than an S corporation,

Board of Commissioners  
County of Oakland, Michigan  
May 31, 2018  
Page 2

regulated investment company, or real estate investment trust) may be subject to federal AMT because of its inclusion in the adjusted current earnings of a corporate holder. The opinion set forth above is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The County has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

It is understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the Contract may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement also may be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,



Troy 9007-426 2082116v1



# NONARBITRAGE AND TAX COMPLIANCE CERTIFICATE

## COUNTY OF OAKLAND

\$200,000

### Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017

Pursuant to Section 1.148-2(b)(2) of the Treasury Regulations on Income Tax, the undersigned hereby certifies with respect to the Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017, in the aggregate principal amount of \$200,000 (the "Bonds"), issued and delivered by the County of Oakland (the "Issuer"), pursuant to a resolution (the "Bond Resolution") adopted November 9, 2017, by the Board of Commissioners of the Issuer, that, on the date hereof, the following exist or are reasonably expected to occur:

1. Due Inquiry. The undersigned is the Water Resources Commissioner of the Issuer and has made due inquiry with respect to and is fully informed as to the matters set forth in this Certificate.

2. Issue Date. The Bonds are being issued and delivered to the original purchaser thereof on the date hereof (the "Issue Date").

3. Purpose. The Bonds are authorized and issued for the purpose of providing funds to be used, together with other available funds, (i) to defray part of the cost of acquiring and constructing water supply facilities to improve, enlarge and extend the Oakland County Royal Oak Township 2017 Water Supply System to serve the Charter Township of Royal Oak (the "Township") and the Issuer (the "Project"), and (ii) to pay the costs of issuing the Bonds.

4. Amount of Proceeds.

(a) The Issuer expects to receive from the original purchaser of the Bonds the sum of \$200,000, representing the aggregate principal amount of the Bonds.

(b) The amount to be received by the Issuer from the original purchaser of the Bonds and the investment earnings thereon will not exceed the amount required for the purposes described in paragraph 3 above.

5. Use of Proceeds. The \$200,000 amount to be received from the original purchasers of the Bonds will be deposited in the Construction Fund for disposition as described in paragraph 6 of this Certificate.

6. Construction Fund.

(a) The \$200,000 amount to be received from the original purchasers of the Bonds will be deposited in the Construction Fund established under the Bond Resolution, and the

investment proceeds thereof, will be used to pay the costs of the Project and the costs of issuing the Bonds. The investment earnings with respect to investments allocated to the Construction Fund will be deposited upon receipt in the Construction Fund and reinvested until used to pay the foregoing costs. Until expended, the amounts in the Construction Fund will be invested without restriction as to yield, subject, however, to the applicable requirements of the memorandum attached hereto as Exhibit A relating to the rebating of certain excess investment earnings to the United States (the "Rebate Memorandum"); provided, however, that any amounts remaining in the Construction Fund after the third anniversary of the Issue Date (or with respect to investment earnings only, the first anniversary of the date of receipt, if later) will be invested at a yield (computed with regard to any yield reduction payments to the United States pursuant to Treas. Reg. §1.148-5(c)) not exceeding the yield on the Bonds by more than 0.125 percentage points.

(b) Within 6 months of the Issue Date, the Issuer will incur a substantial binding obligation to a third party to expend at least 5 percent of the net sale proceeds of the Bonds on costs of the Project.

(c) Construction of the Project is expected to commence on or about July 1, 2018, and the Project and the allocation of the net sale proceeds of the Bonds to expenditures for costs of the Project will proceed with due diligence to completion, which is expected on or before October 31, 2018.

(d) At least 85 percent of the net sale proceeds of the Bonds will be allocated to expenditures for costs of the Project within three years of the Issue Date.

7. Principal and Interest Fund. Payments made by the Township to the Issuer pursuant to the Oakland County Royal Oak Township 2017 Water Supply System Improvements Contract, dated as of May 1, 2017, between the Issuer and the Township will be immediately deposited upon receipt by the Issuer in the Principal and Interest Fund established under the Bond Resolution and will be invested without restriction as to yield and expended within 13 months of the date of deposit to pay principal of and interest on the Bonds; provided, however, that any amounts deposited to the Principal and Interest Fund to pay principal of the Bonds other than at maturity or to pay redemption premiums on the Bonds will be expended within 30 days of the date of such deposit to pay principal of or redemption premiums on the Bonds or will be invested at a yield (determined without regard to yield reduction payments pursuant to Treas. Reg. §1.148-5(c)) not exceeding the yield on the Bonds by more than 0.001 percentage points. Investment earnings on amounts in the Principal and Interest Fund will be redeposited thereto and used within 13 months of the date of receipt to pay principal of or interest on the Bonds. The Principal and Interest Fund will be primarily used to achieve a proper matching of revenues with principal and interest payments on the Bonds in each bond year, and will be depleted each year except for a reasonable carryover amount not exceeding the greater of (i) the earnings on the Principal and Interest Fund for the immediately preceding bond year or (ii) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding bond year.

8. Issue Price: Yield on the Bonds.

(a) In accordance with Treas. Reg. § 1.148-1(f)(2)(iv), the issue price for the Bonds was calculated by using the price paid by the original purchaser of the Bonds since the

Bonds are issued for money in a private placement to the original purchaser. Pursuant to the bid submitted by the original purchaser and the certificate delivered by the original purchaser attached as Exhibit B, the original purchaser agreed and represented that it is not acting as an “underwriter,” within the meaning of Treas. Reg. § 1.148-1(f)(3)(iii), with respect to the Bonds and the original purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bonds or any portion of the Bonds.

(b) The issue price of the Bonds has been determined in accordance with the general rule for bonds issued for money in a private placement of Treas. Reg. § 1.148-1(f)(2)(i) in reliance on the certificate of the original purchaser attached as Exhibit B. The issue price of the Bonds is \$200,000.

(c) The yield on the Bonds is calculated in the manner provided in Treas. Reg. §1.148-4(b) and in reliance on the certificate of the original purchaser attached as Exhibit B. The yield on the Bonds, so calculated, as of the Issue Date, is 3.3406677% per annum.

9. Replacement Proceeds.

(a) No funds or accounts other than the Construction Fund and the Principal and Interest Fund will be pledged directly or indirectly to pay the principal of or interest on the Bonds such that there is a reasonable assurance that amounts deposited therein will be available to pay principal of or interest on the Bonds, even if the Issuer encounters financial difficulties.

(b) The Bonds have a weighted average maturity of 5.06 years, which does not exceed 120 percent of the average reasonably expected economic life of the Project, which is at least 30 years.

(c) The proceeds of the Bonds will not replace any funds of the Issuer invested at a yield materially higher than the yield on the Bonds, since no funds of the Issuer have been designated for the purposes for which the Bonds are issued such that those amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Minor Portion. At no time after the Issue Date and prior to the final payment of the Bonds will the Issuer have on hand in the Construction Fund or in the Principal and Interest Fund, or otherwise, an aggregate amount in excess of \$10,000 invested at a yield materially higher than the yield on the Bonds and comprised of:

(a) any proceeds of the sale of the Bonds or investment proceeds thereof in the Construction Fund that are not expended within three years of the Issue Date (or with respect to investment earnings only, within one year of the date of receipt, if later) to pay costs of the Project and costs of issuing the Bonds (yield determined with regard to yield reduction payments to the United States pursuant to Treas. Reg. §1.148-5(c)); and

(b) any amount in the Principal and Interest Fund not expended to pay the principal of or interest on the Bonds within 13 months of the date of receipt, and any amount in the Principal and Interest Fund longer than 30 days that is not expected to be expended to pay the principal of or interest on the Bonds within 13 months of the date of receipt (yield determined

without regard to yield reduction payments to the United States pursuant to Treas. Reg. §1.148-5(c)).

11. Rebate of Arbitrage Earnings; Election under 2-Year Spending Exception.

(a) The Rebate Memorandum sets forth the procedures for rebating arbitrage earnings on the Bonds to the United States. The Issuer agrees to cause such procedures to be followed and such payments to be timely made pursuant to its covenant in Section 20 of the Bond Resolution to establish and maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

(b) The Issuer hereby elects, pursuant to Treas. Reg. §1.148-7(f)(2), to apply the provisions of Treas. Reg. §1.148-7(e) through (m) based on actual facts and not on reasonable expectations as of the Issue Date.

12. Additional Tax Compliance Representations.

(a) Private Business Tests. No more than 10 percent of the proceeds of the Bonds will be used directly or indirectly in a trade or business carried on by any person other than a governmental unit (a "private business use"). No more than 5 percent of the proceeds of the Bonds will be used for any private business use that is not related to governmental purposes of the Issuer or that, although related to governmental purposes of the Issuer, exceeds the amount of Bond proceeds used for governmental purposes of the Issuer other than a related private business use.

(b) Private Loan Financing Test. No more than 5 percent of the proceeds of the Bonds will be used directly or indirectly to make or finance loans to persons other than governmental units or loans for purposes other than enabling a borrower to finance any governmental tax or assessment of general application for a specific essential governmental function such as the Project.

(c) Change of Use. Any change of use of the Project will conform with the requirements of Treas. Reg. §1.141-12 and the Rebate Memorandum.

(d) No Federally Guaranteed Bonds. The payment of principal or interest with respect to the Bonds is not guaranteed in whole or in part by the United States or any agency or instrumentality thereof. The Bonds are not issued as part of an issue 5 percent or more of the proceeds of which is to be used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States or any agency or instrumentality thereof, or invested directly or indirectly in federally insured deposits or accounts, other than those proceeds invested during applicable temporary periods or as investments in bona fide debt service funds or investments in permissible reserves or in obligations issued by the United States Treasury. The payment of principal or interest on the Bonds is not otherwise indirectly guaranteed in whole or in part by the United States or any agency or instrumentality thereof within the meaning of Section 149(b) of the Code.

(e) No Hedge Bonds. The Issuer reasonably expects that at least 85 percent of the spendable proceeds of the Bonds will be used to carry out the governmental purpose of the

Bonds within the 3-year period beginning on the Issue Date. No more than 50 percent of the proceeds of the Bonds will be invested in nonpurpose investments having a substantially guaranteed yield for 4 years or more.

(f) Reimbursement Allocations.

(i) Except for preliminary expenditures for architectural, engineering, soil testing, bond issuance, and similar costs (not including costs of land acquisition, site preparation, and similar costs incident to the commencement of construction) that were incurred prior to the commencement of acquisition, construction or rehabilitation of the facilities comprising the Project and did not exceed 20 percent of the aggregate issue price of the Bonds, and except for other amounts not exceeding the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, no proceeds of the Bonds will be allocated to the reimbursement of an expenditure for costs of the Project paid more than 60 days prior to November 9, 2017, the date on which the Board of Commissioners of the Issuer adopted a resolution declaring its official intent to reimburse Project expenditures from proceeds of the Bonds. Except for preliminary expenditures and other amounts not exceeding the lesser of \$100,000 or 5 percent of the proceeds of the Bonds described in the preceding sentence, no proceeds of the Bonds will be allocated to the reimbursement of any expenditure more than 18 months after the later of the date on which such expenditure was paid or the Project was placed in service, or, in any event, more than 3 years after the date on which such expenditure was paid.

(ii) Within one year after the Issue Date, funds corresponding to the proceeds of the Bonds for which a reimbursement allocation is made will not be used in a manner that results in the creation of replacement proceeds of the Bonds or another issue. For this purpose, replacement proceeds are created if amounts are so allocated to an issue or to the governmental purpose of an issue such that those amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose.

(g) Information Reporting. The IRS Form 8038-G with respect to the Bonds is true, accurate and complete.

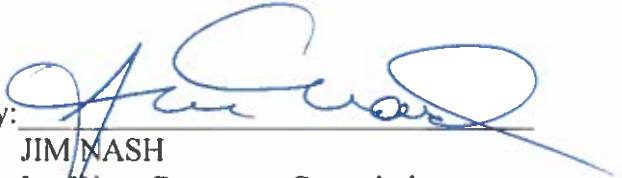
13. Matters Relating to Certificate.

(a) To the best of the knowledge and belief of the undersigned, the expectations of the Issuer as set forth in this Certificate are reasonable.

(b) It is intended that this Certificate meet the requirements of Section 148 of the Code and Sections 1.148-0 through -11 of the Treasury Regulations on Income Tax, and the terms used herein shall be construed consistently therewith. Paragraph 12 addresses additional matters under the Code in furtherance of the Issuer's tax compliance covenant in the Bond Resolution.

(c) Capitalized terms used in this Certificate have the meanings specified in this Certificate or in the Bond Resolution.

COUNTY OF OAKLAND

By:   
JIM NASH  
Its: Water Resources Commissioner

Dated: May 31, 2018

Troy 9007-426 2081451v1

## EXHIBIT A

### MEMORANDUM

TO: County of Oakland, Michigan (the "Issuer")

FROM: Dickinson Wright PLLC ("Bond Counsel")

RE: \$200,000 Oakland County Royal Oak Township Water Supply System Bonds,  
Series 2017 (the "Bonds")

DATE: May 31, 2018

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This Memorandum specifies procedures designed to comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the rebating of arbitrage earnings to the United States so as to establish and maintain the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. Compliance with these procedures by the Issuer is mandated by the Issuer's tax covenants in Section 20 of the Resolution. All terms and references from the Issuer's Nonarbitrage and Tax Compliance Certificate dated as of even date herewith relating to the Bonds are hereby incorporated by reference.

1. Rebate Requirements.

An amount equal to the sum of the excess of the aggregate amount earned from the Issue Date on all nonpurpose investments to which gross proceeds of the Bonds are allocated as described herein over the amount that would have been earned if the yield on such nonpurpose investments had been equal to the yield on the Bonds, plus any income attributable to such excess, must be calculated as described in Section 4 of this Memorandum, and must be paid to the United States as described in Section 4 hereof by the Issuer. Nonpurpose investments for this purpose include investments of gross proceeds of the Bonds in the Construction Fund and, except as provided in Section 2 hereof, the Principal and Interest Fund. For purposes of this Memorandum, all amounts in the Construction Fund and the Principal and Interest Fund are treated as gross proceeds of the bonds.

2. Exceptions to Rebate Requirements.

(a) Bona Fide Debt Service Fund. Except as otherwise provided in this Section 2(a), earnings from the investment of amounts in the Principal and Interest Fund are not subject to the rebate requirements of Section 1 of this Memorandum, unless such amounts set aside in the Principal and Interest Fund do not satisfy the requirements of paragraph 7 of the Nonarbitrage and Tax Compliance Certificate in that Bond Year.

(b) Spending Exceptions.

(1) 6-Month Exception. The rebate requirements of Section 1 will be considered to have been satisfied with respect to the gross proceeds of the Bonds if all gross proceeds of the Bonds are allocated to expenditures for the governmental purposes of the Bonds within the 6-month period beginning on the Issue Date. The 6-month period is extended for an additional 6 months if all gross proceeds are expended within the initial 6-month period except for a failure to spend an amount not exceeding 5 percent of the proceeds of the Bonds. Solely for purposes of determining whether all gross proceeds are allocated to expenditures within the initial 6-month period (as extended, if applicable), the gross proceeds do not include (i) amounts in the Principal and Interest Fund that qualify for the exception described in subparagraph (a) above, and (ii) subsequently arising gross proceeds described in Section 3 of this Memorandum that arise more than 6 months after the Issue Date. The rebate requirements of Section 1 apply to the amounts described in the foregoing clauses (i) and (ii), notwithstanding the 6-month spending exception (subject, however, to the other exceptions described in this Section 2).

(2) 18-Month Exception. The rebate requirements of Section 1 will be considered to have been satisfied with respect to the gross proceeds of the Bonds if all gross proceeds of the Bonds are allocated to expenditures for the governmental purposes of the Bonds in accordance with the following schedule measured from the Issue Date:

- (i) At least 15 percent within 6 months;
- (ii) At least 60 percent within 12 months; and
- (iii) 100 percent within 18 months, except that a reasonable retainage (not to exceed 5 percent of the net sale proceeds of the Bonds) may be allocated to such expenditures within 30 months.

Solely for purposes of determining whether all gross proceeds of the Bonds are allocated to expenditures in accordance with the foregoing schedule, the gross proceeds do not include (i) amounts in the Principal and Interest Fund that qualify for the exception described in subparagraph (a) above and (ii) subsequently arising gross proceeds of the Bonds described in Section 3 of this Memorandum that arise more than 18 months after the Issue Date. The rebate requirements apply to the amounts described in the foregoing clauses (i) and (ii), notwithstanding the 18-month spending exception (subject, however, to the other exceptions described in this Section 2).

(3) 2-Year Exception. The rebate requirements of Section 1 will be considered to have been satisfied with respect the available construction proceeds of the Bonds, if (i) at least 75 percent of the available construction proceeds of the Bonds is used for construction expenditures with respect to property that is to be owned by a state or local governmental unit or 501(c)(3) organization, and (ii) at least 10 percent of the available construction proceeds of the Bonds is spent for the governmental purpose of the Bonds within 6 months of the Issue Date, at least 45 percent within 12 months of the Issue Date, at least 75 percent within 18 months of the Issue Date, 100 percent of the available construction proceeds of the Bonds, excluding a reasonable retainage not exceeding 5 percent of the available construction proceeds of the Bonds, within 24 months of the Issue Date, and 100 percent of the available



construction proceeds of the Bonds, including all retainages, within 36 months of the Issue Date. Payment of interest on the Bonds allocable to the Bonds is treated for this purpose as an expenditure for the governmental purpose of the Bonds, and the payment of interest on the Bonds allocable to the Bonds that accrues before the date construction is substantially completed is treated as a construction expenditure, except to the extent properly allocable on a ratable basis to costs of acquiring or equipping, as opposed to constructing or renovating, the Project. The available construction proceeds of the Bonds include investment earnings (the actual investment earnings based on the election in paragraph 11(b) of the Nonarbitrage and Tax Compliance Certificate) with respect to investments in the Construction Fund. The rules with respect to the 2-year exception are set forth in Treas. Reg. §1.148-7(e). The rebate requirements apply to all gross proceeds of the Bonds as described in Section 1 of this Memorandum other than the available construction proceeds of the Bonds, notwithstanding the 2-year spending exception (subject, however, to the other exceptions described in this Section 2); provided, however, that the rebate requirements do not apply to the portion of the proceeds of the Bonds in the Construction Fund that is used to pay issuance costs if that portion is expended within 24 months of the Issue Date.

(4) Effect of Prepayments. In determining whether gross proceeds have been properly located to expenditures, a prepayment is treated as an investment, and not as an expenditure, if a principal purpose for prepaying is to receive an investment return from the time the prepayment is made until the time payment otherwise would be made. However, a prepayment is treated as an expenditure, and not as an investment, if (i) prepayments on substantially the same terms are made by a substantial percentage of persons who are similarly situated to the Issuer but who are not beneficiaries of tax-exempt financing, (ii) the prepayment is made within 90 days of the reasonably expected date of delivery of all of the property or services for which the prepayment is made, or (iii) the prepayment meets certain special rules that are applicable only to State and local government natural gas and electric utilities.

(5) Spending Exceptions Not Mandatory. The 6-month, 18-month and 2-year spending exceptions are not mandatory. For example, in computing the rebate requirements with respect to any investments allocable to subsequently arising gross proceeds described in Section 3 of this Memorandum, you may include investments allocable to gross proceeds of the Bonds in the Construction Fund, even if a spending exception applies.

(6) Accounting for Expenditures; 18-Month Rule. For purposes of the spending exceptions, and for purposes of determining the dates of receipts on nonpurpose investments for the purposes described in Section 4(c)(2) of this Memorandum, you may use any reasonable accounting method for allocating funds from different sources to expenditures for the cost of the Project and costs of issuing the Bonds, including any of the following methods, if consistently applied: a specific tracing method; a gross proceeds spent first method; a first-in, first-out method; or a ratable allocation method. However, an allocation of gross proceeds of the Bonds to an expenditure must involve a current outlay of cash occurring not later than 5 banking days after the date as of which the allocation of gross proceeds to the expenditure is made. You must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the Project is placed in service. This allocation must be made in any event by the date 60 days after the First Required Payment Date (as defined in Section 4(a) of this Memorandum). If you do not maintain books and records sufficient to establish that a particular allocation method was used, you will be deemed to have

used a specific tracing method. For example, if you requisition the Construction Fund periodically for reimbursement of the cost of the Project and costs of issuing the Bonds that you have paid since the last requisition, you may treat Bond proceeds as having been expended either on the date on which you paid a contractor (simultaneously “deallocating” a corresponding amount in the Construction Fund from Bond proceeds) or on the date of the reimbursement. However, unless you establish within the 18-month period accounting records indicating that Bond proceeds were allocated to expenditures on the date of each contractor payment, the Bond proceeds will probably not be deemed to have been expended until the requisition date, which is a specific tracing method.

3. Subsequently Arising Gross Proceeds. While it may not be anticipated that amounts other than the amounts described in Section 1 hereof will be deemed gross proceeds of the Bonds, if any amounts do become gross proceeds of the Bonds in the future (for example, upon a receipt of sale or insurance proceeds upon the sale or destruction of the Project and deposit of those proceeds in the Principal and Interest Fund such that the conditions of the exception described in 2(a) of this Memorandum will not be met), the excess of the actual aggregate amount earned on such resulting gross proceeds over the amount that would have been earned if the resulting proceeds of the Bonds had been invested at a yield equal to the yield on the Bonds, plus any income attributable to such excess, must also be rebated to the United States.

4. Rebate Procedures.

(a) Computation Dates.

The procedures for satisfying the statutory rebate requirements under Section 148(f) of the Code described in Section 1 above are set forth in final regulations at Treas. Reg. §§1.148-0 through -11 published in the Federal Register on June 18, 1993, as amended (the “Arbitrage Regulations”). In order to satisfy the minimum procedural requirements of the Arbitrage Regulations, you must compute the amount required to be paid to the United States as of the last day of each fifth Bond Year and as of the date on which the Bonds are finally retired, i.e., assuming that the Bonds remain outstanding to maturity, as of September 30, 2022, and October 1, 2027 (each a “Computation Date”).<sup>1</sup> The period between two successive Computation Dates (or between the Issue Date and the first Computation Date) is referred to in this Memorandum as a “Computation Period”).

Under the Code and the Arbitrage Regulations, the first rebate installment payment must be made for a Computation Date that is not later than 5 years after the Issue Date (the “First Required Payment Date”). Subsequent rebate installment payments must be made for

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<sup>1</sup> A “Bond Year” is any consistently applied annual period designated by you. The first and last Bond Years may be short periods. This Memorandum assumes that you will choose to designate a Bond Year coinciding with the Issuer’s fiscal year. You may also make more frequent provisional computations, e.g., as of the last day of each Bond Year, beginning September 30, 2018, and treat the date of each such computation as an additional “Computation Date.” Annual computations are generally advisable and may be required by accounting standards relating to disclosure of contingent liabilities.

respective Computation Dates each of which is not later than 5 years after the previous Computation Date for which an installment payment was made (subsequent “Required Payment Dates”). In this case, the First Required Payment Date is September 30, 2022, and the subsequent Required Payment Date, assuming that the Bonds remain outstanding to maturity, is October 1, 2027<sup>2</sup>. Each rebate payment must be made no later than 60 days after the Required Payment Date to which it relates, and, if made within that 60-day period, is treated as made on that Required Payment Date.

(b) Yield on the Bonds.

The yield on the Bonds is 3.3406677% per annum, based on semiannual compounding and a 360-day year composed of twelve 30-day months, as shown in paragraph 8 of the Nonarbitrage and Tax Compliance Certificate. That yield applies for all purposes of this Memorandum and may not be recomputed to take into account any subsequent events, including, without limitation, any early redemption or any after-acquired credit enhancement. An exception exists only in the case of a transfer, waiver, modification, or similar transaction with respect to any right that is part of the terms of a bond of the Bonds or is otherwise associated with a bond of the Bonds (e.g., a redemption right), in a transaction that is separate and apart from the original sale of the Bonds. Notwithstanding the foregoing, an interest rate swap or other hedge transaction could cause the Bonds to be treated as a variable yield issue, which would require a redetermination of the yield as of each Computation Date.

(c) Payments and Receipts on Nonpurpose Investments.

You should establish a bookkeeping system for recording all payments and receipts on nonpurpose investments of amounts treated as gross proceeds of the Bonds as described above. The following special rules apply with respect to payments and receipts on nonpurpose investments:

(1) Payments. The following payments are taken into account in the rebate computation: (i) amounts actually or constructively paid to acquire a nonpurpose investment (or treated as paid to a commingled fund); (ii) for a nonpurpose investment that is first allocated to the Bonds on a date after it is actually acquired (e.g., an investment that becomes allocated to the Bonds on the Issue Date), or that becomes subject to the rebate requirement with respect to the Bonds on a date after it is actually acquired (same example), the fair market value of the investment on that date; (iii) for a nonpurpose investment that was allocated to the Bonds at the end of the preceding Computation Period, an amount equal to the value of that investment at the beginning of the Computation Period; (iv) on the last day of each Bond Year during which there are amounts allocated to the Bonds that are subject to the rebate requirement, and on the final maturity date (including a date on which all of the Bonds are

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<sup>2</sup> You may also treat an earlier Computation Date as the First Required Payment Date. For example, you may treat September 30, 2018, as the first Required Payment Date, in which case the remaining Required Payment Dates, assuming that the Bonds remain outstanding to maturity, would be September 30, 2023, and October 1, 2027.

redeemed prior to maturity), a computation credit of \$1,000<sup>3</sup>; and (v) any yield reduction payments on nonpurpose investments made pursuant to Treas. Reg. §1.148-5(c).<sup>4</sup>

(2) Receipts. The following receipts are taken into account in the rebate computation: (i) amounts actually or constructively received from a nonpurpose investment (including amounts treated as received from a commingled fund), such as earnings and return of principal; (ii) for an investment that ceases to be allocated to the Bonds before its disposition or redemption date (e.g., in the case of a partial refunding of the Bonds) or that ceases to be subject to the rebate requirement on a date earlier than its disposition or redemption date (e.g., an investment transferred to the Principal and Interest Fund), the fair market value of that nonpurpose investment on that date; and (iii) for a nonpurpose investment that is held at the end of a Computation Period, the value of that investment at the end of that Computation Period.

(3) Value of Investments. The value of an investment (including a payment or receipt on the investment) on a date must be determined using one of the following valuation methods:

(i) Outstanding Principal Amount. A “plain par investment” may be valued at its outstanding stated principal amount, plus any accrued unpaid interest. A “plain par investment” is defined with particularity in the Arbitrage Regulations and generally includes any conventional investment not issued with an original issue discount or premium exceeding 2 percent or acquired with a market discount or premium exceeding 2 percent.

(ii) Present Value. A fixed rate investment may be valued at its present value. Yield-restricted investments must be valued at their present value.

(iii) Fair Market Value. Except for yield-restricted investments, any investment may be valued at its fair market value, as more particularly described in Section 5 of this Memorandum (certain other exceptions apply that are not expected to be applicable to the Bonds).

(4) Qualified Administrative Costs. Qualified administrative costs are taken into account in determining payments and receipts on nonpurpose investments (i.e., as increasing payments or decreasing receipts). Qualified administrative costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, record keeping, custody, and similar costs. General overhead costs and similar indirect costs such as employee salaries and office expenses

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<sup>3</sup> Under proposed regulations issued September 26, 2007, the \$1,000 computation credit would increase to \$1,400, further increased by a cost of living adjustment. Issuers may currently apply this proposed change to bond years ending after September 26, 2007.

<sup>4</sup> Treas. Reg. §1.148-5(c) permits certain yield restriction requirements with respect to gross proceeds of a bond issue to be satisfied by making periodic yield reduction payments, similar to rebate payments, to the United States. Yield reduction payments have the effect of reducing the amount of rebatable arbitrage, as described here.

are not qualified administrative costs (except in the case of investments in regulated investment companies, which may pass through such indirect costs). Costs associated with computing the rebate amount also are not qualified administrative costs. In general, administrative costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than gross proceeds of tax-exempt bonds. A broker's commission or similar fee with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow is reasonable to the extent that (i) the amount of the fee that the Issuer treats as a qualified administrative cost does not exceed the lesser of (A) \$30,000 and (B) 0.2% of the computation base or, if more, \$3,000, and (ii) for the Bonds, the Issuer does not treat as qualified administrative costs more than \$85,000 in brokers' commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with gross proceeds of the Bonds. The "computation base" is (i) for a guaranteed investment contract, the amount of gross proceeds the Issuer reasonably expects, as of the date the contract is acquired, to be deposited in the guaranteed investment contract over the term of the contract, and (ii) for investments (other than guaranteed investment contracts) to be deposited in a yield restricted defeasance escrow, the amount of gross proceeds initially invested in those investments. Certain cost of living adjustments described in Treas. Reg. §1.148-5(e)(2)(iii)(B)(3) apply to the foregoing dollar amounts.

(d) Computation of Rebate Amount.

The rebate amount with respect to the Bonds as of each Computation Date is equal to the excess of the future value, as of that date, of all receipts on nonpurpose investments over the future value, as of that date, of all payments on nonpurpose investments. The future value is determined using the economic accrual method (i.e., compounding interest at the end of each compounding period) and equals the value of the payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the yield on the Bonds, compounding semiannually and calculating interest consistently with the Bonds.

(e) Payments to the United States.

(1) Amount of Payments. The amount required to be paid to the United States within 60 days after the First Required Payment Date is equal to 90 percent of the rebate amount as of the First Required Payment Date. The amount required to be paid to the United States within 60 days after each succeeding Required Payment Date, except the final Required Payment Date, is equal to the amount that, when added to the future value (determined as described in (d) above, as of that Required Payment Date, of previous rebate payments made for the Bonds (treating such payments as made on the respective Required Payment Dates to which they relate, if the payments were timely), is equal to 90 percent of the rebate amount as of that Required Payment Date. The amount required to be paid to the United States within 60 days after the final Required Payment Date is equal to the amount that, when added to the future value, as of the final Required Payment Date, of previous rebate payments made for the Bonds, is equal to 100 percent of the rebate amount as of the final Required Payment Date. There is no provision for rounding of payments.

(2) Where and How to Make Payments. Each payment to the United States should be filed with the Internal Revenue Service Center, Ogden, Utah 84201, accompanied by Form 8038-T.

5. Fair Market Value.

(a) In General. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the nonpurpose investment becomes binding (i.e., the trade date rather than the settlement date). Except as provided below for certificates of deposit and guaranteed investment contracts, an investment that is not of a type that is traded on an established securities market is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(b) Certificates of Deposit. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal is treated as its fair market value on the purchase date if the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States and (ii) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(c) Guaranteed Investment Contracts and Investments Purchased for Yield Restricted Defeasance Escrows. The purchase price of a guaranteed investment contract (which includes any nonpurpose investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates, e.g., a forward supply contract) and the purchase price of an investment purchased for a yield restricted defeasance escrow is treated as its fair market value of the investment if all of the following requirements are satisfied:

(1) The Issuer makes a bona fide solicitation for the purchase of the investment. A bona fide solicitation is a solicitation that satisfies all of the following requirements:

(i) The bid specifications are in writing and are timely forwarded to potential providers.

(ii) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the investment.

(iii) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other formal or informal agreement that the potential provider has with the issuer or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of paragraph (2)(i) or (ii) below.

(iv) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term

other than to increase the purchase price or reduce the yield of the investment. For example, for solicitations of investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the issuer reasonably requires.

(v) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Issuer's reasonably expected deposit and draw-down schedule for the amounts to be invested.

(vi) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid.

(vii) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(2) The bids received by the Issuer meet all of the following requirements:

(i) The Issuer receives at least three bids from providers that the Issuer solicited under a bona fide solicitation meeting the requirements of paragraph (1) above and that do not have a material financial interest in the Bonds. The lead underwriter is deemed to have a material financial interest in the Bonds until 15 days after the Issue Date. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the Bonds. A provider that is a related party to a provider that has a material financial interest in the Bonds is deemed to have a material financial interest in the Bonds.

(ii) At least one of the three bids described in subparagraph (i) above is from a reasonably competitive provider, within the meaning of paragraph (1)(vii) above.

(iii) If the Issuer uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(3) The winning bid meets the following requirements:

(i) Guaranteed Investment Contracts. If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(ii) Other Investments. If the investment is not a guaranteed investment contract, the following requirements are met:

(A) The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest cost bid is either the lowest cost bid for the portfolio or, if the Issuer compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Issuer from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow

float contract) for a yield restricted defeasance escrow under a bidding procedure meeting the requirements of this subsection (c) is taken into account in determining the lowest cost bid.

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of The Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications.

(C) If State and Local Government Series Securities from the United States Department of The Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison under (B) above is not required.

(4) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment.

(5) The Issuer retains the following records with the bond documents until three years after the last outstanding Bond is redeemed:

(i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of investments other than guaranteed investment contracts, the purchase agreement or confirmation.

(ii) The receipt or other record of the amount actually paid by the Issuer for the investments, including a record of any administrative costs paid by the Issuer, and the certification under paragraph (4) above.

(iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation. For example, if the Issuer purchases a portfolio of investments for a yield restricted defeasance escrow and, in order to satisfy the yield restriction requirements of Section 148 of the Code, an investment in the winning bid is replaced with an investment with a lower yield, the Issuer must retain a record of the substitution and how the price of the substitute investment was determined. If the Issuer replaces an investment in the winning bid portfolio with another investment, the purchase price of the new investment is not covered by the safe harbor unless the investment is bid under a bidding procedure meeting the requirements of this subsection (c).

(v) For purchases of investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Se-



curities, determined at the time that the bids were required to be submitted pursuant to the terms of the bid specifications.

6. Modification of Requirements. None of the requirements of this Memorandum need be observed if the Issuer receives an opinion or opinions of nationally recognized bond counsel, in form and substance reasonably satisfactory to the Issuer, that the failure to observe the procedures set forth in this Memorandum will not cause the Bonds to become arbitrage bonds under Section 148 of the Code or otherwise adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation. Conversely, it may become necessary in the future to follow additional or modified procedures described in the writing by nationally recognized bond counsel in order to ensure that the interest on the Bonds will not be included in gross income for purposes of federal income taxation.

Please call us from time to time if you have questions relating to arbitrage rebate rules and procedures.

## **EXHIBIT B**

**\$200,000**

### **COUNTY OF OAKLAND OAKLAND COUNTY ROYAL OAK TOWNSHIP WATER SUPPLY SYSTEM IMPROVEMENTS BOND, SERIES 2017**

#### **CERTIFICATE OF THE PURCHASER**

This certificate is being delivered by Chemical Bank (the “Purchaser”), in connection with its purchase from the County of Oakland, State of Michigan (the “Issuer”), of its \$200,000 Oakland County Royal Oak Township Water Supply System Improvements Bond, Series 2017 (the “Bond”), issued pursuant to a resolution of the Board of Commissioners of the Issuer adopted on November 9, 2017. The Purchaser hereby certifies to the Issuer as follows:

1. On the date of this Certificate, the Purchaser is purchasing the Bond for the amount of \$200,000. The Purchaser is not acting as an underwriter with respect to the Bond and is not a related party to an underwriter of the Bond. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Bond (or any portion of the Bond or any interest in the Bond). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Bond and the Purchaser has not agreed with the Issuer pursuant to a written agreement to sell the Bond to persons other than the Purchaser or a related party to the Purchaser.

2. The Purchaser is extending credit as a lender in the normal course of its loan business through the purchase of the Bond for its own account in its normal and customary business practice. The Purchaser will not sell or otherwise distribute the Bond or any interest or participation therein other than in a transaction in compliance with applicable federal and state securities law.

3. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits represented by the purchase of the Bond.

4. The Purchaser understands that an official statement, prospectus, offering circular, or other comprehensive offering statement has not been provided with respect to the Bond. The Purchaser has made its own inquiry and analysis with respect to the Issuer, the Bond and the security therefor, and other material factors affecting the security for and payment of the Bond.

5. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the Issuer and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bond and the security therefor, so that it has been able to make an informed decision to purchase

the Bond; provided, however, that this letter shall not constitute a waiver of any rights or remedies the Purchaser may have with respect to any untrue information it may have received or any material information which was withheld from its review.

6. The Purchaser understands that the Bond: (i) is not registered under the Securities Act of 1933, as amended, and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) is not listed on any stock or other securities exchange, and (iii) has not been rated by any credit rating agency.

7. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage and Tax Compliance of the Issuer of even date herewith and with respect to compliance with the federal income tax rules affecting the Bond, and by Dickinson Wright PLLC, Bond Counsel, in connection with rendering its opinion that the interest on the Bond is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bond.

By: CHEMICAL BANK

By: 

Its: L. Kyle Fahrner  
Vice President  
Corporate Investment Officer

Dated: May 31, 2018

CLOSING AND NONLITIGATION CERTIFICATE OF COUNTY CLERK

LISA BROWN hereby certifies that:

1. She is the duly elected County Clerk of the County of Oakland in the State of Michigan.
2. Miscellaneous Resolution #17313 adopted by the Board of Commissioners of the County of Oakland (the "Board") on November 9, 2017, the original of which is on file in my office, relating to the issuance and sale by said County of Oakland of \$200,000 Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017, dated May 31, 2018 (the "Bonds"), has not been rescinded, amended or modified in any manner.
3. At the time of the adoption of the proceedings described in paragraph 2 hereof, the persons named therein as being members of the Board were the duly qualified and acting members of the Board.
4. To my knowledge, no litigation of any nature is now pending, or to my knowledge threatened, seeking to restrain or enjoin the issuance and delivery by the County of Oakland of the Bonds or the imposition and collection of taxes, assessments or charges, as the case may be, to pay the principal of and interest on the Bonds, or in any manner questioning the proceedings and authority under which the Bonds are issued, or the validity of the Bonds.
5. To my knowledge, neither the corporate existence or boundaries of the County of Oakland nor the title of its present officers to their respective offices is being contested and that no authority or proceedings for the issuance of the Bonds has been annulled, repealed, revoked, rescinded or amended.

  
\_\_\_\_\_  
LISA BROWN, Clerk  
County of Oakland, Michigan

Dated: May 31, 2018

CERTIFICATE AND RECEIPT OF COUNTY TREASURER

I hereby certify that:

1. I am the Treasurer of the County of Oakland, Michigan (the "County").
2. The current valuation of all the taxable property in the County as equalized by the State of Michigan is \$69,008,352,209.
3. The taxable value of all taxable property in the County is \$54,723,743,027.
4. The County has pledged its full faith and credit for the payment of contractual obligations to the Oakland County Building Authority and bonds and notes issued by the County and by drainage districts, which contractual obligations, bonds and notes are now outstanding in an aggregate amount not exceeding \$715,607,148.
5. The County Treasurer is designated bond registrar and paying agent for the Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017, dated May 31, 2018 (the "Bonds").
6. The Bonds were delivered to Chemical Bank, the purchaser thereof, on this date, the Bonds have been paid for in full by the purchaser in accordance with the terms of sale, and the said purchaser has fully complied with its contract for the purchase of the Bonds.

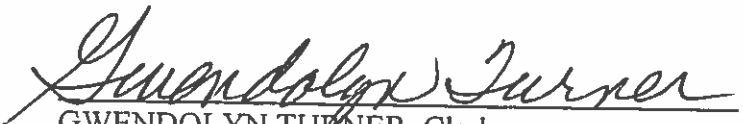
  
\_\_\_\_\_  
ANDREW E. MEISNER, Treasurer

Dated: May 31, 2018

## CERTIFICATE OF TOWNSHIP CLERK

The undersigned hereby certifies as follows:

1. I am the duly qualified and acting Clerk of the Charter Township of Royal Oak, County of Oakland, Michigan (the "Township").
2. The foregoing is a complete and correct transcript of the proceedings, records and other documents, the original or certified copies or photocopies of which are on file in the office of the Township Clerk, relating to the issuance by the County of Oakland (the "Issuer") of its Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017, dated May 31, 2018, in the aggregate principal amount of \$200,000 (the "Bonds"). The said proceedings, records and documents have not been amended, modified or supplemented except as set forth in said transcript and that the time for reconsideration of such proceedings for filing notice thereof has expired.
3. At the times of the taking of the various proceedings and the execution of the various documents by the Township that are contained in the foregoing transcript, the persons named therein (including me) as being or acting for members or officers of the Township were such duly designated, qualified and acting members or officers.
4. No litigation of any nature is now pending, or to my knowledge threatened against the Township that seeks to restrain or enjoin the issuance and delivery of the Bonds or the imposition and collection of taxes, assessments or charges, as the case may be, to be used by the Township to pay the principal and interest thereon, or that in any manner questions (i) the proceedings and authority under which the Bonds are issued; (ii) the validity of the Bonds; (iii) the legal existence or boundaries of the Township or the title of its present officers to their respective offices; or (iv) the ability of the Township to operate or that may materially affect the financial condition of the Township; and no authority or proceeding for the issuance of the Bonds has been annulled, repealed, revoked, rescinded or amended.
5. The Notice of Adoption of Resolution by Township Board Authorizing Execution of a Contract Pledging the Full Faith and Credit of the Township and Notice of Right of Referendum was duly published in Daily Tribune on the 21st day of May, 2017; and that since the publication of said notice, no petition requesting a referendum upon the contract has been filed with me or in my office

  
GWENDOLYN TURNER, Clerk  
Charter Township of Royal Oak

Dated: May 31, 2018

## ***CLOSING MEMORANDUM***

**To:** Jim Nash, Oakland County Water Resources Commissioner, 248-858-0958  
Sid Lockhart, Oakland County Water Resources, 248-858-3814  
Andrew Meisner, Oakland County Treasurer, 248-858-0624  
Natalie Neph, Oakland County Treasurer's Office, 248-858-7097  
Paul Wyzgoski, Dickinson Wright PLLC, 248-433-7255  
Diana Murphy, Dickinson Wright PLLC, 248-433-7213  
Kyle Fahrner, Chemical Bank, 989.839.5237

**From:** Steven Burke, CFA, MFCI 313-782-3011

**Date:** 5/31/2018

**Re:** \$200,000 OAKLAND COUNTY ROYAL OAK TOWNSHIP WATER SUPPLY  
SYSTEM IMPROVEMENTS BONDS, SERIES 2017

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On Thursday, May 31, 2018 at approximately 10:00 a.m., Eastern Time, CHEMICAL BANK will wire transfer Federal Reserve Funds in the amount of \$200,000 to the following wire instructions:

**Bank:** PNC BANK  
**ABA#:** 041000124  
**Acct #:** 4255065437  
**Credit:** Oakland County Treasurer

The \$200,000 is comprised of the following:

Par Amount of the Bond	<u>\$200,000.00</u>
Amount Due at Closing	<u>\$200,000.00</u>

Upon confirmation of the receipt of proceeds bond counsel will contact CHEMICAL BANK to release the bond and this issue will be closed.

Oakland County  
 Royal Oak Township Water Supply System Improvement Bonds  
Debt Service Schedule

Dated: 05/31/2018  
 Delivered: 05/31/2018  
 No Calls

\$200,000.00

Fiscal Yr	Coupon Date	Cusip #	Principal Payment	Coupon Rate	Interest Payment	Periodic Debt Service	Fiscal Debt Service	Outstanding Debt
2019	10/01/2018		15,000.00	3.340	2,245.22	17,245.22	-	185,000.00
	04/01/2019				3,089.50	3,089.50	20,334.72	185,000.00
2020	10/01/2019		20,000.00	3.340	3,089.50	23,089.50	-	165,000.00
	04/01/2020				2,755.50	2,755.50	25,845.00	165,000.00
2021	10/01/2020		20,000.00	3.340	2,755.50	22,755.50	-	145,000.00
	04/01/2021				2,421.50	2,421.50	25,177.00	145,000.00
2022	10/01/2021		20,000.00	3.340	2,421.50	22,421.50	-	125,000.00
	04/01/2022				2,087.50	2,087.50	24,509.00	125,000.00
2023	10/01/2022		20,000.00	3.340	2,087.50	22,087.50	-	105,000.00
	04/01/2023				1,753.50	1,753.50	23,841.00	105,000.00
2024	10/01/2023		20,000.00	3.340	1,753.50	21,753.50	-	85,000.00
	04/01/2024				1,419.50	1,419.50	23,173.00	85,000.00
2025	10/01/2024		20,000.00	3.340	1,419.50	21,419.50	-	65,000.00
	04/01/2025				1,085.50	1,085.50	22,505.00	65,000.00
2026	10/01/2025		20,000.00	3.340	1,085.50	21,085.50	-	45,000.00
	04/01/2026				751.50	751.50	21,837.00	45,000.00
2027	10/01/2026		20,000.00	3.340	751.50	20,751.50	-	25,000.00
	04/01/2027				417.50	417.50	21,169.00	25,000.00
2028	10/01/2027		25,000.00	3.340	417.50	25,417.50	25,417.50	
			200,000.00		33,808.22	233,808.22		



R-1

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF OAKLAND  
OAKLAND COUNTY ROYAL OAK TOWNSHIP  
WATER SUPPLY SYSTEM IMPROVEMENTS BOND, SERIES 2017

INTEREST RATE

3.34%

MATURITY DATE

October 1, 2027

DATE OF ORIGINAL ISSUE

May 31, 2018

Registered Owner: Chemical Bank  
Midland, Michigan

Principal Amount: \*\*\*\*\*\$200,000\*\*\*\*\*

The County of Oakland, State of Michigan (the "County") acknowledges itself indebted to and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the office of the Treasurer of the County of Oakland, Michigan, the bond registrar and paying agent, and to pay to the Registered Owner, as shown on the registration books at the close of business on the 15<sup>th</sup> day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount from the Date of Original Issue or such later date through which interest shall have been paid until the County's obligation with respect to the payment of such Principal Amount is discharged at the rate per annum specified above. Interest is payable on the first day of April and October in each year, commencing October 1, 2018. Principal and interest are payable in lawful money of the United States of America. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This bond is one of a series of bonds aggregating the principal sum of Two Hundred Thousand Dollars (\$200,000) issued by the County under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 342, Public Acts of 1939, as amended) and a bond authorizing resolution adopted by the Board of Commissioners of the County (the "Resolution") for the purpose of defraying part of the cost of acquiring and constructing water supply facilities to improve, enlarge and extend the Oakland County Royal Oak Township 2017 Water Supply System to serve the County and the Charter Township of Royal Oak (the "Township"). The bonds of this series are issued in anticipation of payments to be made by the Township in the aggregate principal amount of Two Hundred Thousand Dollars (\$200,000),

pursuant to the Oakland County Royal Oak Township 2017 Water Supply System Improvements Contract dated as of May 1, 2017 between the County and the Township. The full faith and credit of the Township has been pledged to the prompt payment of the foregoing amount and the interest thereon as the same become due. Taxes levied by the Township to make such payments are subject to constitutional, statutory and charter tax limitations. As additional security the full faith and credit of the County have been pledged for the prompt payment of the principal of and interest on the bonds of this series. Taxes levied by the County to pay the principal of and interest on the bonds of this series are subject to constitutional and statutory tax limitations.

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

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

#### MANDATORY PRIOR REDEMPTION

Bonds maturing in the year 2027 are subject to mandatory prior redemption at par and accrued interest as follows:

<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
October 1, 2018	\$15,000
October 1, 2019	20,000
October 1, 2020	20,000
October 1, 2021	20,000
October 1, 2022	20,000
October 1, 2023	20,000
October 1, 2024	20,000
October 1, 2025	20,000
October 1, 2026	20,000
October 1, 2027 (final maturity)	25,000

Bonds or portions of bonds to be redeemed by mandatory redemption shall be selected by lot.

#### OPTIONAL PRIOR REDEMPTION

This bond is not subject to optional redemption prior to maturity.

Not less than thirty days' nor more than sixty days' notice of redemption shall be given to the holders of bonds called to be redeemed by mail to the registered holder at the registered address; provided, however, that (i) no notice is required to be given if the holder is Chemical Bank and (ii) the failure of any holder to receive any such notice or any defect in such notice with respect to any bond or portion thereof will not affect the validity of any proceedings for the redemption of any bonds. Bonds or portions of bonds called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

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

IN WITNESS WHEREOF, the County of Oakland, Michigan, by its Board of Commissioners, has caused this bond to be executed in its name by facsimile signatures of the Chairperson of the Board of Commissioners and the County Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

COUNTY OF OAKLAND

By:

*Michael J. Chinnell*  
**SPECIMEN**

Chairperson, Board of Commissioners

And:

*Specimen*  
**SPECIMEN**

County Clerk



CERTIFICATE OF AUTHENTICATION

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

By:

  
Treasurer, County of Oakland, Michigan  
Bond Registrar and Paying Agent

AUTHENTICATION DATE: May 31, 2018

ASSIGNMENT

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

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

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

SPECIMEN

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

**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

**Part I Reporting Authority**

If Amended Return, check here ☐

1 Issuer's name <b>County of Oakland, Michigan</b>		2 Issuer's employer identification number (EIN) <b>38-6004876</b>
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see Instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) <b>1200 North Telegraph Road</b>	Room/suite	5 Report number (For IRS Use Only) <b>3</b>
6 City, town, or post office, state, and ZIP code <b>Pontiac, Michigan 48341</b>		7 Date of issue <b>05/31/2018</b>
8 Name of issue <b>Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017</b>		9 CUSIP number <b>N/A</b>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see Instructions) <b>Jim Nash, Water Resources Commissioner</b>		10b Telephone number of officer or other employee shown on 10a <b>248-858-0958</b>

**Part II Type of Issue (enter the issue price). See the instructions and attach schedule.**

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15	200,000	00
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			

**Part III Description of Obligations. Complete for the entire issue for which this form is being filed.**

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/01/2027	\$ 200,000	\$ 200,000	5.06 years	3.3406 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest	22	-0-	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	200,000	00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	17,700	00
25 Proceeds used for credit enhancement	25	-0-	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	-0-	
27 Proceeds used to currently refund prior issues	27	-0-	
28 Proceeds used to advance refund prior issues	28	-0-	
29 Total (add lines 24 through 28)	29	17,700	00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	182,300	00

**Part V Description of Refunded Bonds. Complete this part only for refunding bonds.**

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	

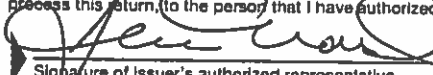

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2011)

**Part VI Miscellaneous**

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .	36a	-0-
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	37	-0-
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .		<input type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box . . . . .		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .		<input checked="" type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

<b>Signature and Consent</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	 Signature of issuer's authorized representative		5/23/18 Date	Jim Nash, Water Resources Com. Type or print name and title	
<b>Paid Preparer Use Only</b>	Print/type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Paul M. Wyzgoski		5/31/18		P01353819
	Firm's name ▶ Dickinson Wright PLLC	Firm's EIN ▶ 38-1364333			
	Firm's address ▶ 2600 West Big Beaver Road, Suite 300, Troy, Michigan		Phone no. 248-433-7255		



AFFIDAVIT OF MAILING

STATE OF MICHIGAN     )  
  ) ss  
COUNTY OF OAKLAND    )

LINDA J. JABLONSKI, being first duly sworn, says that she enclosed in an envelope the IRS FORM 8038-G for:

Re:     \$200,000 Oakland County Royal Oak Township  
        Water Supply System Improvement Bonds, Series 2017


a copy of which IRS Form 8038-G and Attachment A is attached, sealed the envelope, and addressed the envelope to INTERNAL REVENUE SERVICE CENTER, OGDEN, UTAH 84201, and caused the same to be deposited in a mail receptacle maintained by a United States post office located in Troy, Michigan 48084-3312 on the 1<sup>st</sup> day of June, 2018.

Affiant further states that she caused to be placed such amount of postage on the envelope as is required by the postal regulations to permit passage of the envelope by certified mail, return receipt requested, article no. 7016 0750 0000 9459 0560. Affiant further states that the following return address was on the envelope:

Paul M. Wyzgoski, Esq.  
Dickinson Wright PLLC  
2600 West Big Beaver Rd., Ste. 300  
Troy, MI 48084-3312

  
\_\_\_\_\_  
LINDA J. JABLONSKI

Subscribed and sworn to before me  
on the 1<sup>st</sup> day of June, 2018

  
\_\_\_\_\_  
NOTARY PUBLIC, Oakland County, Michigan  
My Commission Expires: 06-03-2020  
Acting in Oakland County

## Diana J. Murphy

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**From:** Treas\_MunicipalFinance <Treas\_MunicipalFinance@michigan.gov>  
**Sent:** Thursday, May 31, 2018 2:56 PM  
**To:** Diana J. Murphy  
**Subject:** Thank You

Your email has been received by the Municipal Finance Section at the Michigan Department of Treasury. Inquiries needing a response should be replied to within three business days. For immediate assistance, please visit our website at [Michigan.gov/MunicipalFinance](http://Michigan.gov/MunicipalFinance) or by reviewing the FAQs below:

1. We don't plan on issuing municipal securities this year. Do we still need to file a Qualifying Statement? Yes – filing a Qualifying Statement annually is statutorily required.
2. How do we file online reports? Reports to be filed online include Qualifying Statements, Prior Approval Applications, and Deficit Elimination Plans.
3. If you have questions/concerns regarding your username and password for online filing, call (517) 373-3227, option 4.
4. To review filings posted online, visit our Document Search Site.
5. Qualifying Statement determination letters will be posted online within one business day after submission. However, if the audit report has not been filed no results will be posted until it has been filed or the deadline for filing has passed. You will not receive a determination letter via email or the U.S. postal service.
6. Prior Approval Application determination letters will be emailed to you within 30 business days after submission. The determination letter and supporting documentation will also be posted online. You will not receive a determination letter via the U.S. postal service.
7. Within 15 business days after issuing a municipal security, a municipality shall file a Security Report with the Department of Treasury.
8. Deficit Elimination Plan determination letters will be emailed to you. The determination letter, plan, and supporting documentation will also be posted online. You will not receive a determination letter via the U.S. postal service.
9. I already submitted my Corrective Action Plan. Why am I being asked for a Deficit Elimination Plan? The Corrective Action Plan addresses deficiencies as noted in your Auditing Procedures Report, while the Deficit Elimination Plan addresses fund deficits as noted in your audit report.
10. Schools only need to submit an audit report to the Department of Education, which will meet the needs of both the Department of Education and the Department of Treasury.
11. Sign up for email updates from the Department of Treasury.

## Diana J. Murphy

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**From:** Diana J. Murphy  
**Sent:** Thursday, May 31, 2018 2:56 PM  
**To:** 'Treas\_MunicipalFinance@michigan.gov'  
**Cc:** Paul M. Wyzgoski  
**Subject:** 6300003892SecRpt - \$200,000 Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017  
**Attachments:** 6300003892SecRpt.pdf

Attached is the post-issuance filing required by Section 319(2) of 2001 PA 34 for the \$200,000 Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017.

Diana Murphy



2600 WEST BIG BEAVER ROAD, SUITE 300  
TROY, MI 48064-3312  
TELEPHONE: (248) 433-7200  
FACSIMILE: (844) 670-6009  
<http://www.dickinsonwright.com>

DIANA J. MURPHY  
DMurphy@dickinsonwright.com  
(248) 433-7213

May 31, 2018

*Via Email: Treas\_MunicipalFinance@michigan.gov*

Mr. Harlan Goodrich  
Michigan Department of Treasury  
Local Fiscal Accountability Division  
P.O. Box 30728  
Lansing, MI 48909

Re: \$200,000 Oakland County Royal Oak Township Water Supply System  
Improvements Bonds, Series 2017 (6300003892SecRpt)

Dear Mr. Goodrich:

Please be advised that the referenced bonds were delivered to Chemical Bank (the "Purchaser") on May 31, 2018. Enclosed for filing pursuant to Section 319(2) of Act No. 34, Public Acts of Michigan, 2001, as amended, please find a completed Security Report and a copy of each of the following documents:

1. Bond Resolution;
2. Proposal Acceptance Proceedings;
3. Bond Counsel Opinion Letter; and
4. Specimen Bond.

There was no notice of sale published or official statement prepared for this transaction. The bonds were sold directly to the Purchaser and the Purchaser purchased the bonds for its own investment portfolio and did not require an official statement.

Very truly yours,

Diana J. Murphy  
Paralegal

DJM/  
Enclosures

Troy 9007-426 2081991v1

Date	Principal	Interest Rate
10/01/18	\$15,000	3.34%
10/01/19	\$20,000	3.34%
10/01/20	\$20,000	3.34%
10/01/21	\$20,000	3.34%
10/01/22	\$20,000	3.34%
10/01/23	\$20,000	3.34%
10/01/24	\$20,000	3.34%
10/01/25	\$20,000	3.34%
10/01/26	\$20,000	3.34%
10/01/27	\$25,000	3.34%

## Attachment A to Security Report

Name of Issue

Oakland County Royal Oak Township Water Supply System Improvements Bonds, Series 2017

Troy 9007-426 2082171v1