

ORDINANCE NO. 1275
CITY OF FERNDALE

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF WATER SUPPLY AND SANITARY SEWER SYSTEM REVENUE BONDS TO PAY THE COST OF THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE WATER SUPPLY AND SANITARY SEWER SYSTEM OF THE CITY 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 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 FERNDALE 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) "Authorized Officers" means either the Mayor, Clerk, City Manager and Finance Director.
(c) "Bonds" means the Series 2023 Bonds, the Outstanding Bonds and any additional Bonds of equal standing hereafter issued.
(d) "Bond Purchase Agreement" means the Bond Purchase Agreement relating to the purchase of the Series 2023 Bonds by and between the City and the purchaser.
(e) "City" means the City of Ferndale, County of Oakland, State of Michigan.
(f) "Outstanding Bonds" means the Series 2006 Bonds and the Series 2021 Bonds.
(g) "Outstanding Ordinances" means Ordinances Nos. 1013 and 1256 of the City.
(h) "Project" means the acquisition, construction, furnishing and equipping of improvements to the water supply and sanitary sewer system of the City, consisting generally of water main replacement, sanitary sewer lining, pump station improvements, lead service line replacements and manhole improvements, together with all necessary equipment, furnishings and all appurtenances and attachments
(i) "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.
(j) "Sale Order" means the Sale Order to be executed by an Authorized Officer of the City respecting the sale of the Series 2023 Bonds.
(k) "Series 2006 Bonds" means the Water Supply System Revenue Bonds, Series 2006, dated September 21, 2006, issued pursuant to the Outstanding Ordinance.
(l) "Series 2021 Bond" means the Water Supply System Revenue Bond, Series 2021, dated March 26, 2021, issued pursuant to the Outstanding Ordinance.
(m) "Series 2023 Bonds" means the Water Supply and Sanitary Sewer System Revenue Bonds, Series 2023, authorized pursuant to this Ordinance.
(n) "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.
(o) "System" means the water supply and sanitary sewer system of the City, including such facilities thereof as are now existing, are acquired and constructed as the Project, and all enlargements, extensions, repairs and improvements thereto hereafter made.
(p) "Transfer Agent" means a bank or trust company selected by an Authorized Officer to serve as bond registrar, paying and transfer agent for the Series 2023 Bonds.
(q) "Underwriter" means Huntington Capital Markets.

Section 2. Necessity, Public Purpose, Estimated Cost and Life of Project. It is hereby determined to be a necessary public purpose of the City to acquire and construct the Project. The estimated cost of acquiring and constructing the Project, including contingencies, engineering, legal and financing expenses, in an amount of not to exceed Twelve Million (\$12,000,000), is hereby approved. The City does hereby estimate the period of usefulness of the Project to be at least twenty (20) years.

Section 3. Payment of Cost; Bonds Authorized. To pay the costs associated with acquiring and constructing the Project, including legal, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2023 Bonds, the City shall borrow the sum of not to exceed Twelve Million Dollars (\$12,000,000), as finally determined in the Sale Order and issue the Series 2023 Bonds pursuant to the provisions of Act 94. The remaining costs, if any, shall be defrayed from System funds on hand and legally available for such use.

Except as amended by or expressly provided to the contrary in this Ordinance, all of the provisions of the Outstanding Ordinances shall apply to the Series 2023 Bonds issued pursuant to this Ordinance, the same as though each of said provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of additional revenue bonds of equal standing and priority of lien as to the Outstanding Bonds to finance the cost of acquiring additions, extensions and improvements to the System, with such additional bonds of equal standing and priority of lien as to the Outstanding Bonds for such purpose being authorized by the provisions of the Outstanding Ordinances, upon the conditions therein stated, which conditions have been fully met.

Section 4. Bond Details. The Series 2023 Bonds shall be designated WATER SUPPLY AND SANITARY SEWER SYSTEM REVENUE BONDS, SERIES 2023, 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 Sale Order, numbered in order of authentication, and shall mature on October 1st in the years 2024 to 2043, inclusive, in such amounts or as otherwise may be provided in the Sale Order.

The Series 2023 Bonds shall bear interest at a rate or rates determined on the sale thereof, but in any event not exceeding six (6.00%) per annum, payable on April 1 and October 1 of each year, commencing on the date as determined in the Sale 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 City 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 City to conform to market practice in the future. The principal of the Series 2023 Bonds shall be payable at the designated corporate trust office of the Transfer Agent. The Series 2023 Bonds shall be sold at a price not less than 98.00% of their par value.

The Series 2023 Bonds may be subject to redemption prior to maturity at the times and prices and in the manner finally determined in the Sale 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 14 of this Ordinance.

Section 5. Execution of Bonds. The Series 2023 Bonds shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and the City Clerk and shall have a facsimile of the City's seal printed on them. No Bond executed by facsimile signatures shall be valid until authenticated by an authorized signer of the Transfer Agent. The Series 2023 Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser thereof in accordance with instructions from an Authorized Officer of the City upon payment of the purchase price for the Series 2023 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 6. 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 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 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 herein 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 Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Series 2023 Bonds, which shall at all times be open to inspection by the City; 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 City, 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 City, 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 Series 2023 Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York ("DTC") and any Authorized 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 Series 2023 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.

Section 7. Payment of Series 2023 Bonds. The Series 2023 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 and of 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. 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 8. Bondholders' Rights; Receiver. The holder or holders of the Series 2023 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 City, 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 or of interest on the Series 2023 Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the City 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 City more particularly set forth herein and in Act 94.

The holder or holders of the Series 2023 Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Series 2023 Bonds and the security therefor.

Section 9. 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 the date hereof, as the same shall be increased from time to time.

Section 10. 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 City.

Section 11. Fixing and Revising Rates. The rates now in effect and the rate increases to be placed into effect 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 and of 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 and this Ordinance. The rates 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 12. Bond Reserve Fund. The Reserve Account in the Bond and Interest Redemption Fund, as established by the Outstanding Ordinances shall be adjusted in such amounts, so that upon issuance of the Series 2023 Bonds, the Bond Reserve Account shall total a sum equal to the lesser of (a) the maximum annual principal and interest requirements on the Bonds outstanding after issuance of the additional Bonds, (b) 125% of the average annual debt service on the Bonds after issuance of the additional Bonds, or (c) an amount equal to 10% of the principal amount of the Bonds. The City may fund the Bond Reserve Requirement by cash, or by a surety bond, insurance policy or a letter of credit if the provider or issuer thereof shall be rated by a nationally recognized bond rating agency as high or higher than the 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 Bonds as to which there would otherwise be a default. If at any time it shall be necessary to use the moneys or the letter of credit, surety bond or insurance policy 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 letter of credit, surety bond, or insurance policy securing the Bond Reserve Account, from the Net Revenues first received thereafter which are not required for current principal and interest requirements until the amount on deposit equals the Reserve Amount. If additional Bonds which will be secured by the funds on deposit in the Bond Reserve Account are issued, each Ordinance authorizing such additional Bonds shall provide for additional deposits to the Bond Reserve Account to be made from the proceeds of such additional Bonds or City funds on hand and legally available for such use in an amount that will result in the Bond Reserve Account being equal to the maximum annual principal and interest requirements on the Bonds to be secured by the funds on deposit in the Bond Reserve Account outstanding after issuance of the additional bonds, or such lesser amount as may be necessary to maintain the tax-exempt status of the Bonds. If on any April 1 or October 1 the amount in the Bond Reserve Account exceeds the Reserve Amount, the excess shall be transferred to the Bond and Interest Redemption Fund for payment of principal and interest due on that date on the Bonds secured by the funds on deposit in the Bond Reserve Account.

Section 13. Disposition of Bond Proceeds. There is hereby established in a bank insured by the Federal Deposit Insurance Corporation to be selected by an Authorized Officer, a separate depository account to be designated "Water Supply and Sanitary Sewer System Revenue Bonds, Series 2023 Construction Fund", the moneys from time to time on deposit to be used solely to pay the cost of the Project and the incidental costs set forth in Section 4 of this Ordinance. The proceeds of sale of the Series 2023 Bonds shall be allocated and used as follows, or as set forth in the Sale Order:

First, any premium, accrued interest and the amount necessary to fund capitalized interest for the Series 2023 Bonds, if any, shall

be deposited into the Bond and Interest Redemption Fund established by the Outstanding Ordinances.

Second, an amount necessary to fully fund the Bond Reserve Account shall be deposited into the Reserve Account in the Bond and Interest Redemption Fund.

Third, the amount of funds necessary to pay the costs of the Project, as set forth in the Sale Order, shall be deposited in the Water Supply and Sanitary Sewer System Revenue Bonds, Series 2023 Construction Fund. Moneys in the Construction Fund shall be applied solely in payment of the cost of the acquisition and construction of the Project, including any engineering expenses incident thereto. Any payments for construction, either on account or otherwise, shall not be made unless the registered engineer in charge of such work shall file with the City Council a signed statement to the effect that the work has been completed in accordance with the plans and specifications therefor; that it was done pursuant to and in accordance with the contract therefor (including properly authorized change orders), that the work is satisfactory and that any such work has not been previously paid for. The investment of the Bonds shall be limited as may be required by federal law.

Fourth, the remaining proceeds of the Series 2023 Bonds shall be used to pay the costs of issuance on the Series 2023 Bonds.

Any unexpended balance of the proceeds of sale of the Bonds in the Construction Fund remaining after completion of the Project may, in the discretion of the City, be used for further improvements and extensions to the System: provided, that, at the time of such expenditure, such use be approved by the Michigan Department of Treasury. Any remaining balance after such expenditure, or in the event no such expenditure is made, the entire unexpended balance shall be paid into the Bond and Interest Redemption Fund and used for the redemption or purchase of callable Bonds or for any other purpose permitted by Act 94. The proceeds of sale of said bonds may be invested in whole or in part in the manner provided by Act 94.

Section 14. Bond Form. The Series 2023 Bonds shall be in substantially the following form with such changes as may be approved by an Authorized Officer and Bond Counsel:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF FERNDALE
WATER SUPPLY AND SANITARY SEWER SYSTEM
REVENUE BOND, SERIES 2023

Interest Rate _____ Maturity Date _____ Date of Original Issue _____ CUSIP _____
1, 20 _____, 2023

REGISTERED OWNER: Cede & Co.
PRINCIPAL AMOUNT: _____ Dollars (\$ _____)

The City of Ferndale, County of Oakland, State of Michigan (the "City"), acknowledges to owe and for value received, hereby promises to pay, solely and only out of the hereinafter described Net Revenues of the City's Water Supply and Sanitary Sewer System (hereinafter defined) the Principal Amount shown above in lawful money of the United States of America to the Registered Owner shown above, or registered assigns, on the Maturity Date shown above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue shown above or such later date to which interest has been paid, until paid, at the Interest Rate per annum shown above, first payable on _____, 2022, and semi-annually thereafter. Principal of this bond is payable upon surrender of this bond at the designated corporate trust office of _____, Michigan (the "Transfer Agent") or such other Transfer Agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (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 fifteenth (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 City kept by the Transfer Agent. For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of the Water Supply and Sanitary Sewer System of the City (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 _____ Dollars (\$ _____), issued pursuant to Ordinances Nos. 1013, 1256 and _____ of the City, duly adopted by the City Council of the City (together, 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 acquiring and constructing additions, extensions and improvements to the System.

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 Ordinances. The bonds of this issue are of equal standing and priority of lien as to the Net Revenues with the City's Water Supply System Revenue Bonds, Series 2006 and the City's Water Supply System Revenue Bond, Series 2021 (together the "Outstanding Bonds").

Bonds of this issue maturing in the years 20__ to 20__, inclusive, are not subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 20__ and thereafter may be redeemed at the option of the City, in such order as the City shall determine and within any maturity by lot, on any date on or after _____ at par and accrued interest to the date fixed for redemption. To the System.

[Insert any mandatory redemption or extraordinary redemption provisions]

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 redeem the bond or portion thereof.

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 debt limitation of the City 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 City 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, the Outstanding Bonds 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 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 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 Ordinances authorizing the bonds, and the Outstanding 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, 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 FERNDALE
By: _____
Mayor

(Seal)
Countersigned:
By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

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

Transfer Agent

By: _____
Authorized Signatory

Date of Authentication: _____

Section 15. Additional Bonds. The City may issue additional bonds of equal standing with the Outstanding Bonds and the Series 2023 Bond for the purposes and on the conditions set forth in the Outstanding Ordinances.

Section 16. Adjustment of Bond Terms. The Authorized Officers are each hereby authorized to adjust the final bond details as set forth herein to the extent necessary or convenient to complete the sale of the Series 2023 Bonds and in pursuance of the foregoing are each authorized to exercise the authority and make the determinations pursuant to Sections 7a)(1)(c)(i) and (v) of Act 94, 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 Ordinance.

Section 17. Authorization for Negotiated Sale. The City has considered the option of selling the Series 2023 Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), hereby determines that a negotiated sale of the Series 2023 Bonds will allow more flexibility in accessing the municipal bond market, and to price and sell the Series 2023 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 Series 2023 Bonds, and hereby approves the Underwriter as the purchaser of the Series 2023 Bonds. The Authorized Officers are each authorized to negotiate the sale of the Series 2023 Bonds with the Underwriter, negotiate and execute a purchase agreement for the Series 2023 Bonds with the Underwriter, execute a Sale Order specifying the final terms of the Series 2023 Bonds and take all other necessary actions required to effectuate the sale, issuance and delivery of the Series 2023 Bonds within the parameters authorized in this Ordinance, provided that (i) the interest rate or rates on the Series 2023 Bonds shall not exceed 6.00% per annum, (ii) the purchase price shall not be less than 98.00% of the par amount of the Series 2023 Bonds, (iii) the underwriter's discount shall not exceed 1.00% and (iv) the Series 2023 Bonds shall mature in not more than twenty (20) annual installments.

Section 18. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Series 2023 Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of the proceeds of the Series 2023 Bonds and moneys deemed to be proceeds of the Series 2023 Bonds.

Section 19. Continuing Disclosure. The City covenants to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Series 2023 Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Council, and the Authorized Officers are each hereby authorized to execute such undertaking prior to delivery of the Series 2023 Bonds.

Section 20. Other Matters. The Authorized Officers are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Series 2023 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 Series 2023 Bonds; (c) apply for ratings on the Series 2023 Bonds; and (d) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Series 2023 Bonds.

Section 21. Savings Clause. The Outstanding Ordinances shall continue in effect, except as specifically supplemented or altered herein.

Section 22. 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 23. Publication and Recordation. This Ordinance shall be published in full in the Royal Oak Tribune, 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 City and such recording authenticated by the signatures of the Mayor and City Clerk.

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 8th day of May, 2023.

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 Ferndale, County of Oakland, Michigan, at a Regular Meeting held on the 8th day of May, 2023, 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, as amended, 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: James, Leaks-May, Mikulski, Pawlica, Piana and that the following Members were absent: _____

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

I further certify that the following Members voted for adoption of said Ordinance: James, Leaks-May, Mikulski, Pawlica, Piana and that the following Members voted against 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