

ORDINANCE NO. 737

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF REVENUE REFUNDING BONDS TO PAY THE COST OF REFUNDING ALL OR PART OF THE CITY OF MELVINDALE'S WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE REFUNDING BONDS, SERIES 1996, WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BONDS, SERIES 1997, WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BONDS, SERIES 1998 AND WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BONDS, SERIES 2001 AND TO PRESCRIBE THE FORM OF THE BONDS; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND CERTAIN OUTSTANDING BONDS OF EQUAL STANDING OF THE SYSTEM; TO PROVIDE AN ADEQUATE RESERVE FUND FOR THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF THE REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM IN ENFORCEMENT THEREOF; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE SYSTEM AND THE BONDS AND OUTSTANDING BONDS OF THE SYSTEM.

THE CITY OF MELVINDALE ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Bonds" mean the Refunding Bonds, and any additional Bonds presently of equal standing or hereafter issued.
- (c) "Bond Purchase Agreement" means the Bond Purchase Agreement relating to the purchase of the Refunding Bonds by and between the City and the Underwriter.

(d) “Escrow Agent” means a bank or trust company to be selected by the City Administrator/Finance Director.

(e) “Issuer” or “City” means the City of Melvindale, County of Wayne, State of Michigan.

(f) “Mandatory Redemption Requirements” means the mandatory prior redemption requirements for Bonds that are term Bonds, if any, as specified in the Bond Purchase Agreement relating to the Refunding Bonds or in any subsequent Ordinance in connection with the issuance of additional bonds.

(g) “1996 Bonds” means the Issuer’s Water Supply and Sewage Disposal System Revenue Refunding Bonds, Series 1996, dated March 1, 1996, in the outstanding principal amount of Eight Hundred Forty Thousand Dollars (\$840,000), which bonds mature serially on June 1st of each of the years 2009 to 2011, inclusive.

(h) “1997 Bonds” means the Issuer’s Water Supply and Sewage Disposal System Revenue Bonds, Series 1997, dated January 1, 1997, in the outstanding principal amount of One Million Twenty-Five Thousand Dollars (\$1,025,000), which bonds mature serially on June 1st of each of the years 2009 to 2016, inclusive.

(i) “1998 Bonds” means the Issuer’s Water Supply and Sewage Disposal System Revenue Bonds, Series 1998, dated December 1, 1998, in the outstanding principal amount of Six Hundred Seventy-Five Thousand Dollars (\$675,000), which bonds mature serially on June 1st of each of the years 2009 to 2018, inclusive.

(j) “1999 Bonds” means the Issuer’s Water Supply and Sewage Disposal System Revenue Bonds, Series 1999, dated June 24, 1999, in the outstanding principal amount of Six Hundred Seventy-Five Thousand Dollars (\$675,000), which bonds mature serially on October 1st of each of the years 2009 to 2019, inclusive.

(k) “2001 Bonds” means the Issuer’s Water Supply and Sewage Disposal System Revenue Bonds, Series 2001, dated December 1, 2001, in the outstanding principal amount of Nine Hundred Twenty Thousand Dollars (\$920,000), which bonds mature serially on June 1st of each of the years 2009 to 2021, inclusive.

(l) “Outstanding Bonds” means the 1996 Bonds, the 1997 Bonds, the 1998 Bonds and the 2001 Bonds.

(m) “Junior Lien Bonds” shall mean the 1999 Bonds.

(n) “Outstanding Ordinances” means Ordinance Nos. 506, 506B, 506C, 562, 595, 619 and 679 of the Issuer.

(o) “Refunded Bonds” means all or a portion of the 1996 Bonds, 1997 Bonds, 1998 Bonds and the 2001 Bonds as shall be finally identified in the Sales Order referred to herein, but preliminarily refers to those 1996 Bonds maturing in the years 2010 to 2011, inclusive, aggregating the principal amount of Five Hundred Eighty Thousand Dollars (\$580,000), 1997 Bonds maturing in the years 2010 to 2016, inclusive, aggregating the principal amount of Nine Hundred Twenty-Five Thousand Dollars (\$925,000), 1998 Bonds maturing in the years 2010 to 2016, inclusive, aggregating the principal amount of Six Hundred Fifth

Thousand Dollars (\$650,000) and those 2001 Bonds maturing in the years 2013 to 2021, inclusive, aggregating the principal amount of Eight Hundred Thousand Dollars (\$800,000).

(p) “Refunding Bonds” means the Water Supply and Sewage Disposal System Revenue Refunding Bonds, Series 2009 of the Issuer authorized by this Ordinance.

(q) “Revenues” and “Net Revenues” mean the revenues and net revenues of the System and shall be construed as defined in Section 3 of Act 94, including with respect to “Revenues,” the earnings derived from the investment of moneys in the various funds and accounts established by the Outstanding Ordinances and this Ordinance.

(r) “Sales Order” means the Sales Order to be executed by the City Administrator/Finance Director of the City (the “Authorized Officer”) respecting the sale of the Refunding Bonds.

(s) “Sufficient Government Obligations” means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, 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 and the principal and redemption premium, if any, on the Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations 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 paying agent.

(t) “System” means the entire Water Supply and Sewage Disposal System of the City as defined in the Outstanding Ordinances.

(u) “Transfer Agent” means a bank or trust company to be selected by the City Administrator/Finance Director.

(v) “Underwriter” means the purchaser of the Refunding Bonds, as determined by the City Administrator/Finance Director.

Section 2. Necessity; Public Purpose. It is hereby determined to be a necessary public purpose of the Issuer to refund the Refunded Bonds.

Section 3. Payment of Cost; Bonds Authorized. To pay the costs associated with the refunding of the Refunded Bonds, including all legal, financial and other expenses incident thereto and incident to the issuance and sale of the Bonds, the Issuer shall borrow the sum of not to exceed Four Million Dollars (\$4,000,000), as finally determined in the Sales Order and issue the Bonds therefor pursuant to the provisions of Act 94. The remaining costs, if any, of refunding the Refunded Bonds shall be defrayed from System funds on hand and legally available for such use, including moneys in the bond reserve account established for the Outstanding Bonds and the Refunded Bonds.

Section 4. Bond Details, Registration and Execution. The Bonds hereby authorized shall be designated WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE REFUNDING BONDS, SERIES 2009, shall be payable solely and only out of the Net Revenues, as set forth more fully herein, shall consist of bonds of the denomination of \$5,000, or integral multiples of \$5,000 not exceeding in any one year the

amount maturing in that year, dated as of the date of delivery or such other date as shall be determined in the Sales Order, numbered in order of authentication, and shall mature on June 1st in the years 2010 to 2021, inclusive, or such other years of maturity as shall be determined in the Sales Order.

The Bonds shall bear interest at a rate or rates set forth in the Bond Purchase Agreement determined on sale thereof, but in any event not exceeding 6% per annum, payable on June 1 and December 1 of each year, commencing December 1, 2009, or such other date as shall be determined in the Sales Order, by check or draft mailed by the Transfer Agent to the person or entity which is, as of the 15th day of the month preceding the interest payment date, the registered owner at the registered address as shown on the registration books of the Issuer maintained by the Transfer Agent. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the Issuer to conform to market practice in the future. The principal of the Bonds shall be payable at the principal corporate trust office of the Transfer Agent. The Bonds shall be sold at the price set forth in the Bond Purchase Agreement.

The Bonds may be subject to redemption prior to maturity at the times and prices and in the manner finally determined by the Authorized Officer in the Sales Order.

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 in the principal amount of the portion of the original bond not called for redemption. Notice of

redemption shall be given in the manner specified in the form of the Bonds contained in Section 13 of this Ordinance.

The Bonds shall be executed in the name of the Issuer with the facsimile signatures of the Mayor and the City Clerk and shall have a facsimile of the Issuer's seal printed on them. No Bond shall be valid until authenticated by an authorized signer of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the Underwriter in accordance with instructions from the City Administrator/Finance Director of the Issuer upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted. Executed blank bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

Section 5. Registration and Transfer. Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the transfer agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require 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 business 15 days before

the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Bonds contained in Section 13 of this Ordinance and ending at the close of business on the day of that giving of notice, 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. The Issuer shall give the Transfer Agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Transfer Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bond, shall execute, and the Transfer Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond, upon surrender to the Transfer Agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the Transfer Agent and, if this evidence is satisfactory to both and indemnity satisfactory to the Transfer Agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended (“Act 354”), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the Issuer, at the expense of the owner, shall execute, and the Transfer Agent shall thereupon authenticate and deliver, a new Bond of like tenor and bearing the statement required by Act 354, or

any applicable law hereafter enacted, in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the Transfer Agent may pay the same without surrender thereof.

The Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York (“DTC”) and any officer of the City is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry-only form and to make such changes in the Bond form with the parameters of this resolution as may be required to accomplish the foregoing.

Section 6. Payment of Bonds. The Bonds and the interest thereon shall be payable solely and only from the Net Revenues, and to secure such payment, there is hereby recognized a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. The statutory first lien referred to herein shall be of equal standing and priority with the City’s Outstanding Bonds which are not being refunded with the Bonds. Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentence, the statutory lien shall be terminated with respect to that series of Bonds, the holders of that series shall have no further rights under this Ordinance except for payment

from the deposited funds, and the Bonds of that series shall no longer be considered to be outstanding under this Ordinance.

Section 7. Bondholders' Rights; Receiver. The holder or holders of the Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the security therefor.

Section 8. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on date even herewith, as the same may be increased from time to time.

Section 9. No Free Service or Use. No free service or use of the System, or service or use of the System at less than the reasonable cost and value thereof, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the Issuer.

Section 10. Fixing and Revising Rates. The rates presently in effect in the City are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law, in the Outstanding Ordinances and this Ordinance. The rates shall be reviewed not less than once a year and shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 11. Bond Reserve Fund. The Reserve Account in the Bond and Interest Redemption Fund, as established by the Outstanding Ordinances shall be maintained in such amounts, so that said Bond Reserve Account shall total a sum equal to the lesser of (a) such amount as is equal to the largest annual debt service requirement on the Refunding Bonds and the Outstanding Bonds, (b) 10% of the principal amount of the Refunding Bonds and the Outstanding Bonds or (c) 125% of the average annual debt service on the Refunding Bonds and the Outstanding Bonds. In the event that the interest

in said Reserve Account is greater than such requirement such excess amount shall be promptly transferred to the Receiving Fund.

Section 12. Bond Proceeds. From the proceeds of the sale of the Refunding Bonds there shall be immediately deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on the delivery of the Refunding Bonds. Certain of the proceeds of the Refunding Bonds and, if deemed necessary or advisable by the Issuer, moneys on hand in the outstanding Bond Reserve Account and to the extent required by law, excess moneys in the Junior Lien Bond Reserve Account, shall be deposited in an escrow fund or funds (the “Escrow Fund”) consisting of cash and investments in direct obligations of or obligations of the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing not redeemable at the option of the Issuer in amounts fully sufficient to pay the principal, interest and redemption premiums on all of the Refunded Bonds, which are to be refunded hereunder and shall be used only for such purposes. The Escrow Fund shall be held by the Escrow Agent pursuant to an escrow agreement (the “Escrow Agreement”) which shall irrevocably direct the Escrow Agent to take all necessary steps to pay the principal of and interest on the Refunded Bonds when due and to call the Refunded Bonds for redemption on the first call date, as specified by the Issuer. The amounts held in the Escrow Fund shall be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal, interest and redemption premiums on the Refunded Bonds when due at maturity or by call for redemption as required by the Sales Resolution. The remaining proceeds of the Bonds

shall be used to pay the costs of issuance of the Bonds. Any proceeds in excess of the proceeds deposited in the Escrow Fund or required to pay costs of issuance shall be deposited in the Redemption Fund and used to pay interest on the Bonds on the next available interest payment date.

The Mayor, City Clerk and the City Administrator/Finance Director of the Issuer are each authorized to negotiate an Escrow Agreement on behalf of the Issuer.

Section 13. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WAYNE

CITY OF MELVINDALE
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM
REVENUE REFUNDING BOND, SERIES 2009

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

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Melvindale, County of Wayne, State of Michigan (the "Issuer"), for value received, hereby promises to pay, solely and only out of the hereinafter described Net Revenues of the Issuer's Water Supply and Sewage Disposal System (hereinafter defined) the Principal Amount specified above in lawful money of the United States of America to the Registered Owner specified above, or registered assigns, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, payable on December 1, 2009, and semiannually thereafter. Principal of this bond is payable upon surrender of this bond at the corporate trust office of _____, _____, Michigan (the "Transfer Agent") or such other Transfer Agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than 60 days prior to any interest payment date. Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is, as of the 15th day of the month preceding the interest payment date, the registered owner of record, at the registered address as shown on the registration books of the Issuer kept by the Transfer Agent. For prompt payment of principal and interest on this bond, the Issuer has irrevocably pledged the revenues of the Water Supply and Sewage Disposal System of the Issuer (the "System"), including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory first lien thereon is hereby recognized and created.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$ _____, issued pursuant to Ordinance Nos. 506, 506B, 506C, 562, 595, 619, 679 and ____ of the Issuer, duly adopted by the City Council of the Issuer (the "Ordinances"), 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, for the purpose of paying the cost of refunding certain of the Issuer's

outstanding Water Supply and Sewage Disposal System Revenue Refunding Bonds, Series 1996, Water Supply and Sewage Disposal System Revenue Bonds, Series 1997, Water Supply and Sewage Disposal System Revenue Bonds, Series 1998 and the Issuer's outstanding Water Supply and Sewage Disposal System Revenue Bonds, Series 2001.

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 above-described Ordinances. The bonds of this issue are of equal standing and priority of lien as to the Net Revenues with the Issuer's (a) Water Supply and Sewage Disposal System Revenue Refunding Bonds, Series 1996 in the outstanding principal amount of \$260,000, (b) Water Supply and Sewage Disposal System Revenue Bonds, Series 1997 in the outstanding principal amount of \$100,000, (c) Water Supply and Sewage Disposal System Revenue Bonds, Series 1998 in the outstanding principal amount of \$25,000, and (d) Water Supply and Sewage Disposal System Revenue Bonds, Series 2001 in the outstanding principal amount of \$125,000.

Bonds of this issue maturing in the years ____ to ____, inclusive, are not subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year ____ and thereafter may be redeemed at the option of the Issuer, in such order as the Issuer shall determine and within any maturity by lot, on any date on or after June 1, ____ at par and accrued interest to the date fixed for redemption.

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

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

This bond is a self-liquidating bond and is not a general obligation of the Issuer and does not constitute an indebtedness of the Issuer within any constitutional, charter or statutory debt limitation of the Issuer but is payable solely and only, both as to principal

and interest, from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The Issuer has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest on and the principal of the bonds of this issue and any additional bonds of equal standing as and when the same shall become due and payable, and to create and maintain a bond 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 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 System as are required by the Ordinances.

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

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this bond and the series of bonds of which this is one have been done 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 Melvindale, County of Wayne, State of Michigan, by its City Council, has caused this bond to be executed with the facsimile signatures of its Mayor and its City Clerk and a facsimile of its corporate seal to be printed on this bond, all as of the Date of Original Issue.

CITY OF MELVINDALE

By _____
Mayor

(Seal)

Countersigned:

By _____
City Clerk

Certificate of Authentication

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

_____, Michigan
Transfer Agent

By _____
Authorized Signatory

Date of Registration:

Section 14. Negotiated Sale of Bonds. The Mayor and City Administrator/Finance Director are each hereby authorized to negotiate a Bond Purchase Agreement with the Underwriter finalizing the details of the Refunding Bonds within the authorized parameters of this Ordinance; provided, however, that in connection with the refunding of the Refunded Bonds, the net present value savings to be realized by the Issuer shall not be less than 2.5% of the debt service on the Refunded Bonds. In addition, each of the Authorized Officers is authorized to execute a Sales Order setting forth the final details of the Refunding Bonds within the authorized parameters of this Ordinance.

The Issuer desires to sell the Refunding Bonds through a negotiated sale with the Underwriter to provide more flexibility as to the timing and structure of the Refunding Bonds. The Mayor and City Administrator/Finance Director are each authorized to do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds.

Section 15. Qualified Tax Exempt Obligations The Issuer hereby designates the Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions pursuant to the Internal Revenue Code of 1986, as amended (the “Code”).

Section 16. Tax Matters. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Code, including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds.

Section 17. Disclosure. The City covenants it shall comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (“SEC”) regarding continuing disclosure.

Section 18. Savings Clause. The Outstanding Ordinances shall continue in effect, except as specifically supplemented or altered herein.

Section 19. Severability; Paragraph Headings; and Conflict. 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 part of this Ordinance.

Section 20. Retention of Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby retained by the Issuer as Bond Counsel with respect to the Refunding Bonds and directed to prepare all appropriate documents as shall be necessary or appropriate in connection with the issuance of the Refunding Bonds. The legal fees of Miller, Canfield, Paddock and Stone, P.L.C. shall be paid from the proceeds of the sale of the Refunding Bonds.

Section 21. Retention of Financial Advisor. Bendzinski & Co., Municipal Finance Advisors, is hereby retained by the Issuer as financial advisors to the Issuer with respect to the Refunding Bonds.

Section 22. Publication and Recordation. This Ordinance shall be published in full in the News Herald, a newspaper of general circulation in the City, qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the

Ordinance Book of the Issuer and such recording authenticated by the signatures of the Mayor and City Clerk.

Section 23. Other Matters. The Mayor, City Clerk and City Administrator/Finance Director are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement “final” for purposes of Rule 15c2-12 of the SEC; (b) solicit bids for and approve the purchase of a municipal bond insurance policy for the Bonds; and (c) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds, including, but not limited to making such applications and filings with the Michigan Department of Treasury.

Section 24. Effective Date. Pursuant to the provisions of Section 6 of Act 94, this Ordinance shall be approved on the date of first reading and accordingly this Ordinance shall immediately be effective upon its adoption.

Adopted and signed this 4th day of March, 2009.

Signed: _____
Mayor

Signed: _____
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Melvindale, County of Wayne, Michigan, at a Regular Meeting held on the 4th day of March, 2009, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting:

and that the following Members were absent: _____.

I further certify that Member _____ moved adoption of said Ordinance, and that said motion was supported by Member _____.

I further certify that the following Members voted for adoption of said Ordinance:

and that the following Members voted against adoption of said Ordinance:

_____.

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

City Clerk