



AMENDMENT NO. 1 TO BOND

This Amendment No. 1 (“Amendment”) is made as of the ___ day of _____, 2022 to that certain **City of Ann Arbor** (“City”) **2018 Capital Improvement Bonds, Series A** issued August 29, 2018 (as amended, supplemented or modified from time to time) (“Bond”), with The Huntington National Bank, successor by merger to CFC Capital, Inc., as the Registered Owner (“Owner”) for the Principal Amount of five million three hundred fifty thousand dollars (\$5,350,000.00).

WHEREAS, the undersigned parties to the Bond wish to amend the Bond as set forth herein.

Now therefore, in consideration of the mutual covenants and promises as set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Bond as follows:

1. The City and the Owner agree that the Bond is hereby amended as follows:
 - A. In the first and second sentence, “with interest thereon, from the Date of Issuance specified above or such later date to which interest has been paid, at a monthly adjustable rate per annum equal to (i) 79% of (ii) the sum of the one month (30-day) LIBOR Rate plus 95 basis points (.95%), payable monthly on the first Business Day of each month (the “Interest Payment Date”), commencing October 1, 2018. The date of record shall be the 15th date of the month preceding the monthly Interest Payment Date” shall be deleted and replaced with “with interest thereon, from the Date of Issuance specified above or such later date to which interest has been paid, at an adjustable rate per annum equal to (i) 79% of (ii) the sum of Term SOFR plus 100 basis points (1.00%), payable monthly on the first Business Day of each month (the “Interest Payment Date”), commencing October 1, 2018. If the Interest Payment Date shall come due on a day other than a Business Day, the Interest Payment Date shall be extended to the next succeeding Business Day, and such extension of time shall be reflected in computing interest; provided, however, that if such next succeeding Business Day occurs in the following calendar month, then the Interest Payment Date shall be the immediately preceding Business Day. The date of record shall be the 1st day of each Interest Period.”
 - B. The second paragraph shall be deleted in its entirety.
 - C. The “LIBOR Rate” definition in the third paragraph shall be deleted in its entirety.
 - D. The “Interest Period” definition in the fourth paragraph shall be deleted in its entirety and replaced as detailed herein.
 - E. The “Business Day” definition in the sixth paragraph shall be deleted in its entirety and replaced with “any day other than a Saturday, a Sunday, or other day on which the Owner is authorized or required by law to be closed.”
 - F. A second sentence shall be added immediately following the first sentence of the Annual Mandatory Redemption section that reads “If the Redemption Date shall come due on a day other than a Business Day, the Redemption Date shall be extended to the next succeeding Business Day, and such extension of time shall be reflected in computing interest; provided, however, that if such next succeeding Business Day occurs in the following calendar month, then the Redemption Date shall be the immediately preceding Business Day.”
 - G. The following defined terms shall be incorporated into the Bond and appended as Exhibit A to the Bond:

EXHIBIT A ADDITIONAL DEFINITIONS

“Benchmark” means, initially, the Term SOFR Reference Rate; provided, that if a replacement of the Benchmark has occurred pursuant to the Benchmark Replacement provisions, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate.

“Benchmark Replacement” means, with respect to any Benchmark, the first alternative set forth in the order below that can be determined by the Owner for the applicable Benchmark Transition Event:

- (a) Replacement SOFR; or



(b) the sum of: (i) the alternate benchmark rate and (ii) the adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Owner as the replacement for such Benchmark giving due consideration to (x) any selection or recommendation by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention for determining an alternate benchmark rate or adjustment (or method for calculating or determining such adjustment) for the replacement of the then-current Benchmark for Dollar-denominated credit facilities.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Bond and the other documents.

“Benchmark Transition Event” means (a) the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (i) such administrator has ceased or will cease on a specified date to provide such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark or (ii) such Benchmark is not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks or (b) the Owner determines that any law, rule or regulation has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Owner to make, maintain or fund bonds whose interest is determined by reference to the then-current Benchmark or to determine or charge interest rates based upon the then-current Benchmark.

“Change in Law” means the occurrence after the date of this Amendment of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law, regardless of the date enacted, adopted or issued.

“Conforming Changes” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Business Day,” the definition of “U.S. Government Securities Business Day”, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or other notices, the applicability and length of lookback periods, and other technical, administrative or operational matters) that the Owner decides may be appropriate to reflect the adoption and implementation of any such rate and to permit the administration thereof by the Owner in such manner as the Owner shall reasonably select.

“Floor” means a rate of interest equal to 0%.

“Interest Period” means a period of one (1) month; provided, that any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day. The initial Interest Period shall commence on June 1, 2022.

“Prime Rate” means the rate of interest publicly announced from time to time by the Owner as its “prime rate”, which rate may not be the lowest or most favorable rate then being charged commercial borrowers or others by the Owner. Any change in the Prime Rate announced by the Owner shall take effect at the opening of business on the day specified in the public announcement of such change. Notwithstanding the foregoing, if the Prime Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Bond and the other documents.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.



“Replacement SOFR” means SOFR, with the accrual methodology and other conventions for such rate being established by the Owner in its reasonable discretion; provided, further, that if Replacement SOFR shall be less than the Floor, then Replacement SOFR shall be deemed to be the Floor for the purposes of this Bond and the other documents.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“Term SOFR” means, with respect to any Interest Period, the Term SOFR Reference Rate for a tenor comparable to such Interest Period on the day (such day, the “Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day; provided, further, that if Term SOFR as so determined (including pursuant to the foregoing proviso) shall be less than the Floor, then Term SOFR shall be deemed to be the Floor for the purposes of this Bond and the other documents.

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Owner in its reasonable discretion).

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

H. The following sections shall be incorporated into the Bond and appended as Exhibit B to the Bond:

EXHIBIT B
TERM SOFR PROVISIONS

Section B-1 Benchmark Replacement.

Notwithstanding anything to the contrary herein or in any other document:

(a) Following the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any documents on such date as may be determined by the Owner, without any amendment to this Bond or any other documents or further action or consent of the City.

(b) In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Owner will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other documents, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Bond.

(c) The Owner will promptly notify the City of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. Any determination, decision or election that may be made by the Owner pursuant to this Section B-1, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto.

Section B-2 Rates.



The Owner does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation, administration, submission, calculation or selection of, or any other matter related to, the Benchmark, any component definition thereof or rates referenced in the definition thereof or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Owner may select information sources or services in its reasonable discretion to ascertain the Benchmark (or any component definition thereof or rates referenced in the definition thereof) pursuant to the terms of this Bond, and shall have no liability to the City or any other Person for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error by, or any calculation of any such rate (or component thereof) provided by, any such information source or service.

Section B-3 Term SOFR Conforming Changes.

In connection with the use or administration of Term SOFR, the Owner may make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Bond or any other document. The Owner will promptly notify the City of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

Section B-4 Inability to Determine Rates.

Subject to the Benchmark Replacement provisions herein, if the Owner shall determine that (a) Term SOFR for any Interest Period cannot be determined pursuant to the definition thereof or (b) for any reason Term SOFR for any Interest Period does not adequately and fairly reflect the cost to the Owner of making or maintaining the bonds during such Interest Period, then the Owner shall promptly give notice thereof to the City. In any such event, the accrual of interest based upon Term SOFR shall be suspended until the Owner shall notify the City that the circumstances causing such suspension no longer exist, and beginning on the date of such suspension, interest shall accrue hereunder at a rate per annum equal to Replacement SOFR plus a margin determined by the Owner or, if the Owner shall determine that SOFR is subject to any of the circumstances set forth in the foregoing clause (a) or (b) or otherwise cannot be ascertained, the Prime Rate plus a margin determined by the Owner to preserve the Owner's anticipated yield hereunder.

Section B-5 Increased Costs.

(a) If any Change in Law shall (i) impose, modify or deem applicable any reserve, special deposit, compulsory bond, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Owner or (ii) impose on the Owner any other condition, cost or expense affecting this Bond or bonds owned by the Owner, and the result of any of the foregoing shall be to increase the cost to the Owner of owning or maintaining any bond or of maintaining its obligation to own any bond, or to reduce the amount of any sum received or receivable by the Owner hereunder (whether of principal, interest or any other amount) then, upon request of the Owner, the City will pay to the Owner such additional amount or amounts as will compensate the Owner for such additional costs incurred or reduction suffered.

(b) If the Owner determines that any Change in Law affecting the Owner or its lending office or its holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Owner's capital or on the capital of the Owner's holding company, if any, as a consequence of this Bond, the Commitments of the Owner or the bonds made by the Owner, to a level below that which the Owner or its holding company could have achieved but for such Change in Law (taking into consideration the Owner's policies and the policies of the Owner's holding company with respect to capital adequacy and liquidity), then from time to time the City will pay to the Owner such additional amount or amounts as will compensate the Owner or the Owner's holding company for any such reduction suffered.

(c) A certificate of the Owner setting forth the amount or amounts necessary to compensate the Owner or its holding company as specified in the foregoing paragraph (a) or (b) and delivered to the City shall be conclusive absent manifest error. The City shall pay the Owner the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof. Failure or delay on the part of the Owner to demand compensation pursuant to this Section B-4 shall not constitute a waiver of the Owner's right to demand such compensation; provided that the City shall not be required to compensate the Owner pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that the Owner notifies the City of the Change in Law giving rise to such increased costs or reductions and of the Owner's intention to claim compensation therefor (except that, if the



Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section B-6 Compensation for Losses.

Upon demand of the Owner from time to time, the City shall promptly compensate the Owner for and hold the Owner harmless from any loss, cost or expense incurred by it as a result of (a) any payment or prepayment of any bond accruing interest at Term SOFR on a day other than the last day of an Interest Period (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise) or (b) any failure by the City to prepay or borrow any bond accruing interest at Term SOFR on the date or in the amount notified by the City, including any loss or expense arising from the liquidation or reemployment of funds.

Section B-7 Survival.

All of the City’s obligations under Sections B-1 through B-6 shall survive termination of this Bond and repayment of the obligations contained therein.

- 2. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, constitute a waiver of, or otherwise affect the rights and obligations of Owner and the City under the Bond, nor alter, modify amend or in any way affect any of the terms, conditions or covenants contained in the Bond, all of which the City ratifies and affirms in all respects and all of which shall continue in full force and effect. Nothing contained herein shall operate to release the City or any other person or persons from their liability to keep and perform the provisions, conditions, and obligations contained in the Bond.
- 3. It is the intention of the Owner and the City that, upon execution, this Amendment shall constitute a part of the Bond. To the extent that the provisions of this Amendment conflict with the provisions of the Bond, the provisions of this Amendment shall control. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond.

IN WITNESS WHEREOF, the parties, each by its duly authorized officer or agent, have duly executed and delivered this Amendment as of the date set forth above.

The Huntington National Bank,
a national banking association

City of Ann Arbor

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____