

SUBJECT: Approval of Resolution Authorizing \$16,000,000 2008 Unlimited Tax General Obligation Library Bonds

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL:

Attached is the resolution authorizing the 2008 Unlimited Tax General Obligation Library Bonds pursuant to the Library Bond Proposal that was passed by the voters on November 6, 2007.

From April 1, 2008 through early, Finance staff will be working with the Financial Advisor to prepare the Preliminary Bond Official Statement. During May 2008, the City will solicit competitive bids for the bond sale. Currently, we are projecting the City Council meeting of June 9, 2008 for the *Resolution Approving the Sale of Bonds*.

The Finance Department requested the Financial Advisor to update the *Schedule of Principal and Interest Requirements* which is attached and was used in the preparation of the attached resolution. The changes in the assumptions are as follows:

- The projected interest rate is estimated at 4.75%
- The taxable value for 2008-9 fiscal year is based on the most recent estimate, net of adjustments for write-off of PPT, tax tribunal and Michigan Tax Tribunal cases
- The taxable value assumption for 2009-10 and 2010-11 fiscal years is estimated at zero growth
- The taxable value growth rate for fiscal years beyond 2011 is assumed at 2.5%

The City's total tax rate of 10.5416 mils will be maintained by incorporating the Library Debt Service with the existing City levy. With these changes the average annual debt millage is estimated at 0.3014, which more closely reflects current market conditions.

RECOMMENDED ACTION: Approval of Resolution Authorizing 2008 Unlimited Tax General Obligation Library Bonds

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Capello				
Council Member Crawford				
Council Member Gatt				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

Bendzinski & Co.

municipal finance advisors

February 6, 2008

*Clay -
FYE for
use on preparing
resolutions
KBR*

Via E-mail

Mr. Patrick F. McGow
Miller, Canfield, Paddock and Stone, P.L.C.
150 W. Jefferson, Suite 2500
Detroit, Michigan 48226

RE: 16,000,000 City of Novi, County of Oakland, State of Michigan, General Obligation
Unlimited Tax (Library) Bonds, Series 2008

Dear Pat:

We are enclosing the following, on the above referenced issue:

1. A Schedule of Principal and Interest Requirements; and
2. Bond specifications.

We are requesting that you begin preparing the necessary resolutions, documents, etc. and forward them to the City, so that they may adopt the same.

Should you have any questions or require any additional information, please do not hesitate to call.

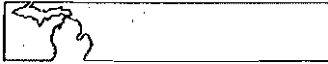
Sincerely,

BENDZINSKI & CO.
Municipal Finance Advisors


Robert J. Bendzinski, CIFA

RJB/jll
Enclosures
cc: Kathy Smith-Roy
S:\Clients\City\Novi\00-010 Library\bondssecs.lwp

Bendzinski & Co.



municipal finance advisors

TERM BOND OPTION: Bidders shall have the option of designating bonds maturing in the years 2019 through 2027, inclusive, as serial bonds, or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2019 through 2027, inclusive, represent a serial maturity or a mandatory redemption requirement for a term bond maturity. In any event, the above principal amount schedule for the years 2019 through 2027, inclusive, shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

PURPOSE: The Bonds are being issued for the purpose of paying the cost of replacing the existing library building by acquiring, furnishing and equipping a new library building to be located on the existing library property.

LEGALITY: The unqualified approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, will be furnished without expense to the original purchaser of the Bonds. A copy of the opinion will be printed on the reverse side of each Bond.

GOOD FAITH: Please provide that a certified or cashier's check or a Financial Surety Bond payable to the order of the Treasurer, in the amount of 1% of the par value of the Bonds, must be submitted with each bid.

Please incorporate in the text of the Good Faith section of the Official Notice of Sale that good faith checks will be promptly returned to each bidder's representative or by overnight courier service.

QUALIFIED TAX-EXEMPT OBLIGATIONS: Please provide that the City will not designate the Bonds as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of the Tax Reform Act of 1986.

PRINTING AND DELIVERY: The City will furnish Bonds for delivery in Detroit, Michigan, or any other place mutually agreeable. Delivery of the Bonds shall be within 45 days from the date of sale of the Bonds.

PUBLICATION OF THE NOTICE OF SALE: Please provide in the bond resolution that the Notice of Sale will be published in The Bond Buyer.

OFFICIAL STATEMENTS: Please provide in the Official Notice of Sale that Bendzinski & Co., Municipal Finance Advisors, will provide the winning bidder with 100 final Official Statements within 7 business days from the date of sale to permit the underwriter to comply with Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by Bendzinski & Co. upon request and agreement by the underwriter to pay the cost of additional copies. Request for additional copies should be made to Bendzinski & Co. within 24 hours of the date of sale.

Bendzinski & Co.



municipal finance advisors

CONTINUING DISCLOSURE: Please provide in the Bond Resolution that the City will enter into an Undertaking Agreement with the winning bidder in order to comply with Securities and Exchange Commission Rule 15c2-12 paragraph (b)(5) regarding continuous disclosure.

BIDDING LOCATIONS: Please provide in the Notice of Sale that the bids will be accepted at the offices of Bendzinski & Co., the City of Novi, and electronically by way of Parity.

Please incorporate in the text of the Official Notice of Sale that further information relative to the Bond issue may be obtained from Bendzinski & Co., Municipal Finance Advisors, 607 Shelby, Suite 600, Detroit, Michigan 48226-3282. Telephone: (313) 961-8222. FAX: (313) 961-8220.

RJB/jll

2/6/2008

S:\Clients\City\Novi\00-010 Library\bondspecs.hwp

Bendzinski & Co.



municipal finance advisors

\$16,000,000
 CITY OF NOVI
 COUNTY OF OAKLAND, STATE OF MICHIGAN
 GENERAL OBLIGATION UNLIMITED TAX (LIBRARY) BONDS, SERIES 2008

**20 YEAR
 SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy July 1	Principal Due October 1	Interest Rate	Interest Due October 1	Interest Due Next April 1	Total Principal & Interest Requirements	Taxable Value in \$,000	Annual Millage Required
2008	\$0	4.750%	\$253,333 *	380,000	\$633,333	\$3,509,404	0.1805
2009	0	4.750%	380,000	380,000	760,000	3,509,404	0.2166
2010	250,000	4.750%	380,000	374,063	1,004,063	3,509,404	0.2861
2011	500,000	4.750%	374,063	362,188	1,236,250	3,597,139	0.3437
2012	500,000	4.750%	362,188	350,313	1,212,500	3,687,068	0.3289
2013	500,000	4.750%	350,313	338,438	1,188,750	3,779,244	0.3145
2014	500,000	4.750%	338,438	326,563	1,165,000	3,873,725	0.3007
2015	500,000	4.750%	326,563	314,688	1,141,250	3,970,569	0.2874
2016	750,000	4.750%	314,688	296,875	1,361,563	4,069,833	0.3345
2017	750,000	4.750%	296,875	279,063	1,325,938	4,171,579	0.3179
2018	750,000	4.750%	279,063	261,250	1,290,313	4,275,868	0.3018
2019	750,000	4.750%	261,250	243,438	1,254,688	4,382,765	0.2863
2020	1,000,000	4.750%	243,438	219,688	1,463,125	4,492,334	0.3257
2021	1,000,000	4.750%	219,688	195,938	1,415,625	4,604,642	0.3074
2022	1,000,000	4.750%	195,938	172,188	1,368,125	4,719,758	0.2899
2023	1,250,000	4.750%	172,188	142,500	1,564,688	4,837,752	0.3234
2024	1,250,000	4.750%	142,500	112,813	1,505,313	4,958,696	0.3036
2025	1,500,000	4.750%	112,813	77,188	1,690,000	5,082,663	0.3325
2026	1,500,000	4.750%	77,188	41,563	1,618,750	5,209,730	0.3107
2027	1,750,000	4.750%	41,563	0	1,791,563	5,339,973	0.3355
	<u>\$16,000,000</u>		<u>\$5,122,083.33</u>	<u>\$4,868,750.00</u>	<u>\$25,990,833.33</u>		

Average 0.3014

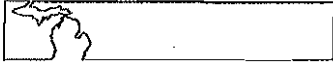
ASSUMPTIONS

Bonds dated	06/01/2008
Principal due	10/01/2010
First interest payment date	10/01/2008 *
Number of days	120 *
Subsequent interest payment dates	04/01/2009
Number of days	180
Projected interest rate	4.750%
2008 Taxable Value (adjusted)	\$3,509,404,830
Growth Rate in Taxable Value	2.50% * No growth in the years 2009 and 2010. Two and a half thereafter.

RJB
 02/13/08REVISED

**607 Shelby, Suite 600, Detroit, Michigan 48226-3206
 PHONE: (313) 961-8222 FAX: (313) 961-8220**

The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.

Bendzinski & Co.**municipal finance advisors****\$16,000,000****CITY OF NOVI****COUNTY OF OAKLAND, STATE OF MICHIGAN****GENERAL OBLIGATION UNLIMITED TAX (LIBRARY) BONDS, SERIES 2008**

Dated:	June 1, 2008	Maximum Interest Rate:	6% 2% Spread
Principal Due:	October 1, Serially	Maximum Discount Permitted:	1%
Denomination:	\$5,000 or any integral multiple thereof up to the amount of a single maturity	Multiples:	1/8 or 1/20 of 1%
Registration:	Book-Entry-Only	Qualified Tax Exempt Obligations:	No

MATURITIES

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2010	\$250,000	2015	\$500,000	2020	\$1,000,000	2024	\$1,250,000
2011	500,000	2016	750,000	2021	1,000,000	2025	1,500,000
2012	500,000	2017	750,000	2022	1,000,000	2026	1,500,000
2013	500,000	2018	750,000	2023	1,250,000	2027	1,750,000
2014	500,000	2019	750,000				

REGISTRATION, TRANSFER AND PAYING AGENT: Principal (October 1) shall be payable at The Bank of New York Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than 60 days prior to any change in transfer agent. Interest (April 1 and October 1) shall be paid by check mailed to the owner as shown by the registration books of the City 15 days prior to any interest payment date. The Bonds will be transferable only upon the registration books of the City kept by the transfer agent. The first interest payment will be due October 1, 2008.

OPTIONAL BONDS: Bonds maturing in years 2010 to 2018, inclusive, shall not be subject to redemption prior to maturity.

Bonds maturing in the years 2019 to 2027, inclusive, shall be subject to redemption prior to maturity, at the option of the City, in such order as the City shall determine, on any date on or after October 1, 2018, at par and accrued interest.

**RESOLUTION AUTHORIZING
2008 UNLIMITED TAX GENERAL OBLIGATION LIBRARY BONDS**

City of Novi
County of Oakland, State of Michigan

Minutes of a regular meeting of the City Council of the City of Novi, County of Oakland, State of Michigan, held on February 25, 2008, at 7:00 o'clock p.m., Eastern Standard Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the qualified electors of the City of Novi, County of Oakland, State of Michigan (the "Issuer"), at the election duly called and held on November 6, 2007, did by more than the required majority of those voting approve the following proposition:

Library Bond Proposition

Shall the City of Novi, County of Oakland, Michigan, borrow a sum of not to exceed Sixteen Million Dollars (\$16,000,000) and issue its general obligation unlimited tax bonds, payable in not to exceed twenty (20) years from the date of issuance, for the purpose of paying the cost of replacing the existing library building by acquiring, constructing, furnishing and equipping a new library building to be located on the existing library property, including all related demolition, site improvements, appurtenances and attachments for use by the Novi Public Library? The estimated millage to be levied in 2008 is 0.20 mill (\$0.20 per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds is 0.26 mills (\$0.26 per \$1,000 of taxable value).

WHEREAS, in pursuance of the authority granted by Act 279, Public Acts of Michigan, 1909, as amended, the City Charter and the approving vote of the electors of the Issuer, it is the determination of the City Council that at this time unlimited tax general obligation bonds shall be issued in the principal amount of Sixteen Million Dollars (\$16,000,000) to pay the costs of the project described in the proposition above (the "Project").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the Issuer designated 2008 UNLIMITED TAX GENERAL OBLIGATION LIBRARY BONDS (the "Bonds") are authorized to be issued in the aggregate principal sum of Sixteen Million Dollars (\$16,000,000) for the purpose of paying the cost of the Project, including the cost incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of \$5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of June 1, 2008. The Bonds shall bear interest, mature, and be payable at the times and in the manner set forth in Sections 6 and 7 hereof.

The Bonds shall be subject to redemption prior to maturity in the manner and at the times and prices set forth in Sections 6 and 7 hereof.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable upon presentation and surrender to the Transfer Agent.

The Bonds may be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the City Manager and Finance Director are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond form within the parameters of this resolution as may be required to accomplish the foregoing.

The Bank of New York Trust Company, N.A. is hereby appointed to serve as bond registrar, paying agent and transfer agent (the "Transfer Agent") for this issue. The Issuer reserves the right to replace the Transfer Agent at any time upon written notice to the registered owners of record of the Bonds not less than sixty (60) days prior to an interest payment date.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and Clerk of the Issuer and shall have the seal of the Issuer, or a facsimile thereof, printed or impressed on the Bonds. 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 City Manager or Finance Director of the Issuer upon payment of the purchase price for the Bonds in accordance with the bid when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the Issuer. 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 Issuer shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

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 Issuer. 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 the Bonds called for redemption are to be surrendered for payment; and that interest on the 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.

4. Debt Retirement Fund; Unlimited Tax Pledge; Defeasance of Bonds. The Treasurer is authorized and directed to open a depository account with a bank or trust company designated by the City Council, to be designated 2008 UNLIMITED TAX GENERAL OBLIGATION LIBRARY BONDS DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature. The Issuer hereby pledges its unlimited tax full faith and credit for the prompt payment of the Bonds. All proceeds from taxes levied for the Debt Retirement Fund shall be deposited into the Debt Retirement Fund as collected. Commencing with the year 2008, there shall be levied upon the tax rolls of the Issuer for the purpose of the Debt Retirement Fund each year, in the manner required by the provisions of Act 34, Public Acts of Michigan, 2001, as amended, an amount sufficient so that the estimated collection therefrom will be sufficient to promptly pay, when due, the principal of and interest on the Bonds becoming due prior to the next annual tax levy; provided, however, that if at the time of making any such annual tax levy there shall be other funds available or surplus moneys on hand in the Debt Retirement Fund for the payment of principal of and interest on the Bonds, then credit therefor may be taken against such annual levy for the Debt Retirement Fund.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to

receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Construction Fund. The Treasurer is authorized and directed to open a separate depository account with a bank or trust company designated by the City Council, to be designated 2008 UNLIMITED TAX GENERAL OBLIGATION LIBRARY BONDS CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND

CITY OF NOVI
2008 UNLIMITED TAX GENERAL OBLIGATION LIBRARY BOND

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Date of</u> <u>Original Issue</u>	<u>CUSIP</u>
	October 1, _____	June 1, 2008	

Registered Owner:

Principal Amount: Dollars

The City of Novi, County of Oakland, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on October 1, 2008, and semiannually thereafter. Principal of this bond is payable at the corporate trust office of The Bank of New York Trust Company, N.A., in Detroit, Michigan, or other designated office, or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the Issuer kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the Issuer are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$16,000,000, for the purpose of paying part of the cost of replacing the existing library building by acquiring, constructing, furnishing and equipping a new library building to be located on the existing library property, including all related demolition, site improvements, appurtenances and attachments for use by the Novi Public Library and paying costs incidental to the issuance of the series of bonds in pursuance of a vote of the qualified electors of the Issuer voting thereon at an election duly called and held on November 6, 2007.

Bonds of this issue maturing in the years 2010 to 2018, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds of this issue in multiples of \$5,000 maturing in the years 2019 to 2027, inclusive, shall be subject to redemption prior to maturity, at the option of the Issuer, in any order of maturity and by lot within any maturity, on any date on or after October 1, 2018, at par plus accrued interest to the date fixed for redemption.

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

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

This bond is transferable only upon the registration books of the Issuer kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond is payable out of the Issuer's Debt Retirement Fund for this issue and in order to make such payment, the Issuer is required each year to levy taxes on all taxable property within the boundaries of the Issuer for such payment, without limitation as to either rate or amount.

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

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

IN WITNESS WHEREOF, the Issuer, by its City Council, has caused this bond to be signed in the name of the Issuer by the facsimile signatures of its Mayor and Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF NOVI
County of Oakland
State of Michigan

By _____ [facsimile] _____

Its Mayor

(SEAL)

By _____ [facsimile] _____

Its Clerk

(Form of Transfer Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

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

THE BANK OF NEW YORK TRUST COMPANY, N.A.
Detroit, Michigan
Transfer Agent

By _____

Authorized Signatory

[Bond printer to insert form of assignment]

7. Notice of Sale. Upon selection of the date of sale by the City Manager or Finance Director, the City Clerk shall cause the publication of the notice of sale of the Bonds in *The Bond Buyer*, New York, New York, which notice of sale shall be in substantially the following form:

OFFICIAL NOTICE OF SALE

\$16,000,000

CITY OF NOVI
COUNTY OF OAKLAND, STATE OF MICHIGAN
2008 UNLIMITED TAX GENERAL OBLIGATION LIBRARY BONDS

SEALED BIDS: Bidders may submit sealed bids for the purchase of the above bonds at the offices of Bendzinski & Co., Municipal Finance Advisors, 607 Shelby, Suite 600, Detroit, Michigan 48226-3282 on Monday, the 9th day of June, 2007 until 2:00 p.m., prevailing Eastern Time at which time and place said bids will be publicly opened and read.

FAXED BIDS: Signed bids may be submitted by fax to Bendzinski & Co. at (313) 961-8220; provided that faxed bids must arrive before the time of sale and the bidder bears all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the section contained "GOOD FAITH" below.

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

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

BOND DETAILS: The bonds will be registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of June 1, 2008, numbered in order of registration, and will bear interest from their date payable on October 1, 2008, and semiannually thereafter.

Subject to adjustment as described below, the bonds will mature on the 1st day of October in each of the years, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2010	\$250,000	2019	\$ 750,000
2011	500,000	2020	1,000,000
2012	500,000	2021	1,000,000
2013	500,000	2022	1,000,000
2014	500,000	2023	1,250,000
2015	500,000	2024	1,250,000
2016	750,000	2025	1,500,000
2017	750,000	2026	1,500,000
2018	750,000	2027	1,750,000

***ADJUSTMENT OF TOTAL PAR AMOUNT OF BONDS AND PRINCIPAL MATURITIES:** Following receipt of bids and prior to final award, the City reserves the right to increase or decrease the aggregate principal amount of the issue by an amount not to exceed \$500,000. The increase or decrease will be in increments of \$5,000, will not exceed \$100,000 per maturity and may be made in any maturity. The purchase price will be adjusted proportionately to the increase or decrease in issue size, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

PRIOR REDEMPTION OF BONDS: Bonds maturing in the years 2010 to 2018, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the years 2019 to 2027, inclusive, shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after October 1, 2018, at par and accrued interest to the date fixed for redemption.

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

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

TERM BOND OPTION: Bidders shall have the option of designating bonds maturing in the years 2019 through 2027, inclusive as serial bonds or term bonds or both. The bid must

designate whether each of the principal amounts shown above for the years 2019 through 2027, inclusive, represent a serial maturity or a mandatory redemption requirement for a term bond maturity. In any event, the above principal amount schedule for the years 2019 through 2027, inclusive shall be represented by either serial bond maturities or mandatory redemption requirements or a combination of both. Any such designation must be made at the time bids are submitted.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed two percent (2%) per annum. No proposal for the purchase of less than all of the bonds or at a price less than 99% or greater than 103% of their par value will be considered.

BOOK-ENTRY ONLY: The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. It shall be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds. The book-entry-only system is described further in the preliminary Official Statement for the bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the principal corporate trust office of The Bank of New York Trust Company, N.A., Detroit, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the City as of the 15th day of the month prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The bonds were authorized at an election held on November 6, 2007 for the purpose of paying the cost of certain library improvements. The bonds will pledge the full faith and credit of the City for payment of the principal and interest thereon and will be payable from ad valorem taxes which may be levied without limitation as to rate or amount. The rights or remedies of bondholders may be affected by bankruptcy insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust

company or a Financial Surety Bond, in the amount of \$160,000, and payable to the order of the Treasurer of the City is required for each bid as a guaranty of good faith on the part of the bidder, to be forfeited as a portion of the City's damages if such bid be accepted and the bidder fails to take up and pay for the bonds. If a check is used, it must accompany each bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Michigan and such Bond must be submitted to the City's financial advisor prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose good faith deposit is guaranteed by such Financial Surety Bond. If the bonds are awarded to a bidder utilizing a Financial Surety Bond, then that purchaser (the "Purchaser") is required to submit its good faith deposit to the City in the form of a cashier's check (or wire transfer such amount as instructed by the City not later than Noon, Eastern Standard Time, on the next business day following the award. If such good faith deposit is not received by that time, the Financial Surety Bond may be drawn upon by the City to satisfy the good faith deposit requirement. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check and checks of the unsuccessful bidders will be returned to each bidder's representative or by overnight delivery. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on October 1, 2008 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to June 1, 2008, in an amount equal to the price bid, excluding accrued interest.

TAX MATTERS: In the opinion of bond counsel, assuming compliance with certain covenants, interest on the bonds is excluded from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation in the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof and pursuant to the Michigan Business Tax Act, Act 36, Public Acts of Michigan, 2007, certain taxpayers may have to take into account interest on the bonds in determining Michigan Business Tax liability as described in the opinion.

"ISSUE PRICE" CERTIFICATE: The successful bidder will be required to furnish, prior to the delivery of the bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and

Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser at New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, Eastern Standard Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw his proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

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

OFFICIAL STATEMENT: A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Bendzinski & Co., Municipal Finance Advisors, financial advisors to the City, at the address and telephone listed under FINANCIAL ADVISOR below. Bendzinski & Co., will provide the winning bidder with 100 final Official Statements within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Additional copies of the Official Statement will be supplied by Bendzinski & Co., upon request and agreement by the purchaser to pay the cost of additional copies. The request for additional copies should be made to Bendzinski & Co. within 24 hours of the time of sale.

BOND INSURANCE AT PURCHASER'S OPTION. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchaser of insurance shall be paid by the purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND

INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the last day of the sixth month after the end of the fiscal year of the City, commencing with the fiscal year ended June 30, 2008, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

FINANCIAL ADVISOR: Further information relating to the bonds may be obtained from Bendzinski & Co., Municipal Finance Advisors, 607 Shelby, Suite 600, Detroit, Michigan 48226-3282. Telephone (313) 961-8222, FAX (313) 961-8220.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for 2008 Unlimited Tax General Obligation Library Bonds."

Maryanne Cornelius
City Clerk
City of Novi

8. Estimated Useful Life. The estimated period of usefulness of the Project is hereby declared to be not less than twenty (20) years..

9. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds.

10. Continuing Disclosure. The City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the City Manager and Finance Director are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

11. Official Statement; Qualification for Insurance; Ratings. The City Manager and Finance Director each is authorized and directed to cause the preparation and circulation of a preliminary and final Official Statement with respect to the Bonds; to procure a policy of municipal bond insurance with respect to the Bonds or cause the qualification of the Bonds therefor if, upon the advice of the financial advisor to the City, the acquisition of such insurance would be of economic benefit to the City; to obtain ratings on the Bonds; and to take all other actions necessary or advisable, and to make such other filings with the Michigan Department of Treasury or with other parties, to enable the sale and delivery of the Bonds as contemplated herein.

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

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

Maryanne Cornelius
City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, State of Michigan, at a regular meeting held on February 25, 2008, 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.

Maryanne Cornelius
City Clerk

DELIB:2941041.1\065576-00090