

**NOTICE TO ELECTORS OF THE
CITY OF PINCONNING, COUNTY OF BAY,
STATE OF MICHIGAN AND THE USERS OF THE CITY'S
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM
OF INTENT TO ISSUE REVENUE BONDS AND
THE RIGHT OF REFERENDUM RELATING THERETO**

PLEASE TAKE NOTICE that the City of Pinconning, County of Bay, State of Michigan (the "City"), intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Two Million Dollars (\$2,000,000), in one or more series, for the purpose of paying all or part of the cost to acquire, construct, furnish, and equip improvements to the City's water supply and sewage disposal system, including removal, rehabilitation, replacement, improvement, and looping of water mains, fire hydrants, valves, and lead service lines; meter hookup; flushing and testing; together with all necessary interests in land and all related sites, structures, equipment, appurtenances and attachments thereto.

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON THE REVENUE BONDS SHALL BE PAYABLE from the revenues received by the City from the operation of the water supply and sewage disposal system. The revenues will consist of rates and charges that may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the system, to pay the principal of and interest on the bonds and to pay other obligations of the system.

The City expects that the revenue bonds will be sold to the Michigan Finance Authority in connection with the Michigan Department of Environment, Great Lakes and Energy Drinking Water State Revolving Fund loan program, in which case the revenue bonds sold to the Michigan Finance Authority may also be payable as described below.

ADDITIONAL SOURCES OF PAYMENTS FOR BONDS

SOLD TO MICHIGAN FINANCE AUTHORITY

BECAUSE THE REVENUE BONDS WILL BE SOLD TO THE MICHIGAN FINANCE AUTHORITY, THE CITY MAY ALSO PLEDGE ITS LIMITED TAX FULL FAITH AND CREDIT AS SECURITY FOR THE BONDS. IN SUCH CASE, IF REVENUES OF THE SYSTEM ARE INSUFFICIENT TO PAY DEBT SERVICE AT ANYTIME, THEN TO PAY DEBT SERVICE THE CITY SHALL ADVANCE LEGALLY AVAILABLE FUNDS INCLUDING, IF NECESSARY, FUNDS FROM THE LEVY OF TAXES UPON ALL TAXABLE PROPERTY IN THE CITY, SUBJECT HOWEVER TO CONSTITUTIONAL, STATUTORY AND CHARTER TAX RATE LIMITATIONS.

IN ADDITION, THE CITY MAY BE REQUIRED TO PLEDGE FOR THE PAYMENT OF THE BONDS SOLD TO THE MICHIGAN FINANCE AUTHORITY MONEY RECEIVED OR TO BE RECEIVED BY THE CITY DERIVED FROM IMPOSITION OF TAXES BY THE STATE AND RETURNED OR TO BE RETURNED TO THE CITY AS PROVIDED BY LAW, except for money the use of which is prohibited for such purposes by the State Constitution. The City may enter into an agreement providing for the payment of taxes, which taxes are collected by the State and returned to the City as provided by law, to the Michigan Finance Authority or a trustee, and such funds may be pledged for the payment of the revenue bonds.

BOND DETAILS

THE REVENUE BONDS may be issued in one or more series and may be combined with bonds for other purposes. The revenue bonds will mature no later than forty (40) years from the date of issue of each series, and will bear interest at the rate or rates to be determined at the time of sale to the Michigan Finance Authority, but in no event to exceed such rates as may be permitted bylaw.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS OF THE CITY UNLESS A VALID PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF A VALID PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

Rebecca Lakin, City Manager/Interim City Clerk
City of Pinconning