



Legislation Details (With Text)

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Title: An Ordinance Authorizing and Providing for the Issuance and Sale of Sewage Disposal System Revenue Bonds, Series 2008-A, of Equal Standing with Certain Outstanding Sewage Disposal System Revenue Bonds (Roll Call Vote Required - One Reading)

Sponsors:

Indexes:

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Date	Ver.	Action By	Action	Result
2/19/2008	1	City Council	Adopted on First Reading	Pass

An Ordinance Authorizing and Providing for the Issuance and Sale of Sewage Disposal System Revenue Bonds, Series 2008-A, of Equal Standing with Certain Outstanding Sewage Disposal System Revenue Bonds (**Roll Call Vote Required - One Reading**)

Recommended for Council is an Ordinance approving the issuance of Sewage Disposal System Revenue Bonds, Series 2008-A (“Bonds”), in the maximum principal amount of \$26,000,000, for the purpose of financing the acquisition and construction of extensions and improvements to the City’s Sewage Disposal System (“System”). The Bonds are secured solely by the net revenues of the System.

The Bonds are to be sold by competitive sale. The Ordinance authorizes the Chief Financial Officer and Treasurer to execute a Sales Order awarding the Bonds to the lowest bidder based on the calculation of the lowest true interest cost to the City.

The City’s bond counsel, Dykema Gossett, prepared the ordinance with further review by the City Attorney.

Prepared by: Tom Crawford, Chief Financial Officer
Reviewed by: Mary Fales, Senior Assistant City Attorney
ORDINANCE NO. ORD-08-08

First Reading : February 19, 2008
Public Hearing : February 19, 2008
Approved: February 19, 2008 (Requires One Reading Only)
Published: February 26, 2008
Effective: February 26, 2008

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF

EXTENSIONS AND IMPROVEMENTS TO THE SEWAGE DISPOSAL SYSTEM OF THE CITY OF ANN ARBOR; AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS OF EQUAL STANDING WITH CERTAIN OUTSTANDING SEWAGE DISPOSAL SYSTEM REVENUE BONDS FOR THE PURPOSE OF PAYING THE COST OF SAID EXTENSIONS AND IMPROVEMENTS; 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 ANN ARBOR 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 Series 2008-A Bonds, and any additional Bonds presently of equal standing or hereafter issued.
- (c) "Council" or "City Council" means the City Council of the City of Ann Arbor, County of Washtenaw, State of Michigan.
- (d) "Issuer" or "City" means the City of Ann Arbor, County of Washtenaw, State of Michigan.
- (e) "Outstanding Bonds" means the Issuer's Sewage Disposal System Revenue Bonds, Series XVI, dated October 1, 1995, Sewage Disposal System Revenue Bonds, Series, XVII, dated June 1, 1996, Sewage Disposal System Revenue and Revenue Refunding Bonds, Series XVIII, dated December 1, 1998, Sewage Disposal System Revenue Bonds, Series XIX, dated February 1, 2004, Sewage Disposal System Revenue Bonds, Series 2004-A, dated March 25, 2004, Sewage Disposal System Revenue Bonds, Series 2004-B, dated December 16, 2004, Sewage

Disposal System Revenue Bonds, Series 2006-A, dated March 30, 2006, Sewage Disposal System Revenue Bonds, Series 2007-A, dated March 29, 2007, and Sewage Disposal System Revenue Bonds, Series 2007-B, dated December 14, 2007.

(f) "Outstanding Ordinances" means Ordinances Nos. 85, 51-95, 27-96, 27-98, 48-03, 9-04, 41-04, 8-06, 8-07 and 49-07, as such Ordinances may have been amended from time to time.

(g) "Project" means the extensions and improvements to the System to be made and completed pursuant to this Ordinance as set forth in the plans presented by the City's Engineers and placed on file with City.

(h) "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.

(i) "Sales Order" means the Sales Order to be executed by the Chief Financial Officer or Treasurer on behalf of the Issuer respecting the award and sale of the Series 2008-A Bonds.

(j) "Series 2008-A Bonds" means the Sewage Disposal System Revenue Bonds, Series 2008-A of the Issuer authorized by this Ordinance.

(k) "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 they come 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.

(l) "System" means the entire Sewage Disposal System of the City, both inside and outside the City, including all plants, works, instrumentalities and properties, used or useful in connection with the collection and treatment of potable water, as the same now exists, and all enlargements, extensions, repairs and improvements thereto hereafter made.

(m) "Transfer Agent" means a financial institution qualified to act in such capacity or any successor thereto as designated in the Sales Order.

Section 2. Necessity; Public Purpose. It is hereby determined to be necessary for the public health and welfare of the City to acquire the Project.

Section 3. Estimated Cost and Life of Project. The estimated cost of acquiring the Project, including contingencies, engineering, legal and financing expenses, which estimate has been prepared by the Engineers in the amount of not less than Twenty-Six Million Dollars (\$26,000,000.00), is hereby approved, and the Council does hereby estimate the period of usefulness of the Project to be at least fifty (50) years.

Section 4. Bonds Authorized; Outstanding Ordinances. To pay the cost of acquiring the Project and to pay engineering, financial, legal and other expenses and contingencies incidental thereto and to the issuance of the Bonds, it is hereby determined that there be borrowed upon the credit of the Revenues of the System, the additional sum of not to exceed Twenty-Six Million Dollars

(\$26,000,000.00), or such lesser amount as determined pursuant to the Sales Order, and that the Bonds be issued therefor, under the provisions of Act 94, the Bonds having equal standing and priority and being equally secured with the Outstanding Bonds.

Except as changed by the provisions of this Ordinance, all the provisions of the Outstanding Ordinances shall apply to the Bonds, the same as though each of said provisions were repeated in this Ordinance, the purpose of this Ordinance being to authorize the issuance of additional Bonds to finance the cost of acquiring extensions and improvements to the System, additional bonds of equal standing with 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 5. Detail of Bonds. The Bonds shall be designated SEWAGE DISPOSAL SYSTEM REVENUE BONDS, SERIES 2008-A, and shall be, not general obligations of the City, but revenue bonds, payable solely out of the Net Revenues of the System, and shall consist of fully registered bonds of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the aggregate principal amount of that maturity, dated as of the date of delivery of the Bonds, numbered in direct order of maturity from 1 upwards, and payable on July 1st of each year (as serial bond maturities or annual mandatory redemptions of term bonds as permitted under the form of Notice of Sale contained herein) as follows:

<u>Year</u>	<u>Amount (\$)</u>
2009	525,000
2010	540,000
2011	590,000
2012	615,000
2013	645,000
2014	755,000
2015	795,000
2016	835,000
2017	875,000
2018	920,000
2019	965,000
2020	1,015,000
2021	1,065,000

2022	1,115,000
2023	1,175,000
2024	1,230,000
2025	1,295,000
2026	1,360,000
2027	1,425,000
2028	1,495,000
2029	1,570,000
2030	1,650,000
2031	1,730,000
2032	1,815,000

The Chief Financial Officer of the City may adjust such maturity schedule and principal amounts, including the aggregate principal amount of the Bonds, prior to sale of the Bonds as required by changes in costs of the Project or bond market conditions, within the maximum principal amount of \$26,000,000 and the final maturity date being not later than July 1, 2032. The Bonds shall bear interest at a rate or rates to be determined on public sale thereof, but in any event not exceeding the lesser of 6% per annum, or the maximum rate permitted by law, payable on January 1 and July 1 of each year, commencing July 1, 2008, by check or draft mailed by the Transfer Agent selected by the City 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 the 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 Bonds shall be sold at not less than 99% of their par value, nor more than 101% of their par value.

The bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York (“DTC”) and the Mayor, City Clerk and Treasurer are severally 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 form of Bonds within the parameters of this Ordinance as may be required to accomplish the foregoing.

The Series 2008-A Bonds or portions thereof maturing on or after July 1, 2019, may be subject to redemption prior to maturity at the times and prices and in the manner and with notice as set forth in the form of the Series 2008-A Bonds and in the form of the Official Notice of Sale for the Series 2008-A Bonds set forth in Sections 15 and 18, respectively, of this Ordinance.

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.

The 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 the City's seal (or a facsimile thereof) printed or impressed on them. No Bond shall be valid until authenticated by an authorized signor of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser in accordance with instructions from the Treasurer of the City 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 may 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 Issuer shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for a 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 15 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.

Section 7. Payment of Bonds. The Bonds and the interest thereon shall be payable solely from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien 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 first lien referred to herein shall be equally shared and be a first 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 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 9. Management; Fiscal Year. The operation, repair and management of the System and the acquiring of the Project shall be under the supervision and control of the City Council and the Fiscal Year for the System shall commence on July 1 of each year and end on June 30 of the following year. The City may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The City may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System.

Section 10. 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 11. 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 12. 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 and this Ordinance. The rates shall be reviewed not less than once a year in March 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 13. Bond Reserve Fund. The Reserve Account in the Bond and Interest Redemption Fund, as established and supplemented 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 principal and interest requirements on the Bonds, (b) 10% of the principal amount of the Bonds, or (c) 125% of the average annual principal and interest requirements on the Bonds. In the event that the amount in said Reserve Account is greater than the lesser of such amounts, such excess amount shall be promptly transferred to the Receiving Fund.

Section 14. Bond Proceeds. There is hereby established in a bank insured by the Federal Deposit Insurance Corporation to be selected by the City Council, a separate depository account to be designated "Sewage Disposal System Series 2008-A Construction Fund," the moneys from time to time on deposit to be used solely to pay the costs of the Project and the incidental costs set forth in Section 4 of this Ordinance. The proceeds of sale of the Bonds shall be allocated and used as follows:

First, accrued interest, if any, shall be deposited into the Bond and Interest Redemption Fund established by the Outstanding Ordinances; and

Second, the balance of proceeds of sale in an amount necessary to fund the Project shall be deposited in the Sewage Disposal System Series 2008-A Construction Fund. Any unexpended balance of the proceeds of sale of the Bonds remaining after completion of the Project may, in the discretion of the Council, be used for further improvements and extensions

to the System. 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 15. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF MICHIGAN

COUNTY OF WASHTENAW

CITY OF ANN ARBOR

SEWAGE DISPOSAL SYSTEM REVENUE BOND, SERIES 2008-A

Interest	Maturity	Date of Original	
<u>Rate</u>	<u>Date</u>	<u>Issue</u>	<u>CUSIP</u>
_____ %	July 1, 20____	_____ 1, 2008	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF ANN ARBOR, COUNTY OF WASHTENAW, STATE OF MICHIGAN (the "Issuer"), for value received, hereby promises to pay, but only out of the hereinafter described Net Revenues of the Issuer's Sewage Disposal 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 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, payable on July 1, 2008, and semiannually thereafter. Principal of this bond is payable upon surrender of this bond at the principal corporate trust office of _____, _____, Michigan 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 the date of any change in Transfer Agent. 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 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 \$26,000,000, issued pursuant to Ordinance Nos. 85, as amended, and ___ - 08 of the Issuer, duly adopted by the City Council of the Issuer, 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 constructing extensions and improvements to the Issuer's 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 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 Sewage Disposal System Revenue Bonds, Series XVI, dated October 1, 1995, Sewage Disposal System Revenue Bonds, Series, XVII, dated June 1, 1996, Sewage Disposal System Revenue and Revenue Refunding Bonds, Series XVIII, dated December 1, 1998, Sewage Disposal System Revenue Bonds, Series XIX, dated February 1, 2004, Sewage Disposal System Revenue Bonds, Series 2004-A, dated March 25, 2004, Sewage Disposal System Revenue Bonds, Series 2004-B, dated December 16, 2004, Sewage Disposal System Revenue Bonds, Series 2006-A, dated March 30, 2006, Sewage Disposal System Revenue Bonds, Series 2007-A, dated March 29, 2007, and Sewage Disposal System Revenue Bonds, Series 2007-B, dated December 14, 2007.

Optional Redemption: Bonds of this issue maturing in the years 2009 to 2018, inclusive, are not subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 2019 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 July 1, 2018 at par and accrued interest to the date fixed for redemption, without penalty or premium.

[Annual Mandatory Redemption of Term Bonds: The Bonds maturing in the years _____ and _____ are subject to annual mandatory sinking fund redemption, by lot, at par plus accrued interest to the date of redemption, without penalty or premium, on the dates and in the principal amounts as follows: _____]

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 Issuer and does not constitute an indebtedness of the Issuer within any constitutional, charter or statutory limitation, but is payable, both as to principal and interest, solely and only 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 Ordinance.

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 ANN ARBOR, COUNTY OF WASHTENAW, STATE OF MICHIGAN, by its City Council, has caused this bond to be executed with the manual or facsimile signatures of its Mayor and its City Clerk and its corporate seal (or a facsimile thereof) to be impressed (or imprinted) on this bond, all as of the date of Original Issue.

CITY OF ANN ARBOR

By: _____ Mayor

(Seal)
Countersigned:

City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the series of Bonds described herein.

_____,
as Bond Registrar and Authenticating Agent

By:
Authorized Signatory

Date of Authentication: _____, _____

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ this Bond and all rights hereunder and hereby irrevocably appoints _____ attorney to transfer this Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Signature

NOTICE: Signature must correspond with the name as it appears upon the face of this bond in every particular.

Signature Guaranteed

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided:

Name and Address:

Soc. Sec. No. or other Tax ID. No.:

(include information for all joint owners if the Bond is held by joint account)

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 Internal Revenue Code of 1986 (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 and to prevent the Bonds from becoming “private activity bonds” as that term is used in Section 141 of the Code.

Section 17. Sale of Bonds; Designation of Transfer Agent; Insurance. The Issuer shall conduct a public sale of the Bonds not less than seven (7) days after publication of the Official Notice of Sale (hereinafter approved) in the manner provided by law. The Bonds may be offered for sale at par, at a discount of not more than 1.0% and at a premium of not more than 1.0%, as shall be designated in the Official Notice of Sale. The other conditions of sale shall be specified in the Official Notice of Sale. The Chief Financial Officer and City Treasurer are each designated to act for the Issuer to receive bids for the purchase of the Bonds and to take all other actions necessary in connection with the sale and delivery of the Bonds. At or at any time after the sale, the Chief Financial Officer or City Treasurer shall either award the Bonds to the lowest bidder in accordance with Act 94 and this Ordinance or shall reject all bids. The Chief Financial Officer and City Treasurer are each authorized to execute and deliver the Sales Order on behalf of the City awarding the Bonds to the bidder whose bid produces the lowest true interest cost as determined in the manner provided in the Notice of Sale. The City Administrator, Chief Financial Officer, Mayor, Treasurer, City Clerk and City Attorney 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. The Chief Financial Officer and City Treasurer are each authorized to apply for and purchase municipal bond insurance to insure the payment of principal of and interest on the Bonds, if deemed appropriate by the Chief Financial Officer and the City Treasurer. In the event such a policy is issued, this Ordinance be and is hereby amended to comply with the provisions of said policy respecting notice, payment and such other insurance provisions as are applicable to the Bonds and may be lawfully complied with by the Issuer.

The City shall appoint the Transfer Agent at the time of the award of the Bonds pursuant to the Sales Order. The Transfer Agent shall perform all payment, registration, transfer, exchange and other functions otherwise required by this Ordinance to be performed by the Transfer Agent.

Section 18. Form of Notice of Sale. The City Finance Director is authorized to fix the date of the sale of the Bonds and to publish the Official Notice of Sale in accordance with law, once in The Bond Buyer at least seven (7) days before the date fixed for receipt of bids for the purchase of the Bonds. The Official Notice of Sale shall be in substantially the following form with such additions, deletions and other changes as are not inconsistent with this Ordinance and are approved by the City Treasurer:

OFFICIAL NOTICE OF SALE
\$26,000,000
CITY OF ANN ARBOR
WASHTENAW COUNTY, MICHIGAN
SEWAGE DISPOSAL SYSTEM REVENUE BONDS, SERIES 2008-A

SEALED, FAX OR ELECTRONIC BIDS: Sealed bids for the purchase of the issue of bonds described below of the aggregate par value of \$26,000,000 to be issued by the City of Ann Arbor, Washtenaw County, Michigan ("City"), will be received by the undersigned at the office of the Chief Financial Officer, at 100 N. Fifth Ave. Ann Arbor, Michigan 48107, until ____ o'clock, P.M., Eastern Standard Time, on _____, the ___ day of _____, 2008, at which time and place such bids will be publicly opened and read.

In the alternative, sealed bids will also be received on the same date and until the same time by an agent of the undersigned at the office of the Municipal Advisory Council of Michigan ("MAC"), 1445 First National Building, Detroit, Michigan 48226, where they will be publicly opened and read. Bids opened at Ann Arbor, Michigan will be read first, followed by those opened at the alternate location. Bidders may choose either location to present bids and good faith checks, but not both locations.

The Chief Financial Officer or Treasurer of the City will consider and determine the award or rejection of bids prior to 5:00 o'clock, P.M., Eastern Standard Time, on that date.

Signed bids may be submitted by fax by MAC members to the MAC at fax number (313) 963-0943 and by other bidders to the City at fax number (734) 994-2777, Attention: Chief Financial Officer; provided that faxed bids must arrive before the time of sale and the bidder bears all risks of transmission failure and the GOOD FAITH DEPOSIT MUST BE MADE AND RECEIVED as described in the section captioned "Good Faith Deposit" below.

Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any

fee charged, may be obtained from Bidcomp/Parity, Eric Washington or Client Services, 40 West 23rd Street, New York, New York 10010, (212) 404-8102. NO ELECTRONIC BID WILL BE ACCEPTED UNLESS THE BIDDER HAS SUBMITTED A FINANCIAL SURETY BOND OR A CERTIFIED OR CASHIERS CHECK IN THE AMOUNT DESCRIBED IN THE SECTION CAPTIONED "GOOD FAITH" BELOW. IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE SHALL CONTROL.

DTC BOOK-ENTRY ONLY: The Bonds are being initially offered as registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC") under DTC's Book-Entry-Only system of registration. Purchasers of interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry-only. As long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, payments of principal and interest will be made directly to such registered owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

BOND DETAILS: The bonds shall be known as "Sewage Disposal System Revenue Bonds, Series 2008-A" and shall aggregate the principal sum of \$26,000,000. The bonds will be fully registered bonds in any denomination of \$5,000 or multiples thereof up to the amount of a single maturity, dated the date of their delivery, numbered from 1 upwards, and will bear interest from their date payable on July 1, 2008, and semi-annually thereafter. The bonds shall mature on July 1, in the years and principal amounts as follows:

<u>Year</u>	<u>Amount</u> \$
2009	525,000
2010	540,000
2011	590,000
2012	615,000
2013	645,000
2014	755,000
2015	795,000
2016	835,000
2017	875,000
2018	920,000
2019	965,000
2020	1,015,000
2021	1,065,000
2022	1,115,000
2023	1,175,000
2024	1,230,000
2025	1,295,000
2026	1,360,000
2027	1,425,000
2028	1,495,000
2029	1,570,000
2030	1,650,000
2031	1,730,000

2032

1,815,000

TERM BOND OPTION: The initial purchaser of the Bonds may designate any one or more maturities from July 1, 2019 through July 1, 2032, inclusive, as term bonds and the consecutive maturities which shall be aggregated in any such term bonds. Any such designation must be made within 24 hours of the bond sale. The amounts of the maturities which are aggregated in any such designated term bond shall be subject to mandatory redemption on July 1 of the years and in the amounts as set forth in the foregoing maturity schedule at a redemption price of par, plus accrued interest, to the date of mandatory redemption.

OPTIONAL REDEMPTION: The Bonds maturing in the years 2009 through 2018, inclusive, shall not be subject to optional redemption prior to maturity. Bonds maturing on and after July 1, 2019 shall be subject to redemption prior to maturity, at the option of the City, in any order, in whole or in part, on any one or more dates on and after July 1, 2018, at par plus accrued interest to the date fixed for redemption, without premium or penalty.

With respect to partial redemptions, any portion of a Bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion and the amount not being redeemed each constitutes an authorized denomination. In the event that less than the entire principal amount of a Bond is called for redemption, upon surrender of the Bond to the Bond Registrar, the Bond Registrar shall authenticate and deliver to the registered owner of the Bond a new Bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each Bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided herein. Any defect in such notice shall not affect the validity of the redemption proceedings. Bonds so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Bond Registrar to redeem the same.

INTEREST RATE AND BIDDING DETAILS: Bonds will bear interest at a rate or rates not exceeding 6% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The difference between the highest and lowest interest rate on the Bonds shall not exceed three (3) percentage points. The interest on any one bond shall be at one rate only, and all bonds maturing in any one year must carry the same interest rate. THE INTEREST RATE BORNE BY THE BONDS MATURING IN ANY ONE YEAR SHALL NOT BE LESS THAN THE INTEREST RATE BORNE BY THE BONDS MATURING IN THE PRECEDING YEAR. No proposal for the purchase of less than all of the Bonds or at a price less than 99% of their par value nor more than 101% of their par value will be considered.

TRANSFER AGENT AND REGISTRATION: Principal and interest shall be payable at the principal corporate trust office of _____, _____, Michigan, or such other transfer agent as the City may thereafter designate by notice mailed to the registered owner not less than 60 days prior to any change in transfer agent and which shall be qualified to serve as such in Michigan. Interest shall be paid when due by check or draft mailed to the owner as shown by the registration books of the City as of the 15th day of the month prior to any interest payment date. The Bonds will be transferable only upon the registration books of the City kept by the transfer agent.

See “DTC Book-Entry Only” above.

PURPOSE AND SECURITY: The bonds are issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, and various ordinances of the City, including Ordinance Nos. 85, as amended, and ___ - 08 (the “Ordinances”), for the purpose of defraying the cost of acquiring and constructing extensions and improvements to the City’s Sewage Disposal System (the “System”). The bonds are payable solely from the net revenues of the System and any additions thereto, and a statutory first lien on said revenues has been established by said Ordinances. The bonds and said lien are of equal standing with the following series of Sewage Disposal System Revenue Bonds: Sewage Disposal System Revenue Bonds, Series XVI, dated October 1, 1995, Sewage Disposal System Revenue Bonds, Series, XVII, dated June 1, 1996, Sewage Disposal System Revenue and Revenue Refunding Bonds, Series XVIII, dated December 1, 1998, Sewage Disposal System Revenue Bonds, Series XIX, dated February 1, 2004, Sewage Disposal System Revenue Bonds, Series 2004-A, dated March 25, 2004, Sewage Disposal System Revenue Bonds, Series 2004-B, dated December 16, 2004, Sewage Disposal System Revenue Bonds, Series 2006-A, dated March 30, 2006, Sewage Disposal System Revenue Bonds, Series 2007-A, dated March 29, 2007, and Sewage Disposal System Revenue Bonds, Series 2007-B, dated December 14, 2007. The bonds do not constitute a general obligation of the City. The City has covenanted and agreed to fix and maintain at all times while any of such bonds shall be outstanding such rates for service furnished by the System as shall be sufficient to provide for payment of the necessary expenses of operation, maintenance and administration of the System, of the principal and interest on all of said bonds when due, to create and maintain a bond reserve account therefor, and to provide for such other expenditures and funds for the System as are required by said Ordinances.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors’ rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

ADDITIONAL BONDS: For the terms upon which additional bonds of equal standing with the bonds of this issue as to revenues of the System may be issued reference is made to the above described Ordinances.

GOOD FAITH DEPOSIT: A certified or cashier’s check drawn upon an incorporated bank or trust company or a Financial Surety Bond, in the amount of \$520,000.00 [2% of the par amount of the issue] and payable to the order of the Treasurer of the City is required for each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the bonds. If a check is used, it must accompany each bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Michigan and such bond must be submitted to the City or its financial advisor prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose good faith deposit is guaranteed by such Financial Surety Bond. If the bonds are awarded to a bidder utilizing a Financial Surety Bond, then that purchaser (the “Purchaser”) is required to submit its good faith deposit to the City or its financial advisor in the form of a cashier’s check (or wire transfer such amount as instructed by the City or its financial advisor) not later than Noon, Eastern Standard Time, on the next business day following the award. If such good faith deposit is not received by that time the Financial Surety Bond may be drawn on by the City to satisfy the good faith deposit requirement. The good faith deposit will be applied to the purchase price of the bonds. In the event the Purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check and checks of the unsuccessful bidders will be returned to each

bidder's representative or by overnight courier service. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The Bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on July 1, 2008 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to _____ 1, 2008 in an amount equal to the price bid, excluding accrued interest.

LEGAL OPINION: Bids shall be conditioned upon the unqualified approving opinion of Dykema Gossett PLLC, attorneys of Bloomfield Hills, Michigan, and the original of which will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Dykema Gossett PLLC for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the bonds, Dykema Gossett PLLC has not examined or reviewed any financial information, statements or material contained in any financial documents, statements or material that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

CUSIP NUMBERS: CUSIP numbers will be imprinted on the bonds at the City's expense. The printing of incorrect CUSIP numbers or the failure to print CUSIP numbers on the bonds shall not constitute cause for the purchaser to refuse delivery of or to pay for the bonds. The purchaser shall be responsible for requesting assignment of numbers and for the payment of any charges for the assignment of numbers.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered at the principal office of the Bond Registrar, or any other place mutually agreeable, at the expense of the City. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, Eastern Standard Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving written notice of cancellation on the undersigned, in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery. Unless the purchaser furnishes the transfer agent with a list giving the denominations and names in which it wishes to have the certificates issued at least 10 business days prior to delivery of the bonds, the bonds will be delivered in the form of a single certificate for each maturity registered in the name of the purchaser. The successful bidder will be required to furnish, prior to and as a condition to the delivery of the bonds, in forms to be prepared by bond counsel: (i) a certificate as to the "issue price" of the bonds within the meaning of section 1273 of the Internal Revenue Code of 1986, as amended, and (ii) if the successful bidder obtains a municipal bond insurance policy or other credit enhancement for the bonds in connection with their original issuance, a certificate that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement.

TAX MATTERS: The approving opinion of bond counsel will include an opinion to the effect that,

under existing law, assuming compliance by the City with certain covenants, (i) interest on the bonds is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (provided that certain corporations must take into account interest on the bonds in determining adjusted current earnings for the purpose of computing such alternative minimum tax). Such opinion will further state that under existing law the bonds and the interest thereon are exempt from all taxation provided by the laws of the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

NOT QUALIFIED TAX EXEMPT OBLIGATIONS: The bonds have NOT been designated as “QUALIFIED TAX-EXEMPT OBLIGATIONS” for purposes of the deduction of interest expense by financial institutions.

OFFICIAL STATEMENT: A copy of the Official Statement may be obtained by contacting Stauder, Barch & Associates, Inc., Financial Consultant to the City, 3989 Research Park Drive, Ann Arbor, Michigan 48108, telephone 734-668-6688.

The Official Statement is in a form deemed final as of its date by the City for purposes of SEC Rule 15c2-12(b)1, but is subject to revision, amendment and completion of a final Official Statement. The successful bidder shall supply to the City, within twenty-four hours after the award of the bonds, all pricing information and any underwriter identification determined by the City to be necessary to complete the Official Statement.

The City will furnish to the successful bidder, at no cost, a reasonable number of copies of the final Official Statement within seven (7) business days after the award of the bonds. Additional copies will be supplied upon the bidder’s agreement to pay the cost of the City for those additional copies.

The City shall deliver, at closing, an executed certificate to the effect that as of the date of delivery the information contained in the Official Statement, including revisions, amendments and completions as necessary, relating to the City and the bonds is true and correct in all material respects, and that such Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

BOND INSURANCE AT PURCHASER’S OPTION: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. **FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.**

CONTINUING DISCLOSURE: The City has undertaken to provide continuing financial disclosure (annual financial information and operating data, including audited financial statements for the preceding fiscal year consistent with the information presented in the Official Statement), and to provide timely notice of the occurrence of certain material events with respect to the Bonds, all in

accordance with the requirements of SEC Rule 15c2-12.

ADDITIONAL INFORMATION: Further information may be obtained from the City's Financial Advisor, Stauder Barch & Associates, Inc. at the hereinbefore stated address.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS

ENVELOPES: Envelopes containing the bids should be plainly marked "Proposal for City of Ann Arbor Sewer Revenue Bonds".

Jacqueline Beaudry, City Clerk

City of Ann Arbor

Section 19. Continuing Disclosure. The City shall provide continuing financial disclosure to the extent required by Securities and Exchange Commission Rule 15c2-12 (the "Rule") during the term of the Bonds, and shall execute a continuing disclosure undertaking pursuant to the Rule (the "Undertaking"). The Mayor and City Clerk are, and each hereby is, authorized and directed to execute the Undertaking on behalf of the City and to take all necessary action and to execute and deliver such documents as may be required to satisfy the City's obligations under the Undertaking, including any appropriate supplements thereto.

Section 20. Defeasance. 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 at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the bonds, shall be deposited in trust, this Ordinance shall be defeated and the owners of the bonds shall have no further rights under this Ordinance except to receive payment of the principal of, premium, if any, 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.

Section 21. 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 22. Publication and Recordation. This Ordinance shall be published in full in The Ann Arbor News, 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, Chief Financial Officer, Treasurer, and City Clerk are each authorized and directed to (a) file with the Michigan Department of Treasury a Security Report with respect to the Bonds on a timely basis together with requests for such waivers and approvals as each shall deem necessary or appropriate, and (b) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement “final” for purposes of the SEC Rule.

Section 24. Savings Clause. The Outstanding Ordinances shall continue in effect, except as specifically supplemented or altered herein.

Section 25. 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 19th day of February, 2008.

Signed _____
John Hieftje, Mayor

Signed _____
Jacqueline Beaudry, 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 Ann Arbor, County of Washtenaw, Michigan, at a Regular Meeting held on the 19th of February, 2008, 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:

Councilmembers Suarez, Rapundalo, Lowenstein, Kunselman, Greden, Higgins, Teall, Easthope, Anglin and Mayor Hieftje, (11), and that the following Members were absent: (0).

I further certify that Councilmember Higgins moved adoption of said Ordinance, and that said motion was supported by Councilmember Rapundalo.

I further certify that the following Members voted for adoption of said Ordinance: Councilmembers Suarez, Rapundalo, Lowenstein, Kunselman, Greden, Higgins, Teall, Easthope, Anglin and Mayor Hieftje, (11), and that the following Members were absent: (0).

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.

Signed _____
Jacqueline Beaudry, City Clerk