



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE TREASURY

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1200
DETROIT, MICHIGAN 48226
WWW.DETROITMI.GOV

July 19, 2024

The Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: Bond Refinancing Resolution - LTGO Distributable State Aid Bonds, Series 2024

Dear Honorable Detroit City Council Members:

The CFO's Office respectfully submits the proposed Bond Refinancing Resolution – LTGO Distributable State Aid Bonds, Series 2024. As existing bonds become callable, it is the responsibility of the Office of the Chief Financial Officer to monitor refinancing opportunities that result in net present value savings. As of October 1st, 2024, the Financial Recovery Bonds Series 2014A will be callable. Following guidance from the City's Municipal Advisor, the OCFO will monitor financial markets and refinance the existing bonds with Distributable State Aid fifth lien bonds to achieve net present value savings.

Should you have any questions, please do not hesitate to contact me or my office.

Best regards,

Jay B. Rising
Chief Financial Officer

Att: Bond Authorizing Resolution- UTGO Bonds, Series 2024

Cc: Mayor Michael E. Duggan
John Naglick, Chief Deputy CFO/Finance Director-Controller
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration
Steve Watson, Deputy CFO/Budget Director
Nikhil Patel, Deputy CFO/Treasurer
Kevin Bain, Director of Strategy
Malik Washington, City Council Liaison

**RESOLUTION AUTHORIZING ISSUANCE OF
DISTRIBUTABLE STATE AID FIFTH LIEN
FINANCIAL RECOVERY REFUNDING BONDS
(LIMITED TAX GENERAL OBLIGATION)
SERIES 2024**

CITY OF DETROIT
County of Wayne, State of Michigan

WHEREAS, on December 10, 2014, in accordance with the Eighth Amended Plan of Adjustment of the Debts of the City of Detroit and pursuant to Section 36a of Act 279, Public Acts of Michigan, 1909, as amended (“Act 279”), the City of Detroit, County of Wayne, State of Michigan (the “City”) issued its \$134,725,000 Financial Recovery Income Tax Revenue and Refunding Bonds, Series 2014A (the “Prior Bonds”) and its \$110,275,000 Financial Recovery Income Tax Revenue and Refunding Bonds, Series 2014B; and

WHEREAS, Act 34, Public Acts of Michigan, 2001 as amended (“Act 34”) authorizes the City to refund or advance refund all or any part of its outstanding securities and Act 279 authorizes the City to refund its financial recovery bonds; and

WHEREAS, the City has been advised that it may achieve interest costs savings through the refunding of all or a portion of the Prior Bonds (the portion of the Prior Bonds to be refunded are hereinafter referred to as the “Prior Bonds To Be Refunded”); and

WHEREAS, the City desires to issue refunding bonds pursuant to Act 34 and Act 279, in an aggregate principal amount of not to exceed One Hundred Million Dollars (\$100,000,000) (the “Bonds”) for the purpose of paying all or part of the cost of refunding the Prior Bonds To Be Refunded in order to achieve interest cost savings for the benefit of the City and its taxpayers and remove the pledge of City income taxes for the payment of principal of and interest on the Prior Bonds To Be Refunded; and

WHEREAS, the City has determined to sell the Bonds by negotiated sale to the Michigan Finance Authority (the “MFA”) pursuant to a purchase contract (the “Purchase Contract”) between the City and the MFA, and the MFA will issues its bonds (the “MFA Bonds”), the proceeds of which will be used by the MFA to purchase the Bonds; and

WHEREAS, the Chief Financial Officer of the City recommends that the Bonds be secured by a pledge of State of Michigan shared revenues provided for in Act 140, Public Acts of Michigan, 1971, as amended (“Act 140”), any other law providing for distribution of state shared revenues which are derived from the same taxes distributed under the Act 140, and any law providing reimbursement to the City under the State of Michigan Constitution of 1963 as reimbursement for revenue which would otherwise be collected from taxes imposed by the City (“Distributable Aid”), in addition to a pledge of the City’s limited tax full faith and credit.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Details. The City hereby authorizes the issuance of the Bonds in such series and in such principal amounts as shall be confirmed in a sale order (the "Sale Order") of the Chief Financial Officer or his designee (the "Authorized Officer"). The Bonds shall be issued in the aggregate principal amount of not to exceed One Hundred Million Dollars (\$100,000,000), as finally determined upon sale thereof, to be designated DISTRIBUTABLE STATE AID FIFTH LIEN FINANCIAL RECOVERY REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION), SERIES 2024, for the purpose of paying the cost of refunding the Prior Bonds To Be Refunded and paying issuance costs of the Bonds. Except as provided herein, the MFA Bonds will, in the aggregate, mature or be subject to mandatory redemption and optional redemption in the same principal amounts per maturity, and bear interest at the same interest rates as the Bonds.

Each series of Bonds shall be in the form of a single fully-registered, nonconvertible bond in the denomination of the full principal amount thereof, dated as of the date of delivery of the Bonds, payable in principal installments serially as finally determined at the time of sale of the Bonds and approved by the MFA and the Authorized Officer. Final determination of the principal amount of a series and the payment dates and amounts of principal installments of a series of Bonds shall be evidenced by execution of the Purchase Contract between the City and the MFA providing for sale of the Bonds, and the Authorized Officer is authorized and directed to negotiate the terms of, approve the form of and to execute and deliver the Purchase Contract when it is in final form and to make the determinations set forth above.

The Bonds or principal installments thereof will be subject to prepayment prior to maturity in the manner and at the prices and times as may be approved by the Authorized Officer at the time of sale of the Bonds or by the MFA at the time of prepayment. The Bonds shall bear interest at the rates specified in the Purchase Contract and approved as evidenced by execution of the Purchase Contract, and the Authorized Officer shall deliver the Bonds in accordance with the delivery instructions of the MFA

The Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Bonds shall be payable as provided in the Bond form in this Resolution as the same may be amended to conform to MFA requirements.

The Master Trustee (as defined herein) shall record on the registration books payment by the City of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the City Treasurer. Upon payment by the City of all outstanding principal of and interest on a Bond, the MFA shall deliver the respective Bond to the City for cancellation.

2. Execution of Bonds. The Mayor and Finance Director of the City are authorized to execute and deliver the Bonds in accordance with the delivery instructions of the MFA. The Bonds shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and Finance Director of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. The Bonds bearing at least one manual signature of the Mayor or the Finance Director of the City sold to the MFA shall require no further authentication.

3. The MFA's Depository. Notwithstanding any other provision herein to the contrary, as long as the MFA is the owner of the Bonds, the Bonds are payable as to principal, premium, if any, and interest at the corporate trust office of U.S. Bank Trust Company, National Association, or such other qualified bank or financial institution as shall be designated in writing to the City by the MFA (the "MFA's Depository"). The City will deposit or cause the Master Trustee to deposit with the MFA's Depository payments of the principal of, premium, if any, and interest on the Bonds in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. Written notice of any redemption of the Bonds shall be given by the City and received by the MFA's Depository at least 40 days prior to the date on which such redemption is to be made.

4. Transfer of Bonds. The Master Trustee, as transfer agent for the Bonds (the "Transfer Agent") shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by a Registered Owner, 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 City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bond holder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

5. Security for Bonds; Debt Retirement Fund; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the principal and interest on the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in such fiscal year.

As additional security for the payment of principal and interest on the Bonds, pursuant to authorization provided in Act 227, Public Acts of Michigan, 1985, as amended ("Act 227"), and Act 279, the City hereby pledges for the payment of principal of and interest on the Bonds, Distributable Aid payments that the City is eligible to receive, which shall be subject to a statutory lien as provided in Act 227 and Act 279 on a fifth lien basis or such other basis as may be provided in the Sale Order. The Authorized Officer is hereby authorized and directed to negotiate, approve and execute such indenture or indentures as shall be necessary for delivery of the Bonds and the pledge of security provided herein as determined by the Authorized Officer and confirmed in the Sale Order, for and on behalf of the City with U.S. Bank Trust Company National Association, Detroit, Michigan, as master trustee (the "Master Trustee"), to provide for the pledge of Distributable Aid to secure payment of the Bonds. Nothing in this Resolution shall restrict or be construed as restricting the City's ability to make additional pledges or assignments of Distributable Aid as security for current or future bonds or obligations of the City, subject to the requirements for the issuance of additional bonds and obligations set forth in any such indenture.

Subject to and in accordance with the City's obligations under any indenture or agreements related to the pledge or intercept of Distributable Aid, the City Treasurer or, if applicable, the Master Trustee, is authorized and directed to open a separate fund with a bank or trust company

designated by the City Council to be known as the DISTRIBUTABLE STATE AID FIFTH LIEN FINANCIAL RECOVERY REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION), SERIES 2024 DEBT RETIREMENT FUND (the “Debt Retirement Fund”), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature. Into such fund there shall be placed the accrued interest, if any, received at the time of delivery of the Bonds,

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay the principal of and interest on the Bonds when due, shall be deposited in trust, this Resolution shall be defeased and the owners of the Bonds shall have no further rights under this Resolution except to receive payment of the principal of and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

6. Issuance Fund; Escrow Account; Proceeds of Bond Sale; Appropriation. Proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds and to secure payment of the Prior Bonds To Be Refunded as provided in this paragraph. Upon receipt of the proceeds of sale of the Bonds, the accrued interest, if any, shall be deposited in the Debt Retirement Fund for the Bonds. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated DISTRIBUTABLE STATE AID FIFTH LIEN FINANCIAL RECOVERY REFUNDING BONDS (LIMITED TAX GENERAL OBLIGATION), SERIES 2024 BOND ISSUANCE FUND (the “Bond Issuance Fund”), which may be established by the City or an escrow agent. The moneys in the Bond Issuance Fund shall be used solely to pay the costs of issuance of the Bonds. Any amounts remaining in the Bond Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Bonds. Notwithstanding anything to the contrary in this paragraph, some or all of the costs of issuance of the Bonds may be paid by the MFA, which costs may be reflected in the purchase price of the MFA’s purchase of the Bonds.

After making the deposits required by the preceding paragraph, there shall be deposited from the remainder of the proceeds of the sale of the Bonds and any moneys transferred by the City at the time of delivery of the Bonds from the debt retirement funds for the Prior Bonds To Be Refunded, into an escrow fund (the “Refunding Escrow Fund”) (which shall be maintained in cash or invested in direct obligations of or obligations guaranteed by the United States of America, not redeemable at the option of the issuer), an amount, as hereinafter described, sufficient to pay the principal of and interest on the Prior Bonds To Be Refunded as they become due and, except as otherwise herein provided, shall be used only for such purposes. The Refunding Escrow Fund shall be irrevocably held by U.S. Bank Trust Company, National Association, Detroit, Michigan as refunding escrow trustee (the “Refunding Escrow Trustee”) in trust pursuant to a refunding escrow deposit agreement between the City and the Refunding Escrow Trustee (the “Refunding Escrow Agreement”), which Refunding Escrow Agreement shall irrevocably direct the Refunding Escrow Trustee to take all necessary steps to pay the principal of and interest on the Prior Bonds To Be Refunded when due and to call for redemption the Prior Bonds To Be Refunded in whole or in part, as and when specified in the Refunding Escrow Agreement. The amounts, including the investments thereof, held in the Refunding Escrow Fund shall be such that the cash and

investments and income received thereon will be sufficient, without any reinvestment, to pay the principal of and interest on the Prior Bonds To Be Refunded when due at maturity or by redemption as required by this Section. Any balance remaining in the Refunding Escrow Fund after payment in full of principal and interest on the Prior Bonds To Be Refunded shall be applied as provided in the Refunding Escrow Agreement.

The Refunding Escrow Trustee means and includes any company into which the Refunding Escrow Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Refunding Escrow Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a trust company or bank which is qualified to be a successor to the Refunding Escrow Trustee as determined by the Authorized Officer, shall be authorized by law to perform all the duties imposed upon it by this Resolution, shall be the successor to the Refunding Escrow Trustee without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding.

The Authorized Officer is authorized to approve the form of and to execute the Refunding Escrow Agreement with the Refunding Escrow Trustee for and on behalf of the City.

The proceeds of the Bonds to be issued are hereby appropriated, upon adoption of this Resolution, to appropriation 29353 Debt Repayment for the purpose of paying the principal of and interest on the Prior Bonds To Be Refunded and Costs of Issuance.

7. Bond Form. The Bonds shall be in substantially the following form with such insertions, omissions, substitutions and other variations as shall not be inconsistent with this Resolution or required by the Michigan Attorney General and the MFA or permitted by the Sale Order or as approved by the Authorized Officer and Bond Counsel:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WAYNE

CITY OF DETROIT

DISTRIBUTABLE STATE AID AND FIFTH LIEN
FINANCIAL RECOVERY REFUNDING BONDS
(LIMITED TAX GENERAL OBLIGATION)
SERIES 2024

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	____, 20__	_____, 2024	

Registered Owner: Michigan Finance Authority

Principal Amount: _____ Dollars

The CITY OF DETROIT, County of Wayne, State of Michigan (the “City”), for value received, hereby promises to pay to the Michigan Finance Authority (the “MFA”), or registered assigns, the Principal Amount shown above, in lawful money of the United States of America, unless prepaid prior thereto as hereinafter provided. Capitalized terms used herein, but not defined herein, shall have the meanings ascribed to them in the Resolution, as hereinafter defined.

The Principal Amount shall be payable in the annual principal installment amounts set forth in Schedule A attached hereto and made a part hereof, unless prepaid prior thereto as hereinafter provided, with interest on the unpaid portions of the principal installments hereof from the Date of Original Issue shown above or such later date to which interest has been paid, until paid, at the rates of interest as set forth on the attached Schedule A, first payable on _____, 20____, and semiannually thereafter on the first day of ____ and _____ of each year thereafter.

[Insert redemption provisions, if applicable]

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

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

Notwithstanding any other provision of this bond, as long as the MFA is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at the corporate trust office of U.S. Bank Trust Company, National Association, _____, _____, or at such other place as shall

be designated in writing to the City by the MFA (the “MFA’s Depository”); (b) the City agrees that it will cause the Master Trustee to deposit with the MFA's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds at least five business days prior to the date on which any such payment is due, whether by maturity, redemption or otherwise; and (c) written notice of any redemption of this bond shall be given by the City and received by the MFA's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the “additional interest”) at a rate equal to the rate of interest which is two percent above the MFA's cost of providing funds (as determined by the MFA) to make payment on the bonds of the MFA issued to provide funds to purchase this bond, but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the MFA has been fully reimbursed for all costs incurred by the MFA (as determined by the MFA) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the MFA. In the event that (for reasons other than the default in the payment of any bond purchased by the MFA) the investment of amounts in the reserve account established by the MFA for the bonds of the MFA issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the MFA issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the MFA) of such deficiency as additional interest on this bond.

This bond is a single, fully-registered, non-convertible bond in the principal sum of \$ _____, issued pursuant to and in accordance with Act 34 and Act 279, Public Acts of Michigan, 1909, as amended, Act 227, Public Acts of Michigan, 1985, as amended (“Act 227”) and pursuant to and in accordance with a Resolution duly adopted by the City Council of the City on _____, 2024 and a Sale Order of the Authorized Officer of the City issued on _____, ____ (together, the “Resolution”). The Bonds are issued for the purpose of refunding [a portion of] the City’s outstanding Financial Recovery Income Tax Revenue and Refunding Bonds, Series 2014A.

Security

This bond is payable out of the City’s Debt Retirement Fund for this issue (which will be held by the Trustee), and the City is obligated to levy annually ad valorem taxes to provide for the payment of the principal of and interest on the bonds of this issue as they mature on all taxable property in the City, subject to applicable constitutional, statutory and charter tax rate limitations.

As additional security for the City’s obligation to pay the Bonds, pursuant to Act 227 the City has pledged the payments that the City is eligible to receive from the State of Michigan under Act 140, Public Acts of Michigan, 1971, as amended (“Distributable Aid”), and certain monies in the funds and accounts established by the City with U.S. Bank Trust Company, National Association, as master trustee (the “Master Trustee”), pursuant to the terms and conditions of a Master Debt Retirement Trust Indenture dated as of March 1, 2010 between the City and the Master Trustee, as supplemented by (i) the Second Supplemental Debt Retirement Trust Indenture dated as of December 1, 2010 between the City and the Master Trustee; (ii) the Sixth Supplemental Debt Retirement Trust Indenture dated as of August 11, 2016; and (iii) the Seventh Supplemental Debt Retirement Trust Indenture, dated as of August 11, 2016, (iv) the Eighth Supplemental Debt Retirement Trust Indenture, dated December 1, 2018, and (v) the Ninth Supplemental Debt Retirement Trust Indenture, dated _____1, 2024, each by and among the City, the MFA and the Master Trustee (collectively, the “Trust Indenture”). The pledge and lien on Distributable Aid securing the

Bonds is on a fifth lien basis, subordinate to the payment of principal and interest on the First Lien Obligations, Second Lien Obligations, the Third Lien Obligations and the Fourth Lien Obligations, as provided in the Trust Indenture, and on an equal and parity basis with to the payment of principal and interest on the Fifth Lien Obligations, as provided in the Trust Indenture. The City has reserved the right to make additional pledges or assignments of Distributable Aid on a prior, parity or subordinate basis with the pledge of Distributable Aid securing the Outstanding Distributable Aid Obligations and the Bonds as security for future bonds or obligations of the City, subject to the requirements for the issuance of additional bonds and obligations as provided in the Trust Indenture. This bond is transferable only upon the registration books of the City by the Registered Owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the City duly executed by the Registered Owner or the Registered Owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

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

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

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

CITY OF DETROIT
County of Wayne
State of Michigan

By: _____
Its Mayor

(SEAL)

By: _____
Its Finance Director

Certificate of Authentication

This bond is one of the bonds described herein.

U.S. Bank Trust Company, National Association
Detroit, Michigan
Transfer Agent

By _____
Its: Authorized Signatory

Authentication Date: _____, 2024

Schedule A

<u>Maturity Date</u> <u>1</u>	<u>Principal Amount</u>
2025	\$
2026	
2027	
2028	
2029	
2030	

8. Negotiated Sale; Placement or Public Offering. The City Council has considered the option of selling the Bonds through a competitive sale and a negotiated sale, and pursuant to the requirements of Act 34, based on the advice of its municipal advisor, determines that a negotiated sale of the Bonds will allow more flexibility in accessing the municipal bond market, and to price and sell the Bonds at the time that is expected to best achieve the most advantageous interest rates and costs to the City, and will provide the City with greater flexibility in structuring bond maturities and adjusting terms for the Bonds. In the event that the City's municipal advisor advises that market conditions favor a public offering sale of the Bonds instead of a sale to the MFA, the City may sell the Bonds at a negotiated sale through a public offering. Alternatively, if the City's municipal advisor advises that market conditions favor a competitive sale of the Bonds, the City may sell the bonds through a competitive sale pursuant to a notice of sale in a form to be approved by the Authorized Officer.

9. Delegation to Authorized Officer; Sale Order. The Authorized Officer is authorized to negotiate and execute the Sale Order and Purchase Contract specifying the final terms of the Bonds with the MFA, and the Authorized Officer and any other officers, employees or agents of the City are authorized and directed to take all other necessary actions, perform any and all acts and execute any and all documents that shall be required, necessary or desirable to implement this Resolution.

The Authorized Officer is hereby authorized to file applications with and to pay the related fees, if any, to the Michigan Department of Treasury (the "Department") at their discretion under Act 34 for an Order or Orders of Approval to issue all or a portion of the Bonds; to file applications with the Department for a waiver of the refunding bonds savings requirement and a waiver of the investment grade rating requirement; to enter into one or more indentures or supplemental indentures, agreements for deposit, pledge and intercept of Distributable Aid, to request approval from the Treasurer of the State of Michigan and the Emergency Loan Board established under Act 243, Public Acts of Michigan, 1980, as amended, and such waivers or other Treasury approvals as necessary to implement the sale, delivery and security for the Bonds. The Authorized Officer is hereby authorized to pay any post-closing filing fees required by Act 34 to the Department or other specified agency, as a cost of issuance or from other legally available funds.

10. Adjustment of Bond Terms. The Authorized Officer is authorized to adjust the final bond details as set forth herein to the extent necessary or convenient to complete the sale of the Bonds and in pursuance of the foregoing is each authorized to exercise the authority and make the determinations pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, date of issuance, interest payment dates, redemption rights and other matters within the parameters established by this Resolution.

11. Disclosure in Connection with Sale of MFA Bonds. The Authorized Officer is authorized and directed to cause the preparation and circulation of disclosure materials for use in marketing the MFA Bonds and to request ratings on the Bonds or provide information for the MFA to obtain ratings on the MFA Bonds.

12. Continuing Disclosure. In the event of a public offering sale of the Bonds or the MFA Bonds, the Authorized Officer is authorized to enter into a continuing disclosure undertaking

for the benefit of the holders and beneficial owners of the Bonds or the MFA Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the Authorized Officer is authorized to execute such undertaking prior to delivery of the Bonds or MFA Bonds.

13. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on each issue of the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, 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.

14. Bond Counsel. The appointment of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan, as Bond Counsel for the Bonds is hereby confirmed, notwithstanding the representation by Miller, Canfield, Paddock and Stone, P.L.C. of the MFA, which may include advising the MFA on its financing programs and borrowings, and other parties and potential parties to the issuance of the Bonds.

15. Municipal Advisor. Public Resources Advisory Group is retained as the registered municipal advisor to the City in connection with the issuance of the Bonds.

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