

CITY OF WYANDOTTE, MICHIGAN
CERTIFIED RESOLUTION

REGULAR MEETING OF THE MAYOR AND COUNCIL OF THE CITY OF WYANDOTTE, WAYNE COUNTY, MICHIGAN, HELD IN THE COUNCIL CHAMBERS, OF THE MUNICIPAL BUILDING.

UNDER THE DATE OF: August 24, 2015

MOVED BY: Councilperson Schultz SUPPORTED BY: Councilperson VanBoxell

RESOLVED by the City of Wyandotte City Council that Council concurs with the Wyandotte Municipal Services Commission request for approval of the Amended and Restated Electric Revenue Bond Ordinance with such additions as may be required by a Rating Agency or a Bond Insurer, as follows,

City of Wyandotte
County of Wayne, State of Michigan

AMENDED AND RESTATED
ELECTRIC SYSTEM REVENUE BOND ORDINANCE

AN AMENDED AND RESTATED ORDINANCE TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE OF CITY OF WYANDOTTE ELECTRIC SYSTEM REVENUE BONDS UNDER THE PROVISIONS OF ACT 94, PUBLIC ACTS OF MICHIGAN, 1933, AS AMENDED FOR THE PURPOSES OF PAYING COSTS OF ACQUISITION, CONSTRUCTION, IMPROVEMENT, ENLARGEMENT, EXTENSION OR REPAIR OF THE CITY OF WYANDOTTE ELECTRIC SYSTEM AND REFUNDING OUTSTANDING ELECTRIC SYSTEM REVENUE BONDS; TO PROVIDE FOR THE RETIREMENT AND SECURITY OF THE BONDS HEREIN AUTHORIZED; AND TO PROVIDE FOR RELATED MATTERS.

THE CITY OF WYANDOTTE ORDAINS:

Section 1. Definitions. All terms not defined herein shall have the meanings set forth in this Ordinance, and whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) “acquire,” “acquiring” and “acquired” shall include acquisition by purchase, construction or any other method.
- (b) “Act 34” means the revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended.
- (c) “Act 94” means Act 94, Public Acts of Michigan, 1933, as amended.

(d) “Additional Bonds” means any additional bonds of equal standing with the outstanding Senior Lien Bonds (including the Series 2015 Bonds) issued pursuant to Section 21 of this Ordinance.

(e) “Aggregate Debt Service” for any period means, as of any date of calculation by the City, the sum of the amounts of the debt service for such period with respect to all Outstanding Senior Lien Bonds. In the event that any of the Outstanding Senior Lien Bonds bear interest at a variable rate, each such series of variable rate Bonds shall, for purposes of calculating Aggregate Debt Service, be assumed by the City to be the rate established for such computation in writing by the General Manager; provided, however, that such assumed rate shall not be less than the average rate borne by such variable rate Bonds during the twelve full calendar months immediately preceding the date on which such computation is made; and provided further, however, that, to the extent such variable rate Bonds have not been Outstanding during the entirety of such twelve month period, the assumed rate shall not be less than the average rate on the SIFMA Index during such twelve month period.

(f) “Aggregate Debt Service Requirement” means for any period, and as of any date of calculation, Aggregate Debt Service for such period, less any capitalized interest to be paid from the proceeds of the Bonds.

(g) “Bond Insurer” means a municipal bond insurance provider which is insuring any Outstanding Bonds.

(h) “Bond Reserve Account” means the Bond Reserve Account of the Redemption Fund established pursuant to Section 13(B) of this Ordinance.

(i) “Bond Reserve Requirement” means the lesser of (i) the maximum annual debt service requirements on the Outstanding Bonds, (ii) 125% of the average annual debt service requirements on the Outstanding Bonds, or (iii) the total of 10% of the original aggregate face amount of each series of the Outstanding Bonds, reduced by the net original issue discount, if any; provided, however, that the Reserve Requirement shall not at any time exceed the amount allowed to be invested at an unrestricted yield pursuant to Treas. Reg. Section 1.148-2(f)(2) or any successor provision thereto as applicable to the Bonds. For purposes of the Bond Reserve Requirement annual debt service on any variable rate Bonds shall not, after the issuance of such variable rate Bonds, be adjusted because of an adjustment to the interest rate borne by such variable rate Bonds.

(j) “Bonds” means the Series 2015 Bonds, any Additional Bonds, and any Junior Lien Bonds.

(k) “City” means the City of Wyandotte, Wayne County, Michigan.

(l) “Council” or “City Council” means the City Council of the City.

(m) “Commission” means the Municipal Service Commission created and established by Chapter VII of the Charter of the City.

(n) “Consulting Engineers” means the engineer or engineering firm or firms appointed from time to time, and having a favorable reputation for skill and experience in the design and operation of municipal electric utilities at the time retained by the Commission to perform the acts and carry out the duties provided for such Consulting Engineers in this Ordinance.

(o) “Event of Default” shall refer to one of the Events of Default specified in Section 22 of this Ordinance.

(p) “General Manager” or “Assistant General Manager” means the General Manager or Assistant General Manager of the City’s Department of Municipal Service.

(q) “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

(r) “Government Obligations” means (i) direct obligations of (including obligations issued or held in book entry form on the books of) the United States of America or an agency or an instrumentality of the United States or obligations guaranteed by the United States or (ii) repurchase agreements that are to settle on or before the date set for payment and that are secured by obligations described in subsection (i) of this sentence.

(s) “Investment Obligations” means to the extent authorized by law, and if provided by an investment policy duly adopted by the City, one or more of the following: (i) bonds, securities and other obligations of the United States or an agency or instrumentality of the United States; (ii) certificates of deposit, savings accounts, deposit accounts, or depository receipts of a Financial Institution who is eligible to be a depository of funds belonging to the State; (iii) commercial paper rated at the time of purchase within the two highest classifications established by not less than two nationally recognized rating services and that matures not more than 270 days after the date of purchase; repurchase agreements consisting of instruments listed in subdivision (i) above; (iv) bankers' acceptances of United States banks; (v) obligations of this State or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one nationally recognized rating service; (vi) mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investments that are legal for direct investment by a public corporation; (vii) investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118; and (viii) investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

(t) “Junior Lien Bonds” means bonds, bond anticipation notes issued under Act 34, Public Acts of Michigan, 2001, as amended, or other obligations which may be issued or incurred by the City to provide funds for any lawful purpose of the System which are of junior standing and priority of lien with respect to the Net Revenues to the claim of the Senior Lien Bonds.

(u) “Municipal Obligations” means any bonds or other obligations of the State of Michigan or of any agency, instrumentality or local governmental unit of the State of Michigan (i) which are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call on the date specified in the notice, and (ii) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (iii) which fund is sufficient, as verified by an independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this definition of Municipal Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in sub-clause (i) of this definition of Municipal Obligation, as appropriate, and (iv) which are rated, based on the escrow, in the highest rating category of Standard & Poor's Corporation and Moody's Investors Service, Inc. or any successors thereto.

(v) “Net Revenues” means the Revenues remaining after deducting the reasonable expenses of administration, operation, and maintenance of the System.

(w) "Operation and Maintenance Fund" means the Operation and Maintenance Fund established pursuant to Section 13(A) of this Ordinance.

(x) "Ordinance" means this Ordinance and any other ordinance amendatory or supplemental hereto.

(y) "Outstanding Bonds" means Bonds issued and delivered under this Ordinance except:

(i) Bonds canceled by the Transfer Agent;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys or Government Obligations, equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Ordinance and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portion of Bonds) are to be redeemed, notice of redemption shall have been given as provided in this Ordinance or provision satisfactory to the Transfer Agent shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered; and

(iv) Bonds no longer deemed to be Outstanding Bonds as provided in Section 7 of this Ordinance.

(z) "Prior Bonds" means the outstanding portion of the (i) Electric System Revenue Bonds, Series 2005A and Series 2005B authorized by Ordinance No. 831 and No. 1225 of the City, (ii) Electric System Revenue Bonds, Series 2009A authorized by Ordinance No. 831 and No. 1308 of the City, and (iii) Electric System Revenue Bond Anticipation Notes, Series 2014 –Taxable authorized by Ordinance No. 831 and No. 1404 of the City.

(aa) "Project" means the acquisition, construction, improvement, enlargement, extension or repair of the System to be acquired and constructed pursuant to this Ordinance.

(bb) "Rebate Fund" means the Rebate Fund established pursuant to Section 14 of this Ordinance.

(cc) "Receiving Fund" means the Receiving Fund established pursuant to Section 13 of this Ordinance.

(dd) "Redemption Fund" means the Bond and Interest Redemption Fund established pursuant to Section 13(B) of this Ordinance.

(ee) "Registered Owner" means the owner of a Bond as shown by the registration records as kept by the Transfer Agent.

(ff) "Replacement Fund" means the Replacement and Improvement Fund established pursuant to Section 13(D) of this Ordinance.

(gg) "Revenues" means the income derived from the rates charged for the services, facilities, and commodities furnished by the System. Revenues shall include earnings on investment of funds and accounts of the System required to be deposited in the Receiving Fund pursuant to this Ordinance and other revenues derived from or pledged to operation of the System.

(hh) "Senior Lien Bonds" means the Series 2015 Bonds, while they remain outstanding, and any Additional Bonds.

(ii) "Series 2015 Bonds" means the Electric System Revenue and Revenue Refunding Bonds, Series 2015 authorized by Section 4 of this Ordinance. If the Series 2015 Bonds are sold in two or more series then the term "Series 2015 Bonds" shall be construed to refer to both series.

(jj) "Series 2015 Construction Fund" means the Electric System Revenue Bonds Series 2015 Construction Fund created under Section 19(B) of this Ordinance.

(kk) "Series 2015 Escrow Fund" means the Electric System Revenue Bonds Series 2015 Escrow Fund created under Section 19(A) of this Ordinance.

(ll) "Series 2015 Project" refers to improvements to the Electric Utility System, including, but not limited to, acquisition and installation of upgrades of geographic, outage management and other data control software, a second transformer and 69kV and 40kV circuit upgrades, a redundant 120kV feed and all associated transformers, breakers and related equipment, and other approved improvements including Substation #7 transformer upgrades and Substation #8 transformer double-ending, together with any appurtenances and attachments thereto and any related site improvements to be acquired and constructed as part of the System with proceeds of the Series 2015 Bonds.

(mm) "Sufficient" means with respect to (i) cash or (ii) Government Obligations or (iii) Municipal Obligations, or any combination thereof, not redeemable at the option of the issuer thereof, the principal and interest payments upon which, without reinvestment of the interest, come due at such times and in such amounts, as to be fully sufficient to pay the interest as it comes due on the Bonds or any portion thereof and the principal and redemption premium, if any, on the Bonds or any portion thereof as they come due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations or cash shall be placed in trust with a bank or trust company, and if any of the Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the Transfer Agent.

(nn) "System" means the complete electric utility system of the City, including all electric generating units, plants, works, instrumentalities and properties, used or useful in connection with the generation and distribution of electricity and steam or hot water produced from the boilers of the System, together with the Project and all additions, extensions and improvements existing or hereafter acquired and all facilities.

(oo) "Transfer Agent" means U.S. Bank National Association, or such other bank selected by the City for payment of the Bonds.

(pp) "Trustee" means U.S. Bank National Association, or such other bank or trust company named as Trustee by the City to serve as Trustee pursuant to this Ordinance upon occurrence of an Event of Default, or any successor Trustee appointed pursuant to Section 32 of this Ordinance.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be necessary for the public health and welfare of the City to acquire the Series 2015 Project in accordance with the plans and specifications heretofore prepared by the Consulting Engineers which plans and specifications are hereby approved, and to refund the Prior Bonds.

Section 3. Costs of Series 2015 Project; Useful Life. The aggregate cost of the Series 2015 Project is estimated to be an amount not-to-exceed Fifteen Million Dollars (\$15,000,000) subject to the taking of construction bids, including the payment of incidental expenses as specified in this Ordinance, which estimate of cost is hereby approved and confirmed. The period of usefulness of the Series 2015 Project is estimated to be not less than thirty (30) years.

Section 4. Series 2015 Bonds Authorized. The City shall issue the Series 2015 Bonds pursuant to the provisions of Act 94 in one or more series in the aggregate principal amount of not-to-exceed Thirty-Five Million Dollars (\$35,000,000) as finally determined at the time of sale, for the purposes of paying the costs of refunding the Prior Bonds and acquiring and constructing the Series 2015 Project, including payment of legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2015 Bonds, and depositing monies to the Bond Reserve Account as necessary to meet the Bond Reserve Requirement. The Series 2015 Bonds shall not be a general obligation of the City but shall be payable solely out of the Net Revenues of the System. The Commission is hereby authorized to determine, based upon the advice of bond counsel and the Municipal Advisor, whether to sell a portion of the Series 2015 Bonds as taxable bonds.

Section 5. Series 2015 Bond Data. The Series 2015 Bonds shall be designated as the ELECTRIC SYSTEM REVENUE AND REVENUE REFUNDING BONDS, SERIES 2015, with any additional designations as determined by the Commission to distinguish tax-exempt and taxable bonds. The Series 2015 Bonds shall be issued as term bonds or serial bonds as determined at the time of sale of the Series 2015 Bonds, in fully-registered form in denominations of \$5,000 or integral multiples thereof, not exceeding the amount of bonds maturing on the same date such bond matures, and shall be numbered in consecutive order of authentication from 1 upwards. The Series 2015 Bonds shall be dated as of such date as may be determined at the time of sale, and shall mature on October 1 in the years 2016 to 2044, inclusive, or such other dates as shall be determined at the time of sale, provided, however, that the Series 2015 Bonds shall mature within 30 years of the date of issuance thereof.

The Series 2015 Bonds shall bear interest at the rate or rates to be determined at the time of sale of the Series 2015 Bonds, payable on April 1, 2016, or such other date as approved at the time of sale thereof, and semi-annually thereafter by check drawn on the Transfer Agent and mailed to the registered owner at the registered address, as shown on the registration books of the City maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. The principal of the Series 2015 Bonds shall be payable at the designated office of the Transfer Agent.

The Series 2015 Bonds may be subject to redemption prior to maturity at the times and prices finally determined at the time of sale. In the event that any of the Series 2015 Bonds shall be issued as term bonds, the mandatory redemption requirements for such term bonds shall be specified at the time of sale.

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 City. 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.

The Series 2015 Bonds shall be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk. The Series 2015 Bonds shall have the corporate seal of the City impressed or printed thereon. If any of the Series 2015 Bonds shall be signed by the facsimile signature of both the Mayor and the City Clerk then such bond shall not be valid until authenticated by an authorized officer of the Transfer Agent. The Series 2015 Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser in accordance with instructions from the City upon payment of the purchase price therefor in accordance with the bond purchase agreement with the purchaser of the Series 2015 Bonds. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

The Series 2015 Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York ("DTC"), and any official of the City is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Series 2015 Bonds in book-entry-only form and to make such changes in the bond form within the parameters of this Ordinance as may be required to accomplish the foregoing. If the Series 2015 Bonds are held in book-entry form by DTC, payment of principal of and interest shall be made in the manner prescribed by DTC.

Any Series 2015 Bond may be transferred upon the books of the City maintained by the Transfer Agent by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Series 2015 Bond or Bonds shall be surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond or bonds of the same series 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. The Transfer Agent shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of 15 business days before the day of the mailing of a notice of redemption of bonds selected for redemption prior to maturity and ending at the close of business on the day of that mailing, or (ii) to register the transfer of or exchange any bond so selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part. Notwithstanding the foregoing, if the Series 2015 Bonds are held by DTC in book-entry form, the transfer of the Series 2015 Bonds shall be made in the manner prescribed by DTC.

Section 6. Senior Lien Bond Form. The Senior Lien Bonds, including the Series 2015 Bonds, shall be in substantially the following form with such revisions, additions and deletions as may be advisable or necessary to comply with the final terms established upon sale thereof.

The Commission is hereby authorized on behalf of the City to select a bank or trust company to act as registrar and Transfer Agent for each series of Bonds authorized and issued pursuant to this Ordinance and to insert the name of such Transfer Agent in the appropriate places in the bond form.

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WAYNE

CITY OF WYANDOTTE
ELECTRIC SYSTEM REVENUE [AND REVENUE] [REFUNDING] BOND
[SERIES DESIGNATION]

Interest Rate	Date of Maturity	Date of Original Issue	CUSIP
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Registered Owner:

Principal Amount:

The CITY OF WYANDOTTE, County of Wayne, State of Michigan (the “City”), acknowledges itself to owe, and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, but only out of the hereinafter described Net Revenues, the Principal Amount specified above, in lawful money of the United States of America, on the Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year 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 [first payment date] and semiannually thereafter. Principal of this bond is payable at the designated corporate trust office of U.S. Bank National Association, 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 sixty (60) days prior to an 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 City kept by the Transfer Agent by check or draft mailed by the Transfer Agent to the Registered Owner of record at the registered address. The date of determination of Registered Owner for purposes of payment of interest may be changed by the City to conform to market practice in the future. For the prompt payment of the principal of and interest on this bond, the revenues of the Electric Utility System of the City including all appurtenances, extensions and improvements thereto (the “Electric Utility System”), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the “Net Revenues”), and certain funds and accounts established by the Ordinance (defined below), are irrevocably pledged and a statutory lien thereon has been created. [This bond and the series of which it is one are of equal standing and priority of lien as to the Net Revenues of the Electric Utility System with the City’s outstanding series].

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$[principal amount], issued pursuant to Ordinance No. [ordinance number] (the “Ordinance”) duly adopted by the City Council of the City, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”) for the purposes of acquiring and constructing improvements to the Electric Utility System, refunding bonds previously issued which are secured by Net Revenues[, to fund the bond reserve account for the bonds,] and to pay costs of issuance of the bonds.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing as to the Net Revenues may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinance. The City has reserved the right to issue additional bonds of equal standing with the bonds of this issue

on the conditions stated in the Ordinance. Copies of the Ordinance are on file at the office of the City Clerk and at the designated corporate trust office of U.S. Bank National Association, as Trustee (the "Trustee"), and reference is made to the Ordinance and any and all supplements thereto and modifications and amendments thereof, if any, and to Act 94 for a more complete description of the pledges and covenants securing the bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the bonds with respect thereto and the terms and conditions upon which the bonds are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Ordinance, the provisions of the Ordinance or any resolution or agreement amendatory thereof or supplemental thereto, may be modified or amended by the City, except in specified cases, only with the written consent of the registered owners of at least fifty-one percent (51%) of the principal amount of the bonds then outstanding.

Bonds maturing in the years [maturity dates of bonds which can't be prepaid] inclusive, shall not be subject to redemption prior to maturity.

Bonds or portions thereof in multiples of \$5,000 maturing on or after [first maturity date of bonds which can be prepaid], will be subject to redemption prior to maturity at the option of the City on any date occurring on or after [first date bonds can be prepaid], in such order as the City may determine and within any maturity by lot at par plus accrued interest to the date fixed for redemption.

[If Term Bonds are sold, language describing
mandatory sinking fund redemption of Term Bonds]

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 a new bond of the same maturity and interest rate in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to each registered owner of bonds or portions thereof to be redeemed by mailing such notice not less than thirty (30) days prior to the date fixed for redemption to the registered owner at the address of the registered owner as shown on the registration books of the City. Bonds shall be called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bonds by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in the same aggregate principal amount equal to the unredeemed portion of the bonds surrendered shall be issued to the registered owner thereof with the same interest rate and maturity. No further interest on bonds or portions of bonds called for redemption shall accrue after the date fixed for redemption, whether the bonds have been presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the bonds or portion thereof.

This bond is transferable only upon the books of the City kept for that purpose at the office of the Transfer Agent by the Registered Owner hereof in person, or by the Registered Owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly 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 Ordinance, and upon the payment of the charges, if any, therein prescribed. The Transfer Agent shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business 15 days before the day of the

mailing of a notice of redemption of bonds selected for redemption under the Ordinance and ending at the close of business on the date of that mailing, or (ii) to register the transfer of or exchange any bond so selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.

THIS BOND IS A SELF-LIQUIDATING BOND AND IS NOT A GENERAL OBLIGATION OF THE CITY AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATION, AND IS PAYABLE BOTH AS TO PRINCIPAL AND INTEREST SOLELY FROM THE NET REVENUES OF THE ELECTRIC UTILITY SYSTEM AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE ORDINANCE. THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE SECURED BY THE STATUTORY LIEN HEREINBEFORE DESCRIBED.

The City has covenanted and agreed in the Ordinance to fix, establish, maintain and collect at all times while any bonds payable from Net Revenues shall be outstanding, such rates, fees, and charges for the sale of the output, capacity, use or service furnished by the Electric Utility System as shall be reasonably expected to yield Net Revenues equal to at least the sum of 110% of the amount necessary to provide for payment of the interest upon and the principal of all bonds payable from the Net Revenues of the Electric Utility System as and when the same become due and payable, and in addition to maintain a bond and interest redemption fund (including a bond reserve account) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the Electric Utility System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the Electric Utility System as are required by the Ordinance.

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 have been done and performed in regular and due time and form as required by law.

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

IN WITNESS WHEREOF, the City of Wyandotte, County of Wayne, State of Michigan, by its City Council, has caused this bond to be signed in the name of said City [by] / [with the facsimile signatures of] its Mayor and its City Clerk and the City seal or a facsimile thereof to be [manually impressed/printed], all as of the Date of Original Issue.

CITY OF WYANDOTTE

By _____ [facsimile] _____
Mayor

(Seal)

Countersigned:

By _____ [facsimile] _____
City Clerk

[STANDARD FORM OF
AUTHENTICATION CERTIFICATE AND ASSIGNMENT]

Section 7. Payment of Bonds; Defeasance. The Bonds and the interest thereon shall be payable solely from the Net Revenues (except to the extent payable from the proceeds of bond insurance or other credit enhancement or from the proceeds of Bonds), and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien subject only to the lien rights created for the Prior Bonds by Ordinance No. 831, as amended (the "Prior Lien"). Pursuant to provisions of Act 94, the City hereby pledges to the repayment of principal of, interest on and redemption premiums, if any, on the Bonds, the funds and accounts established by this Ordinance other than the Rebate Account, and a statutory lien is hereby created on such funds and accounts. The liens and pledge provided above shall continue until payment in full of the principal of and interest on all Bonds payable from Net Revenues, or, until Sufficient cash, Sufficient Government Obligations, Sufficient Municipal Obligations or any combination thereof shall have been deposited in trust for payment in full of the principal of and the interest on all Bonds to be paid or defeased to their maturity, or, if called or if irrevocable instructions have been given to call for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit Sufficient cash, Sufficient Government Obligations, Sufficient Municipal Obligations or any combination thereof, as provided in the previous sentence, the statutory lien herein created shall be terminated with respect to the Bonds to be defeased, the Registered Owners of these Bonds shall have no further rights under this Ordinance except for payment from the deposited funds and for rights of replacement, registration and transfer, and such Bonds shall no longer be considered to be Outstanding Bonds under this Ordinance.

The Prior Lien secures the payment of the principal of and interest on the Prior Bonds. Pursuant to Section 19 of this Ordinance, proceeds of the Series 2015 Bonds shall be deposited in the Series 2015 Escrow Fund in an amount sufficient (together with other monies available to the City) to refund the Prior Bonds as they come due or on such earlier redemption date as may be determined at the time of sale of the Series 2015 Bonds. Pursuant to Ordinance No. 831, as amended, to the extent there is any deficiency in the Series 2015 Escrow Fund for payment of principal of or interest on the outstanding Prior Bonds, the outstanding Prior Bonds and the claim of the Prior Bonds to the Net Revenues and the funds and accounts of the System shall be superior and prior to the claim of the Bonds to the extent of such insufficiency. The Commission is authorized on behalf of the City to segregate funds or create sub-accounts in the funds of the System to effect such priority as provided in No. 831, as amended.

Section 8. Management. The operation, repair and management of the System and the acquisition of the Project shall be under the supervision and control of the Commission subject to such rights and duties as are reserved by law to the Council.

Section 9. Charges. The rates to be charged for service furnished by the System and the methods of collection and enforcement of the collection of said rates shall be those permitted by law and established by the Commission and in effect in the City on the date of adoption of this Ordinance, which rates and methods of collection and enforcement are hereby approved by the Council.

Section 10. No Free Service. No free service shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality.

Section 11. Rate Covenant. The City will at all times fix, establish, maintain and collect rates, fees and charges for the sale of the output, capacity, use or service of the System which, together with other income, are reasonably expected to yield Net Revenues equal to at least 110% of the Aggregate Debt Service Requirement on the Senior Lien Bonds for the forthcoming twelve (12) month period plus such amount as is necessary to comply with all covenants in this Ordinance and to pay all charges and liens whatsoever payable out of Net Revenues in such period. In calculating Net Revenues under this Section 11 the City shall not include any investment earnings to be received from investment of the Bond Reserve Account.

Section 12. Operating Year. The System shall be operated on the basis of an operating year commencing on October 1 and ending on September 30. For purposes of determining the annual Aggregate Debt Service Requirements for any operating year, payments of principal and interest due on October 1 shall be considered to be part of the Aggregate Debt Service Requirements for the preceding operating year.

Section 13. Funds and Accounts; Flow of Funds. All Revenues of the System shall be set aside as collected and credited to a fund to be designated ELECTRIC UTILITY SYSTEM RECEIVING FUND. The Revenues so credited are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times hereinafter specified:

A. OPERATION AND MAINTENANCE FUND:

Out of the Revenues credited to the Receiving Fund there shall be first set aside in, or credited to a fund hereby ordered to be established, maintained and designated OPERATION AND MAINTENANCE FUND, a sum sufficient to provide for the payment of the expenses of administration and operation of the System including such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

The Commission, prior to the commencement of each operating year, shall adopt a budget covering the foregoing expenses for each year. During the course of the operating year, the total of such expenses shall not exceed the total amount specified in said budget, except by a vote of two thirds (2/3) of the members elect of the Commission. No payments shall be made to the City from monies credited to the Operation and Maintenance Fund except for services directly rendered to the System by the City or its personnel.

B. BOND AND INTEREST REDEMPTION FUND:

There shall be established and maintained a separate depository fund designated BOND AND INTEREST REDEMPTION FUND, the moneys on deposit therein from time to time to be used solely, except for required deposits to the Rebate Fund, for the purpose of paying the principal of, redemption premiums (if any) and interest on the Senior Lien Bonds.

Out of the Revenues remaining in the Receiving Fund, after provision for the credit or deposit to the Operation and Maintenance Fund, there shall next be set aside, monthly, in the Redemption Fund a sum proportionately sufficient to provide for the payment of the principal of, mandatory redemption requirements, if any, and interest on the Senior Lien Bonds as and when the same become due and payable, subject to any credit therefor as provided in this Section 13(B). If there shall be any deficiency in the amount previously required to be set aside, then the amount of such deficiency shall be added to the next succeeding month's requirements.

There is hereby established in the Redemption Fund a separate account to be known as the Bond Reserve Account. Upon the delivery of the Series 2015 Bonds all monies, funds and investments held for the credit of the reserve account for the Prior Bonds shall be deposited in the Bond Reserve Account. In addition, from the proceeds of the sale of the Series 2015 Bonds there shall be deposited an amount in the Bond Reserve Account which shall cause the amount on deposit in the Bond Reserve Account to equal the Bond Reserve Requirement. The City may meet the Bond Reserve Requirement by cash, a letter of credit, a surety bond, or an insurance policy if the provider or issuer thereof shall be rated by a nationally recognized bond rating agency as high or higher than the Senior Lien Bonds. Except as hereinafter provided, the moneys credited to the Bond Reserve Account shall be used solely for the payment of the principal of, redemption premiums (if any) and interest on the Senior Lien Bonds as to which there would otherwise be a default. If at any time it shall be necessary to use the moneys or the surety bond credited to the Bond Reserve Account for such payment, then the moneys so used shall be replaced or repaid over a period of not more than 5 years or such other period as required by the surety bond from the Net Revenues first received thereafter which are not required for current principal and interest requirements. If at any time there is any excess in the Bond Reserve Account over the Bond Reserve Requirement, such excess may be transferred to such fund or account as the City shall direct. If Additional Bonds (except Additional Bonds used for refunding) from time to time are issued, each ordinance authorizing such Additional Bonds shall provide for additional deposits to the Redemption Fund for credit to the Bond Reserve Account from the proceeds of such Additional Bonds equal to not less than one half of the maximum annual principal and interest requirements for such Additional Bonds and make additional equal deposits for a period of five years from the dates of issuance of each issue of Additional Bonds in such an amount as will result in the total credited to the Bond Reserve Account being equal to not less than Bond Reserve Requirement.

No further payments need be made into the Redemption Fund after enough of the Senior Lien Bonds have been retired so that the amount then held in the Redemption Fund (including the Bond Reserve Account) is equal to the entire amount of principal and interest which will be payable at the time of maturity of all Outstanding Senior Lien Bonds and the monies so held shall be used solely to pay the principal of and interest on the Senior Lien Bonds including redemption premiums, if any, as the Senior Lien Bonds become due either by maturity or by redemption prior to maturity.

A redemption requirement for the Senior Lien Bonds may be satisfied by calling the Senior Lien Bonds as provided in this Ordinance or by the purchase and surrender to the Transfer Agent of Senior Lien Bonds of the same issue and maturity from moneys allocated therefor as provided herein, or purchased with other funds legally available therefor. The City shall elect the manner in which it intends to satisfy a redemption requirement not less than forty five days prior to the date of redemption.

C. JUNIOR LIEN BOND AND INTEREST REDEMPTION FUND:

If the City shall ever issue Junior Lien Bonds, there shall be established and maintained a separate depository fund for the purpose of paying the principal, redemption premiums, if any, and interest on such Junior Lien Bonds as they come due. Revenues remaining in the Receiving Fund, after provision has been made for the requirements of the Operation and Maintenance Fund and of the Redemption Fund including the Bond Reserve Account, shall be set aside, but not more often than monthly, in a fund for the Junior Lien Bonds in accordance with the ordinance authorizing the issuance of the Junior Lien Bonds. Additionally, a separate account may also be established within such fund as a bond reserve account to be funded on a junior lien basis in accordance with the ordinance authorizing the issuance of the Junior Lien Bonds. The detail of the establishment and maintenance of such fund shall be provided in the ordinance of the Council authorizing the issuance of such Junior Lien Bonds.

D. REPLACEMENT AND IMPROVEMENT FUND:

There next shall be established and maintained a fund designated REPLACEMENT AND IMPROVEMENT FUND. Except as hereinafter provided, the money credited thereto shall be used solely for the purpose of making major repairs, replacements and improvements to the System. There shall next be set aside in or credited to the Replacement Fund, after provision is made for the requirements of the foregoing funds and accounts, a total amount of not less than Two Hundred Fifty Thousand (\$250,000) Dollars. If at any time it shall be necessary to use moneys in the Replacement Fund the moneys so used shall be replaced from any moneys in the Receiving Fund which are not required by this Ordinance to be used for the Rebate Fund, Operation and Maintenance Fund, Redemption Fund (including the Bond Reserve Account), or the Junior Lien Bond and Interest Redemption Fund.

E. SURPLUS MONEYS:

Any Revenues in the Receiving Fund at the end of any quarter of any operating year after satisfying all requirements of the Operation and Maintenance Fund, the Redemption Fund (including the Bond Reserve Account), the Replacement Fund, Rebate Fund and the Junior Lien Bond and Interest Redemption Fund shall be deemed to be surplus moneys, and may, at the option of the Commission be used for any of the following purposes:

1. Transferred to the General Fund of the City as a payment in lieu of taxes. The amount so transferred to the General Fund in any operating year shall not exceed the total of the payments made by the City to the System for services furnished to the City for street and public safety lighting purposes for the prior operating year.
2. Transferred to the construction fund for the purpose of paying the costs of the Project.
3. After completion of the Project, transferred to the Replacement Fund.
4. After completion of the Project, transferred to the Redemption Fund and used for the redemption, payment, or purchase of Bonds.

If there should be any deficit in the Operation and Maintenance Fund, Redemption Fund (including the Bond Reserve Account), Junior Lien Redemption Fund, or the Replacement Fund on account of defaults in setting aside therein the amounts required herein, then transfers shall be made from the moneys remaining in the Receiving Fund at the end of any operating year to those funds in the priority and order specified herein to the extent of any deficit before any other disposition is made of said monies in the Receiving Fund at the end of any operating year.

Section 14. Rebate Fund. There shall be established and maintained a fund designated the REBATE FUND. Moneys representing investment earnings or profits shall be transferred annually from all funds and accounts established under this Ordinance and deposited in the Rebate Fund in an amount sufficient to enable the City to rebate investment earnings to the federal government, if necessary, in accordance with the requirements of the Internal Revenue Code. Funds on deposit in the Rebate Fund are not pledged as security for the Bonds. Monies shall be deposited in the Rebate Fund and shall be rebated to the federal government unless the City has received an opinion of nationally recognized bond counsel that failure to take such actions will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Bonds.

Section 15. Segregation of Accounts; Funds on Hand.

(a) Moneys in the several funds and accounts established pursuant to this Ordinance, except moneys in the Redemption Fund (including the Bond Reserve Account), the Junior Lien Redemption Fund, and the Rebate Fund, and moneys derived from the proceeds of sale of the Bonds, may be kept in one deposit account, in which event the moneys in said account shall be allocated on the books and records of the City or deposited to the funds and accounts herein established, in the manner and at the times provided in this Ordinance.

(b) Upon delivery of the Series 2015 Bonds, funds on hand under the ordinances authorizing the Prior Bonds shall be deposited as follows:

1. Funds in the Bond Reserve Account established under the ordinances authorizing the Prior Bonds shall be deposited, in the amounts determined by the Commission, (1) in the Series 2015 Escrow Fund established under Section 19(A) of this Ordinance and/or (2) in the Bond Reserve Account established under this Ordinance, and/or (3) in the Series 2015 Construction Fund.
2. Funds in the Replacement Fund established under the ordinances authorizing the Prior Bonds shall be deposited in the Replacement Fund established under this Ordinance.
3. Funds of the System on hand shall be deposited, in the amounts determined by the Commission, (1) in the Series 2015 Construction Fund and/or (2) in the Receiving Fund and transferred in accordance with the provisions of Section 13 of this Ordinance.

Section 16. Priority of Funds. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Fund, the Redemption Fund, or the Junior Lien Bond and Interest Redemption Fund, any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Fund, second, to the Redemption Fund, to the extent of any deficit therein, and third, to the Junior Lien Bond and Interest Redemption Fund.

Section 17. Investments. Moneys in the funds and account established herein, and moneys derived from the proceeds of sale of the Bonds except as provided in Section 19 of this Ordinance, may be invested by the Commission on behalf of the City in Investment Obligations. Investment of moneys in the Redemption Fund being accumulated for payment on the next maturing principal or interest payment on the Bonds shall be limited to Government Obligations bearing maturity dates prior to the date of the next maturing principal or interest payment respectively on the Bonds. Investment of moneys in any other funds or account, including moneys derived from the proceeds of sale of the Bonds, shall be limited to obligations bearing maturity dates or subject to redemption, at the option of the holder thereof, not later than the time estimated by the City when the moneys from such investments will be required. In the event investments are made, any securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds or account from which such purchase was made. Earnings or profits on any investment of funds in any fund or account established in this Ordinance shall be deposited in or credited to the Rebate Fund to extent necessary as required by Section 14 of this Ordinance and any earnings or profits remaining in the Receiving Fund, Operation and Maintenance Fund, Redemption Fund and, at any time after they are fully funded, the Bond Reserve Account and the Replacement Fund, shall be deposited in or credited to the Receiving Fund provided, however, that any earning or profit on the Bond Reserve Account received prior to the completion of the Project shall be deposited in the construction fund.

The City shall value investments in the Bond Reserve Account at fair market value and marked to market at least once per year. The average duration of investments in the Bond Reserve Account may not have maturities extending beyond 5 years.

The City covenants and agrees that to the extent permitted by law, it shall take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exclusion of interest on Bonds issued as tax-exempt bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds, all as more fully set forth in the Non Arbitrage and Tax Compliance Certificate to be delivered by the City with the Bonds.

Section 18. Applicable Law. The Bonds shall be sold and the proceeds applied in accordance with the provisions of Act 94.

Section 19. Proceeds of Series 2015 Bonds. The Commission shall create funds for deposit of proceeds of sale of the Series 2015 Bonds, and shall use the proceeds of sale of the Series 2015 Bonds as provided in this section.

A. SERIES 2015 ESCROW FUND:

There shall be established and maintained a separate depository fund designated as the ELECTRIC SYSTEM REVENUE BONDS SERIES 2015 ESCROW FUND in order to secure payment of the payment of principal of and interest on the Prior Bonds. In order to provide for the safekeeping, investment, reinvestment, administration and disposition of the Series 2015 Escrow Fund, the City shall enter into an escrow agreement with U.S. Bank National Association, which is hereby designated to serve as escrow trustee. The escrow agreement shall irrevocably direct the escrow trustee to hold the Series 2015 Escrow Fund in trust for the payment of the principal of and interest on the Prior Bonds.

There shall be deposited in the Series 2015 Escrow Fund cash and/or investments in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, not redeemable at the option of the issuer, and in an amount sufficient, without reinvestment, to pay principal of and interest on the Prior Bonds, provided, however, that the Commission may pay off the Electric System Revenue Bond Anticipation Notes, Series 2014 –Taxable (the “Notes”) on the date of delivery of the Series 2015 Bonds without being required to deposit payment for the Notes in the Series 2015 Escrow Fund.

The Commission is hereby authorized to execute and deliver the escrow agreement and to purchase, or cause to be purchased, escrow securities, including United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Series 2015 Escrow Fund.

The Commission is hereby directed to select an independent certified public accountant to serve as verification agent to verify that the securities and cash to be deposited to the Series 2015 Escrow Fund will be sufficient to provide, at the times and in the amounts required, sufficient moneys to pay the principal of and interest on the Prior Bonds.

The Commission is hereby authorized to transfer monies from the Redemption Fund to the Series 2015 Escrow Fund to be invested as provided in the Escrow Agreement and to be used to pay principal and interest on the Prior Bonds.

B. SERIES 2015 CONSTRUCTION FUND:

There shall be established and maintained a separate depository fund designated as the ELECTRIC SYSTEM REVENUE BONDS SERIES 2015 CONSTRUCTION FUND in a bank qualified to act as depository of the proceeds of sale of revenue bonds under the provisions of Section 15 of Act 94. If the Series 2015 Bonds are sold as both a tax exempt series and a taxable series then separate accounts shall be established within the Series 2015 Construction Fund for proceeds of each series. Monies in the Series 2015 Construction Fund shall be applied solely in payment of the cost of the Series 2015 Project and any costs of engineering, legal, bond issuance and other expenses incident thereto and to the issuance of the Series 2015 Bonds. Any unexpended balance of the proceeds of sale of the Series 2015 Bonds remaining in the Series 2015 Construction Fund after completion of the Series 2015 Project may, in the discretion of the Commission, be used for meeting requirements, if any, of the Bond Reserve Account, or for further improvements, enlargements and extension to the System. Any balance remaining after such expenditure shall be paid into the Redemption Fund.

C. PROCEEDS OF SERIES 2015 BONDS

From the proceeds of sale of the Series 2015 Bonds there first shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest, if any, received on delivery of the Series 2015 Bonds, and the City may take credit for the amount so deposited against the amount required to be deposited in the Redemption Fund for payment of the next maturing interest. All or a portion of any premium received upon delivery of the Series 2015 Bonds may be deposited in either the Redemption Fund, the Series 2015 Escrow Fund or the Series 2015 Construction Fund, as determined by the Commission in consultation with bond counsel.

Next the City shall provide for payment or defeasance of principal of and interest on the Notes, either by calling the Notes for redemption on the date of delivery of the Series 2015 Bonds and paying off the Notes upon receipt of proceeds of the Series 2015 Bonds, or by defeasing the Notes through deposit to the Series 2015 Escrow Fund.

There shall next be deposited from the proceeds of sale of the Series 2015 Bonds the amount necessary, together with other funds available to the City, to fully fund the Series 2015 Escrow Fund as described in Section 19(A).

There shall next be deposited from the proceeds of sale of the Series 2015 Bonds to the Bond Reserve Account an amount, if any, designated by the Commission at the time of sale as necessary to meet the requirements of this Ordinance.

The remaining proceeds of sale of the Series 2015 Bonds shall be deposited to the Series 2015 Construction Fund, and, at the discretion of the Commission, to a costs of issuance fund to pay for costs of issuance of the Series 2015 Bonds and refunding of the Prior Bonds.

Section 20. Covenants. The City covenants and agrees with the Registered Owners of the Bonds that so long as any of the Bonds remain as Outstanding Bonds and unpaid as to either principal or interest:

(a) The City will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan and this Ordinance.

(b) The Council will cause to be maintained and kept by the Commission proper books of record and account separate from all other records and accounts of the City in accordance with Act 2, Public Acts of Michigan, 1968, as amended. Either the Council or the Commission will cause an annual audit of the books of record and account of the System for the preceding operating year each year by a recognized independent certified public accountant. The audit shall be completed and so made available in accordance with Act 2, Public Acts of Michigan 1968, as amended.

(c) The City shall maintain and carry, for the benefit of the Registered Owners of the Bonds, insurance on all physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by public utility companies and municipalities engaged in the operation of electric utility systems. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be placed in the Redemption Fund and used for the purpose of redeeming or purchasing Bonds.

(d) The Commission will not sell, lease, mortgage or otherwise dispose of any part of the System, except for sales or exchanges of property or facilities (1) which are not useful in the operation of the System, or (2) for which the proceeds received are, or the fair market value of the subject property (as certified by the Consulting Engineers) is, less than 1% of the Revenues of the preceding fiscal year, or (3) as to which the Consulting Engineers certify that the ability of the Commission to comply with the rate covenant described in Section 11 of this Ordinance will not be impaired.

(e) The City will not grant any franchise or other rights to any person, firm or corporation to operate an electric system that will compete with the System unless required or authorized by law and the City will not operate a system that will compete with the System.

(f) The City and the Commission will use their best efforts to enforce any contracts to which they are a party regarding providing of electrical service.

(g) Any bonds issued by the City payable from the Net Revenues of the System shall be issued under this Ordinance, and the City will not issue any bonds pursuant to the ordinances which authorized the Prior Bonds.

Section 21. Additional Bonds. The right is reserved, in accordance with the provisions of Act 94, to issue additional bonds payable from the Revenues of the System which shall be of equal standing and priority of lien on the Net Revenues of the System with the Senior Lien Bonds but only for the following purposes and under the following terms and conditions.

(a) To complete the Project in accordance with the plans and specifications therefor. Such Bonds shall not be authorized unless the Consulting Engineers shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the City Clerk, it shall be the duty of the Council to provide for and issue Additional Bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus in accordance with the plans and specifications plus an amount necessary to pay the cost of issuing such Bonds or to provide for part or all of such amount from other sources legally available therefor.

(b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding a part of any Outstanding Bonds (unless such partial refunding is done in compliance with (c) below) and paying costs of issuing such Additional Bonds including deposits which may be required to be made to the Bond Reserve Account. Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the average actual or augmented Net Revenues of the System for any consecutive twelve month period out of the 16 months preceding the adoption of the ordinance authorizing the issuance of such Bonds shall be equal to at least one hundred twenty five (125%) percent of the maximum Aggregate Debt Service Requirement in any current or future fiscal year on the Outstanding Bonds and on the Additional Bonds then being issued in the opinion of or as certified by an Independent Certified Public Accountant. If the Additional Bonds are to be issued in whole or in part for the purpose of refunding Outstanding Bonds, the maximum Aggregate Debt Service shall be determined by deducting from the principal and interest requirements for each operating year the annual Aggregate Debt Service Requirements of any Bonds to be refunded from the proceeds of the Additional Bonds.

Net Revenues may be augmented as follows for the purposes of this subsection (b):

- 1) If the System rates, fees or charges shall be increased at or prior to the time of authorizing the Additional Bonds, the Net Revenues may be augmented by an amount which in the opinion of the Consulting Engineers will reflect the effect of the increase had the System's billings during such time been at the increased rates.
- 2) The actual Net Revenues may be augmented by the estimated increase in Net Revenues which in the opinion of the Consulting Engineers will accrue (a) as a result of new customers who have been identified by an agreement to purchase service from the System who had not been serviced during the preceding 12 months or (b) as a result of any other new customer or expansion of service to any existing customers or (c) as a result of potential customers which exist in a new service area who will be serviced by the acquisition of the repairs, extensions, enlargements and improvements to said System which have been made during the preceding twelve months or which will be acquired in whole or in part from the proceeds of the Additional Bonds to be issued.
- 3) If the Bond Reserve Account is to be fully funded to an amount equal to the Bond Reserve Requirement funded from the proceeds of Additional Bonds then the actual Net Revenues may be augmented by an amount equal to the investment income representing interest on investments estimated to be received each operating year from the addition to the Bond Reserve Account to be funded from the proceeds of the Additional Bonds being issued.

No Additional Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in subparagraphs (b) or (d) if the City shall then be in default in making its required payments to the Operating and Maintenance Fund or the Redemption Fund.

(c) For refunding all of the Outstanding Bonds and paying costs of issuing such Additional Bonds including deposits which may be required to be made to the Bond Reserve Account. For refunding a part of the Outstanding Bonds and paying costs of issuing such Additional Bonds, if after giving effect to the refunding the maximum amount of Aggregate Debt Service in each future fiscal year shall be less than the Aggregate Debt Service in each future fiscal year prior to giving effect to the refunding.

(d) Additional Bonds may be issued without meeting any of the conditions and tests set forth in subsection (b) above for any one or more of the following purposes:

(i) the cost of acquisition and construction of any repairs, replacements, betterments, improvements, major renewals or corrections of any damage or loss to the System necessary, in the opinion of the Consulting Engineers, to keep the System in good operating condition or to prevent a loss of Revenues therefrom to the extent that the cost thereof cannot reasonably be paid from the Replacement Fund or from insurance proceeds, or

(ii) the cost of decommissioning, disposal or termination of any part of the System.

Determination by the Council as to existence of conditions permitting the issuance of Additional Bonds shall be conclusive, provided this shall not eliminate any requirement for any other approval required herein.

As long as any Outstanding Bonds are insured, or any policy costs thereon are owed to a Bond Insurer, the City shall get the prior written consent of the Bond Insurer before the issuance of Additional Bonds under subsections (a) and (d) of this Section 21, which consent shall not be unreasonably withheld.

Notwithstanding the foregoing requirements of this Section 21, the City reserves the right to issue Junior Lien Bonds payable as provided herein.

Section 22. Events of Default. Each of the following events, with respect to an issue of Bonds, is hereby declared an "Event of Default":

(a) default in the payment of the principal of or interest, or redemption premium, if any, on any Bond after the same shall become due, whether at maturity or upon call for redemption; or

(b) default by the City or the Commission in the performance or observance of any other of the covenants, agreements or conditions on its part in this Ordinance, or contained in the Bonds; provided, no such default shall constitute an Event of Default until written notice thereof shall have been given by the Registered Owners of not less than twenty percent (20%) in principal amount of the Outstanding Bonds to the City and the City shall have had sixty (60) days after receipt of such notice to correct such default or cause the same to be corrected and shall not have corrected such default or caused the same to be corrected within such period; and provided, further, that if the default be such that it cannot be corrected within such period, it shall not constitute an Event of Default if action to correct the same is instituted within such period and diligently pursued until the default is corrected.

The City shall forward a copy of any such notice as described in this Section 22(b) to the Trustee and to any Bond Insurer which is insuring Bonds subject to an Event of Default.

The Transfer Agent shall notify the Trustee and any Bond Insurer which is insuring Bonds subject to an Event of Default if the Transfer Agent lacks sufficient funds for the payment of the principal of, or interest, or redemption premium, if any, on any Bond when the same shall become due whether at maturity or upon call for redemption.

Section 23. Accounting and Examination of Records After Default. The Commission covenants that (i) if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Commission and all other records relating to the System shall at all times be subject to the inspection and use of the

Trustee and of its agents and attorneys, and (ii) if an Event of Default shall have happened and shall not have been remedied, the Commission, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this Ordinance for such period as shall be stated in such demand.

Section 24. Application of Revenues and Other Moneys After Default. The Commission covenants that if an Event of Default shall happen and shall not have been remedied, the Commission, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and funds then held by the Commission in any fund or account established under this Ordinance, and (ii) all Revenues as promptly as practicable after receipt thereof. During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Section as follows and in the following order:

(a) To the payment of the reasonable and proper charges, expenses and liabilities of the Trustee, and to the payment of the amounts required for operation and maintenance expenses and for the reasonable renewals, repairs and replacements of the System necessary in the judgment of the Trustee to prevent loss of Revenues. For this purpose the books of record and accounts of the Commission relating to the System shall at all times be subject to the inspection of the Trustee and its representatives and agents during the continuance of such Event of Default; and

(b) To the payment of the interest and principal or redemption price then due on the Bonds, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal or redemption price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or redemption price due on such date, to the persons entitled thereto, without any discrimination or preference.

If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the City under this Ordinance, including the principal and redemption price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the City, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under this Ordinance or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Commission, all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Ordinance to be deposited or pledged, with the Trustee), and thereupon the Commission and the Trustee shall be restored, respectively, to their former positions and rights under this Ordinance. No such payment over to the Commission by the Trustee nor such restoration of the City and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Ordinance or impair any right consequent thereon.

Section 25. Appointment of Receiver and Statutory Rights. In the event of a default in the punctual payment of principal of and interest on the Bonds when due, the Trustee shall have the right to apply in an appropriate proceeding for the appointment of a receiver of the System in accordance with the provisions of Act 94. Subject to the provisions of Section 27 of this Ordinance, the Registered Owners of Bonds representing in the aggregate not less than twenty percent (20%) of all Outstanding Bonds, may protect and enforce the statutory lien and pledge of the funds and accounts and Net Revenues created by Act 94, and enforce and compel the performance of all duties of the officials of the City, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of Revenues, and the proper application of Revenues. In addition to the rights conferred to Registered Owners by this Ordinance, the Registered Owners shall have all the rights conferred by the Act 94; provided, however, that the Registered Owner of each Bond agrees to enforce such right subject to the provisions of Section 27. The statutory lien upon the Net Revenues, however, shall not be construed to compel the sale of the System or any part thereof.

Section 26. Proceedings Brought by Trustee. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Registered Owners of not less than 20% in principal amount of the Outstanding Bonds shall proceed, to protect and enforce its rights and the rights of the Registered Owners of the Bonds under this Ordinance forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Commission as if the Commission were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Ordinance.

All rights of action under this Ordinance may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

Subject to the provisions of Section 27, the Registered Owners of not less than twenty percent in principal amount of the Outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Registered Owners not parties to such direction.

Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Ordinance, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Ordinance and provided to be exercised by the Trustee upon the concurrence of any Event of Default.

Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Registered Owners of not less than 20% in principal amount of the Outstanding Bonds, and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Ordinance or any acts which may be unlawful or in violation of this Ordinance, and such suits and proceedings as

the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Registered Owners.

Section 27. Restriction on Registered Owner's Action. No Registered Owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Ordinance or the execution of any trust under this Ordinance or for any remedy under this Ordinance, unless such Registered Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Ordinance, and the Registered Owners of at least 20% in principal amount of the Outstanding Bonds shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this Ordinance or by Act 94 or by the laws of the State of Michigan or to institute such action, suit or proceeding in its own name, and unless such Registered Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Registered Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the liens or pledge created by this Ordinance, or to enforce any right under this Ordinance, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Ordinance shall be instituted, had and maintained in the manner provided in this Ordinance and for equal benefit of all Registered Owners of the Outstanding Bonds; provided, however, nothing herein shall be construed as impairing any right granted to Registered Owners pursuant to the provisions of Act 94.

Section 28. Remedies Not Exclusive. No remedy by the terms of this Ordinance conferred upon or reserved to the Trustee or the Registered Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Ordinance or existing at law or in equity or by statute on or after the date of this Ordinance.

Section 29. Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or any Registered Owner to exercise any right or power arising upon the happening or an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Ordinance to the Trustee or to the Registered Owners may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Registered Owners.

The Registered Owners of not less than 20% in principal amount of the Bonds at the time outstanding, or their attorneys in fact duly authorized, may on behalf of the Registered Owners of all of the Bonds waive any past default under this Ordinance and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 30. Notice to Trustee of Default. The Trustee shall not be obliged to take notice or be deemed to have notice or knowledge of any Event of Default hereunder, unless specifically notified in writing of such Event of Default by the Transfer Agent or by the Registered Owners of not less than twenty percent (20%) in aggregate principal amount of the Outstanding Bonds in default.

Section 31. Notice to Registered Owners of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each Registered Owner of Outstanding Bonds at the address appearing upon the books kept by the Transfer Agent for each series of Bonds.

Section 32. Acceptance by Trustee of Trust and Duties. The Trustee shall evidence its acceptance of the trusts and duties imposed upon it by this Ordinance upon the occurrence of an Event of Default by filing a written acceptance thereof with the City. The Trustee shall execute the trusts and duties imposed upon it by this Ordinance upon the occurrence of an Event of Default but only upon the terms and conditions set forth in and subject to the provisions of this Ordinance. The Trustee shall, prior to having knowledge of any Event of Default as defined in this Ordinance and after the curing of all such Events of Default which may have occurred, perform such duties and only such duties of the Trustee as are specifically set forth in this Ordinance. The Trustee shall, during the existence of any such Event of Default (which has not been cured) exercise such of the rights and powers vested in it by this Ordinance and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No such provision of this Ordinance shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) prior to any such Event of Default hereunder, and after the curing of any such Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Ordinance and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Trustee, and

(2) in the absence of bad faith on its part the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it conforming to the requirements of this Ordinance; and

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(1) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts:

(2) the Trustee may consult with counsel (who may be counsel for any Registered Owner) and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon; and

(3) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys.

None of the provisions contained in this Ordinance shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Trustee may at any time resign and be discharged of the duties and obligations created by this Ordinance, by giving at least sixty days written notice to the City and to any Bond Insurer insuring Outstanding Bonds. The successor Trustee shall be appointed by the City and shall be a national banking association or a bank or

trust company organized under the laws of the United States of America or any state of the United States of America having a reported capital and surplus aggregating at least \$50,000,000, and shall be willing and able to accept the office on reasonable and customary terms, and shall be authorized by law to perform all the duties imposed on it by this Ordinance. Appointment of the successor Trustee shall be subject to approval of any Bond Insurer if required by such company.

Section 33. Amendments; Consent of Registered Owners.

(a) The City, from time to time and at any time, subject to the conditions and restrictions contained in this Ordinance, may enact one or more supplemental or amendatory ordinances or resolutions or both which thereafter shall form a part hereof, for any one or more or all of the following purposes:

(i) To issue Additional Bonds or Junior Lien Bonds;

(ii) To add to the covenants and agreements of the City contained in this Ordinance, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City (including but not limited to the right to issue Additional Bonds);

(iii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions contained in this Ordinance, or in regard to matters or questions arising under this Ordinance, as the City may deem necessary or desirable and not inconsistent with this Ordinance and which shall not have material, adverse effect on the interests of the Registered Owners of the Bonds;

(iv) To increase the size or scope of the System; and

(v) To make such modifications in the provisions hereof as may be deemed necessary by the City to accommodate the issuance of Additional Bonds or junior lien bonds which (a) are "Capital Appreciation Bonds" or "Zero Coupon Bonds" to the extent permitted by law or (b) are variable rate bonds, but only if such modifications, in the written opinion of nationally recognized bond counsel filed with the Council, do not result in materially diminishing the security hereby granted to the Registered Owners of any Outstanding Bonds.

Any amendment or supplemental ordinance or resolution authorized by the provisions of this Section 33(a) may be enacted by the City without the consent of or notice to the Registered Owners of any of the Outstanding Bonds, notwithstanding any of the provisions of Section 33(b) below.

(b) With the consent of the Registered Owners of not less than 51% in principal amount of the Bonds then outstanding and with the written consent of any Bond Insurer insuring Outstanding Bonds, which consent shall not be unreasonably withheld, the City may from time to time and at any time adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance, provided, however, that no such supplemental ordinance shall (i) extend the fixed maturity of any Bond, change a Mandatory Redemption Requirement for any series of Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce or extend the time for payment of any premium payable on the redemption thereof, without the consent of the Registered Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Registered Owners of the Bonds required to approve any such supplemental ordinance, or (iii) deprive the

Registered Owners of the Bonds (except as aforesaid) of the right to payment of the Bonds from the Net Revenues, without the consent of the Registered Owners of all the Outstanding Bonds or, (iv) cause any modification or reduction of the lien on or pledge of the Net Revenues or the funds or accounts established hereunder. After the Bond Insurer insuring any Outstanding Bonds has granted its consent to such amendments or supplements, copies of the amendment or supplement shall be sent to Standard & Poor's Corporation.

It shall not be necessary for the consent of the Registered Owners under this Section 33(b) to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the enactment by the City of any supplemental ordinance pursuant to the provisions of this Section 33(b), the City shall cause the Transfer Agent to mail a notice by registered or certified mail to the Registered Owners of all Outstanding Bonds at their addresses shown on the bond register or at such other address as is furnished in writing by such Registered Owner to the Transfer Agent setting forth in general terms the substance of such supplemental ordinance.

Section 34. Non-Arbitrage Covenant. For any series of bonds issued under this Ordinance on a tax-exempt basis, the City covenants and agrees that as long as any of the tax-exempt bonds remain outstanding and unpaid as to either principal or interest, the City shall not invest, reinvest or accumulate any moneys deemed to be proceeds thereof pursuant to the Internal Revenue Code in such a manner as to cause the tax-exempt bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code. The City hereby covenants that, to the extent permitted by law, it will take all actions within its control and that it shall not fail to take any action as may be necessary to maintain the exemption of interest on any of the tax-exempt bonds from gross income for federal income tax purposes, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds, all as more fully set forth in the Non-Arbitrage and Tax Compliance Certificate to be delivered by the City with the tax-exempt bonds.

Section 35. Appointment of Municipal Advisor. City hereby requests Bendzinski & Co., Registered Municipal Advisors with the Municipal Securities Rulemaking Board (the "Municipal Advisor"), to continue to act as Municipal Advisor to the City for the Series 2015 Bonds.

Section 36. Negotiated Sale of Series 2015 Bonds. In reliance upon the advice of the Municipal Advisor, the City Council hereby determines to sell the Series 2015 Bonds at a negotiated sale instead of a competitive sale for the reasons that a negotiated sale will permit the City to enter the market on short notice at a point in time which appears to be most advantageous, and thereby possibly obtain a lower rate of interest on the Series 2015 Bonds.

Section 37. Appointment of Underwriter for Series 2015 Bonds. The City hereby authorizes the General Manager or the Assistant General Manager, in consultation with the Municipal Advisor, to select an underwriter (the "Underwriter") as the senior managing Underwriter for the Series 2015 Bonds, and to name additional co-managers and develop a selling group, provided, however, that by adoption of this Ordinance the City assumes no obligations or liability to the Underwriter for any loss or damage that may result to the Underwriter from the adoption of this Ordinance, and all costs and expenses incurred by the Underwriter in preparing for sale of the Series 2015 Bonds shall be paid from the proceeds thereof, if issued, except as may be otherwise provided in an agreement to be signed by the City and the Underwriter.

Section 38. Appointment of Bond Counsel. The City requests that Miller, Canfield, Paddock and Stone, P.L.C. continue as bond counsel to the City for the Series 2015 Bonds. The City recognizes that Miller Canfield has represented from time to time, and currently represents, various financial institutions and underwriters which are potential purchasers of or underwriters for the Series 2015 Bonds in matters unrelated to the issuance of the Series 2015 Bonds.

Section 39. Application to Michigan Department of Treasury. The General Manager or Assistant General Manager of the City's Department of Municipal Service, or the City Manager, is hereby authorized to file such applications or other documents with the Michigan Department of Treasury or other parties as may be necessary or advisable to effectuate the sale and delivery of the Series 2015 Bonds, including an application to the Michigan Department of Treasury for exception from the refunding requirements of Section 611(1) of Act 34 in the event that a portion of the refunding does not produce present value savings.

Section 40. Bond Ratings; Municipal Bond Insurance. Either the General Manager or the Assistant General Manager is hereby authorized to apply for bond ratings from such municipal bond rating agencies as is deemed appropriate, in consultation with the Municipal Advisor.

If the Municipal Advisor recommends that the City consider purchase of municipal bond insurance, then the General Manager or the Assistant General Manager is hereby authorized and directed to negotiate with insurers regarding acquisition of municipal bond insurance, and, in consultation with the Municipal Advisor, to select a Bond Insurer and determine which bonds, if any, shall be insured. The Commission is hereby authorized to enter into an agreement with the Bond Insurer regarding notices to be provided to the Bond Insurer, filing of annual financial information to be provided to the Bond Insurer, consents or approvals to be obtained from the Bond Insurer, the dates of receipt by the Transfer Agent of bond payments, and other requirements which the City may be obliged to meet in order to obtain municipal bond insurance on the Series 2015 Bonds. If the Municipal Advisor advises the City that the purchase of a municipal bond insurance policy for the Series 2015 Bonds would be of economic benefit to the City, then the Commission is hereby authorized to purchase a municipal bond insurance policy from the Bond Insurer for the Series 2015 Bonds.

Section 41. Official Statement. The City Council hereby authorizes either the General Manager or the Assistant General Manager to approve the circulation of a preliminary official statement describing the Series 2015 Bonds and to deem such preliminary official statement as "near final" in compliance with Securities and Exchange Commission rules. The City Council hereby authorizes the Commission to approve, execute, and deliver a final Official Statement after sale of the Series 2015 Bonds.

Section 42. Continuing Disclosure. In order to enable underwriters to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City hereby agrees to undertake Continuing Disclosure. The City Council hereby authorizes the Commission to approve, execute, and deliver a Continuing Disclosure Undertaking in such form as it shall, in consultation with bond counsel, determine appropriate.

Section 43. Sale of Series 2015 Bonds. The Commission is hereby authorized, on behalf of the City, in consultation with the Municipal Advisor, to accept an offer to purchase the Series 2015 Bonds. The Commission is hereby authorized on behalf of the City to prepare, approve, execute, and deliver, a Bond Purchase Agreement and all other documents necessary to effect sale and delivery of the Series 2015 Bonds.

The Commission is hereby authorized on behalf of the City, subject to the provisions and limitations of this Ordinance, to determine all matters which this Ordinance provides shall be determined upon sale of the Series 2015 Bonds, including but not be limited to determination of original principal amount of the Series 2015 Bonds and the prices at which they are sold; the date of the Series 2015 Bonds; the schedule of principal maturities and whether the Series 2015 Bonds shall mature serially or as term bonds; the provisions for early redemption, if any, including mandatory redemption of term bonds, if any; the interest rates and payment dates of the Series 2015 Bonds; application of the proceeds of the Series 2015 Bonds; final preparation, approval, execution and delivery of the final Official Statement, whether the Series 2015 Bonds are to be sold on a tax-exempt basis, and all other necessary actions.

The maximum interest rate of the Series 2015 Bonds shall not exceed 8.00%. The purchase price for the Series 2015 Bonds, exclusive of any original issue discount, shall not be less than 98.00% of the principal amount of the Series 2015 Bonds, plus accrued interest. In making such determinations the Commission is authorized to rely upon data and computer runs provided by the Underwriter or the Municipal Advisor.

Approval of the matters delegated to the Commission under this Ordinance may be evidenced by execution of the bond purchase agreement or the final Official Statement.

Section 44. Necessary Actions. Any one or more of the officers, administrators, agents and attorneys of the City are authorized and directed to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient to complete the issuance, sale, and delivery of the Series 2015 Bonds in accordance with this Ordinance, and to pay costs of issuance including rating agency fees, bond insurance premiums, transfer agent fees, Municipal Advisor fees, bond counsel fees, printing the preliminary and final official statements, and any other costs necessary to accomplish sale and delivery of the Series 2015 Bonds.

Section 45. Ordinance to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and the Registered Owners from time to time of the Bonds; and the lien and pledge made in this Ordinance and the covenants and agreements therein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Ordinance.

Section 46. Repeal. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are repealed.

Section 47. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of this Ordinance.

Section 48. Publication and Recordation. This Ordinance shall be published in full in *The News-Herald*, a newspaper of general circulation in the City of Wyandotte qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the City and such recording authenticated by the signatures of the Mayor and the City Clerk.

Section 49. Effective Date. As provided in Act 94, this Ordinance shall be effective immediately upon its adoption.

Passed and adopted by the City of Wyandotte, County of Wayne, State of Michigan, on August 24, 2015.
Offered by Councilmember Schultz, and seconded by Councilmember VanBoxell.

YEAS: Councilmembers Fricke, Galeski, Miciura, Sabuda,

NAYS: None

ABSENT: None

Joseph R. Peterson, Mayor



Lawrence S. Stec, City Clerk

I hereby certify that the foregoing is a true and complete copy of an Ordinance duly enacted by the City Council of the City of Wyandotte, County of Wayne, State of Michigan, at a regular meeting held on August 24, 2015, at 7:00 pm., Eastern Time, 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. I further certify that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

I further certify that the following Members were present at said meeting: Councilmembers Fricke, Galeski, Miciura, Sabuda, Schultz and VanBoxell and that the following Members were absent: None

I further certify that Member Schultz moved for adoption of said Ordinance and that Member VanBoxell supported said motion.

I further certify that the following Members voted for adoption of said Ordinance: Councilmembers Fricke, Galeski, Miciura, Sabuda, Schultz and VanBoxell and that the following Members voted against adoption of said Ordinance: None.

I further certify that said Ordinance has been recorded in the Ordinance Book and that such recording has been authenticated by the signature of the Mayor and the City Clerk.

Signed: 
Lawrence S. Stec, City Clerk

BE IT RESOLVED by the City Council
I move the adoption of the foregoing resolution.
MOTION by Councilperson Schultz
Supported by Councilperson VanBoxell
Motion unanimously carried.