

RESOLUTION AUTHORIZING  
1995 DEVELOPMENT BONDS, SERIES A

---

Downtown Development Authority of the City of Troy  
County of Oakland, Michigan

Minutes of a special meeting of the Board of the Downtown Development Authority of the City of Troy, County of Oakland, Michigan (the "Authority"), held on the 18th day of January, 1995, at 7:00 o'clock p.m., Eastern Standard Time.

PRESENT: Members Carley, Kennis, Kiriluk, MacLeish, Pappageorge,  
Price, Sandy, Schultz, Stine, Thompson

ABSENT: Members Jopke, Feigenbaum, Maccardini

The following preamble and resolution were offered by  
Carley and supported by Thompson :

WHEREAS, by ordinance, the City Council of the City of Troy, Michigan (the "City") has adopted a tax increment financing and development plan (hereinafter referenced as the "Plan") for the development area (hereinafter referenced as the "Development Area") as proposed by the Authority pursuant to Act 197, Public Acts of Michigan, 1975, as amended (hereinafter referenced as the "Act"); and

WHEREAS, the Authority proposes to enter into a Development Agreement (the "Development Agreement") with Frankel/Forbes-Cohen Associates, a Michigan co-partnership (the "Developer") which concerns in part the construction of a regional shopping mall (the "Mall") by the Developer; and

WHEREAS, the Authority determines that it is necessary and appropriate at this time to issue two series of bonds pursuant to

Section 16(2) of the Act to finance part of the project costs of the Plan (hereinafter referenced as the "Project") which include the acquisition of a Parking Structure; and

WHEREAS, Chapter III, Section 2(1)(b) of Act 202 of the Public Acts of Michigan, 1943, as amended provides that bonds may be sold at private sale if they are part of an authorized issue of Twelve Million Dollars or more or are otherwise statutorily exempt from public sale; and

WHEREAS, the proposed series of bonds are otherwise statutorily exempted from the requirements of competitive sale; and

WHEREAS, McDonald & Company Securities Inc. (as representative of an underwriting syndicate to be later determined) (the "Underwriter") has expressed an interest in purchasing the bonds authorized by this resolution subject to the approval and execution of a Bond Purchase Agreement (the "Agreement"); and

WHEREAS, the Bonds will be issued in accordance and in conformity with a Trust Indenture, dated as of February 1, 1995, by and between the Authority and Old Kent Bank and Trust Company, Grand Rapids, Michigan, as Trustee (hereinafter the "Trustee" and "Indenture").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The estimated period of usefulness of the Project is not less than thirty (30) years and the part of the cost of the Project to be financed from bonds, including financing costs is determined to be not less than Eighteen Million Five Hundred Thousand Dollars (\$18,500,000).

2. The Authority has estimated that the tax increment revenue, as defined in the Act (the "Tax Increment Revenues"), will, commencing with the year beginning July 1, 1994, be for the years as shown, as set forth in Exhibit A to this resolution, which estimate is hereby ratified and confirmed. The term "Tax Increment Revenues" as used in this resolution shall include any revenues received by the City in substitution for ad valorem property taxes which would otherwise be a part of Tax Increment Revenues including state paid reimbursements for property tax exemptions and taxes levied in lieu of property taxes.

3. Bonds of the Authority shall be issued in the amount of Eleven Million Five Hundred Thousand Dollars (\$11,500,000) or such other amount as shall be approved in the resolution approving the Bonds (the "Sales Resolution") in anticipation of the collection of the Tax Increment Revenues derived from the Development Area (exclusive of Tax Increment Revenues derived from the Mall).

4. The bonds shall be designated 1995 DEVELOPMENT BONDS, SERIES A, shall consist of bonds in fully registered form, denomination, maturity, numbered at rates of interest, redeemable prior to maturity, dated and payable as provided in the Indenture and Sales Resolution.

Interest on the bonds shall be payable to the registered owner of record as provided in the Indenture.

5. The bonds of this issue shall be in the form set forth in the Indenture. Old Kent Bank and Trust Company, Grand Rapids, Michigan, is hereby appointed to serve as trustee, bond registrar, paying agent and transfer agent (the "Transfer Agent"). No bond

shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Chairman of the Authority upon payment of the purchase price for the bonds in accordance with the bid therefor when accepted.

The Transfer Agent shall keep the books of registration for this issue on behalf of the Authority. Any bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond or bonds shall be surrendered for transfer, the Authority shall unless otherwise provided by the Indenture execute and the Transfer Agent shall authenticate and deliver a new bond or bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

Unless waived by any registered owner of bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the Authority. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the

called amounts of each certificate; the place where bonds called for redemption are to be surrendered for payment; and that interest on bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

6. There shall be established and maintained a fund to be designated "Troy Downtown Development Authority Bond Fund" (the "Bond Fund"). The Bond Fund shall consist of such subaccounts as are required by the Indenture. Into the Bond Fund there shall be placed the accrued interest and premium, if any, received at the time of delivery of the bonds and such capitalized interest as may be provided in the Sales Resolution. Commencing in the year beginning July 1, 1994 there shall be paid into the Bond Fund the prorated first collections of Tax Increment Revenues (exclusive of Tax Increment Revenues derived from the Mall) each year until the amount on hand in the Bond Fund, including any amounts on hand in the fund available for payment of current principal of and interest on the bonds, is equal to all payments of principal and interest coming due prior to the next collection of taxes. There shall be established with the Trustee a special fund to be entitled "Troy Downtown Development Authority Series A Reserve Fund" (herein the

"Bond Reserve Fund"). After provision for the payment of current principal and interest requirements as are set forth herein the next collections of Tax Increment Revenues shall be deposited in the Bond Reserve Fund sufficient monies so that the amount in the Bond Reserve Fund shall equal the lesser of (1) the maximum annual debt service due on the bonds in the current or any future year, (2) 125% of the average annual debt service due on the bonds, or (3) 10% of the principal amount of the bonds. Interest on the Bond Reserve Fund must be transferred into the Bond Fund once the foregoing amount has been reached.

Except as otherwise provided in this Section, the moneys credited to the Bond Reserve Fund shall be used solely for the payment of the principal of and interest on the bonds as to which there would otherwise be a default. It at any time it shall be necessary to use moneys credited to the Bond Reserve Fund for such payment, then the moneys so used shall be replaced from the Tax Increment Revenues first received thereafter which are not required for current principal and interest requirements until the amount on deposit shall equal the amounts set forth in this Section. If on any April 15th or October 15th the amount in the Bond Reserve Fund exceeds the maximum amount authorized herein, the excess shall be transferred to the Bond Fund for payment of principal and interest on the bonds due on the next principal payment date.

The Authority shall issue on date even herewith its 1995 Development Bond Series B in the estimated principal amount of Seven Million Dollars (\$7,000,000) (the "Series B Bonds"). The Series B Bonds shall be secured as provided in the Indenture.

The Authority reserves the right to issue additional bonds of equal standing with the bonds as to the Tax Increment Revenues from the Development Area, subject to the limitations set forth in Section 16(2) of the Act and the Indenture.

7. The Treasurer of the Authority shall credit the accrued interest and premium, if any, received upon delivery of the bonds and capitalized interest to the Debt Retirement Fund and shall credit the balance of the proceeds less issuance costs to an Escrowed Construction Fund which is hereby directed to be established in accordance with the Indenture. Money in the Escrowed Construction Fund shall be used solely as provided in the Indenture.

8. The Indenture shall provide for the deposit of the bond proceeds in the Escrowed Construction Fund created as provided in section 7 hereof and the Indenture and the disbursement of said moneys in the Escrowed Construction Fund in accordance with the Indenture and the Development Agreement. The disposition of income generated by the investment of the Escrowed Construction Fund and any surplus moneys remaining in the Escrowed Construction Fund shall be in accordance with the Indenture.

9. The Chairman and Secretary of the Authority or either of them be and are authorized to execute on behalf of the Authority the Indenture and any documents or certificate necessary to effectuate the Indenture.

10. The Chairman and Secretary of the Authority or either of them be and are authorized to execute a preliminary official

statement or similar disclosure document which may be necessary to offer the bonds for sale.

11. The Chairman and Secretary of the Authority or either of them be and are authorized to execute on behalf of the Authority the Agreement and any document, certificate, or assignment necessary to properly authorize and deliver the bonds to the Underwriter.

12. The Chairman and Secretary of the Authority or either of them be and are authorized on behalf of the Authority to file an application for prior approval to issue the bonds and any applicable waivers necessary with the Municipal Finance Division of the Michigan Department of Treasury, or, if applicable, file a Notice of Intent to Issue an Obligation for an exception from prior approval and pay the fee related thereto.

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

AYES: Members Carley, Kennis, Kiriluk, MacLeish, Pappageorge,  
Price, Sandy, Schultz, Stine, Thompson

NAYS: Members None

ABSENT: Jopke, Feigenbaum, Maccardini

RESOLUTION DECLARED ADOPTED.

  
Secretary



I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Downtown Development Authority of the City of Troy, County of Oakland, State of Michigan, at a special meeting held on January 18, 1995, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.


  
Secretary

EXHIBIT A

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF TROY  
TAX INCREMENT CASH FLOW PROJECTION

<u>Annual Period Ended</u>	<u>Tax Increment Receivable</u>
1994	\$ 293,892
1995	517,404
1996	753,682
1997	1,138,329
1998	1,509,710
1999	1,822,835
2000	2,036,479
2001	2,256,162
2002	2,482,058
2003	2,714,346
2004	2,953,210
2005	3,198,840
2006	3,451,430
2007	3,711,181
2008	3,978,300
2009	4,252,999
2010	4,535,497
2011	4,826,019
2012	5,124,797
2013	5,432,069
2014	5,748,080
2015	6,073,084
2016	6,407,340
2017	6,751,116
2018	7,104,687

DEFS2\325852.2\091096-00007