

RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS

TOWNSHIP OF PINCONNING

BAY COUNTY, MICHIGAN

Minutes of a regular meeting of the Township Board of the Township of Pinconning, Bay County, Michigan, held at the Pinconning Township Hall, 1751 Cody Estey Road, within the Township, on the 19th day of October, 2010, at 10:00 a.m. Local Time.

PRESENT: Members: Holbrook, Stalsberg, Morin

ABSENT: Members: Trudo

The following preamble and resolution were offered by Member Holbrook and supported by Member Morin:

RESOLUTION NO. 10-14

RESOLUTION TO AUTHORIZE ISSUANCE OF  
CAPITAL IMPROVEMENT BONDS  
FOR M-13 AND I-75 WATER EXTENSION PROJECTS

WHEREAS, pursuant to Act 188 of the Public Acts of Michigan of 1954, as amended, ("Act 188") the Township Board of the Township of Pinconning (the "Township") has levied special assessments for the purpose of defraying the cost of making extensions and improvements to the Township's existing public water supply system to serve properties located within certain portions of the Township (the "Improvements"); and

WHEREAS, the Township Board has established Water Special Assessment District No. 10 ("District No. 10") and confirmed a special assessment roll ("Roll No. 1") for District No. 10, in the aggregate amount of \$442,600, to pay a portion of the cost of the Improvements within District No. 10, as summarized on Exhibit A to this resolution (the "M-13 Project"); and

WHEREAS, the Township Board has established Water Special Assessment District No. 11 ("District No. 11") and confirmed a special assessment roll ("Roll No. 1") for District No. 11,

**EXHIBIT D**

[To be retyped on Pinconning Township Letterhead]

**NOTICE OF SPECIAL ASSESSMENT**

TO ALL PROPERTY OWNERS OR PARTIES IN INTEREST IN WATER SPECIAL ASSESSMENT DISTRICT NO. 10 (the "District"):

Following the October 6, 2010 public hearing to consider the special assessment roll, the Township Board confirmed the special assessment roll for the District on October 6, 2010.

A PROPERTY OWNER OR ANY PERSON HAVING ANY INTEREST IN THE REAL PROPERTY ASSESSED ON THE SPECIAL ASSESSMENT ROLL CONFIRMED BY THE TOWNSHIP BOARD ON OCTOBER 6, 2010, MAY FILE A WRITTEN APPEAL OF THE SPECIAL ASSESSMENT WITH THE MICHIGAN TAX TRIBUNAL WITHIN 30 DAYS AFTER CONFIRMATION OF THE SPECIAL ASSESSMENT ROLL, IF THE SPECIAL ASSESSMENT WAS PROTESTED AT THE HEARING ON THE CONFIRMATION OF THE SPECIAL ASSESSMENT ROLL.

You may pay your special assessment in thirty (30) annual installments of principal and interest, or you may avoid interest by prepaying your special assessment in full on or before the closing on the sale of special assessment bonds for the District (anticipated to be on or about December 1, 2010). At any time thereafter, the balance of your special assessment may be prepaid in full, with interest accrued through the month in which the assessment is paid.

The first installment of the special assessment, including principal and accrued interest thereon, will be billed December 1, 2010, and will be due and payable on or before February 14, 2011. Thereafter, each annual installment will be billed on December 1 and due and payable on February 14.

For additional information about the assessment, call Sharon Stalsberg, Pinconning Township Supervisor, at (989) 879-4018.

PINCONNING TOWNSHIP

Permanent Parcel No. \_\_\_\_\_  
Assessment: \_\_\_\_\_

in the aggregate amount of \$151,000, to pay a portion of the cost of the Improvements within District No. 11, as summarized on Exhibit A to this resolution (the “I-75 Project”); and

WHEREAS, the combined cost of the M-13 and I-75 Projects, including administrative, engineering and legal fees is \$828,600, a summary of which is attached hereto as Exhibit B; and

WHEREAS, the Township has received funds from the Saginaw Chippewa Indian Tribe, in the amount of \$235,000, to defray a portion of the cost of the M-13 Project, thereby reducing the cost of the M-13 Project to the Township and the amount to be assessed to properties located within District No. 10 all as more particularly described and shown on Exhibit B hereto; and

WHEREAS, the Township’s Downtown Development Authority (“DDA”) has committed funds, in the amount of \$4,200 for 30 years for a total of \$121,000, to defray the cost of the I-75 Project, thereby further reducing the amount to be assessed to properties located in District No. 11; and

WHEREAS, on September 30, 2010, the Township adopted a resolution of intent (the “Resolution of Intent”) to issue and sell capital improvement bonds in one or more series in the maximum principal amount of \$615,000 pursuant to Section 517(1) of Act 34 of the Public Acts of Michigan of 2001, as amended (“Act 34”) to pay part of the cost of the M-13 and I-75 Projects; and

WHEREAS, a Notice of Intent to Issue Bonds was published pursuant to Section 517(2) of Act 34 commencing a 45-day right of referendum period, which commenced on October 6, 2010 and expires November 13, 2010; and

WHEREAS, to finance the cost of the Project to make the Improvements in the Districts, the Township deems it necessary to borrow the sum of Five Hundred Ninety-three Thousand and No Dollars (\$593,000) and to issue its capital improvement bonds therefor in accordance with Act 34; and

WHEREAS, pursuant to the American Recovery and Reinvestment Act of 2009 (“ARRA”), state and local governments are authorized to issue bonds as federally taxable “Recovery Zone Economic Development Bonds,” if the area has been designated as a “recovery zone,” and the bonds are so designated by issuer, and once issued, to receive a 45% direct payment from the federal government for the interest to be paid on such bonds (the “Refundable Credit”); and

WHEREAS, Bay County was allocated a \$6,612,000 “volume cap” limitation for Recovery Zone Economic Development Bonds (the “Volume Cap”); and

WHEREAS, under ARRA, a Recovery Zone is an area designated by a county as having significant poverty, unemployment, home foreclosures or general distress; and

WHEREAS, on September 29, 2009, the Bay County Board of Commissioners (the “County Board”) adopted Resolution No. 2009-193, designating the entire County of Bay (the “County”) as a “recovery zone” in accordance with ARRA; and

WHEREAS, on April 13, 2010, and in accordance with ARRA, the Bay County Board of Commissioners adopted Resolution No. 2010-55, and allocated a portion of the County’s Volume Cap, in the amount of \$750,000, to the Township for the M-13 Project to serve District No. 10; and

WHEREAS, by resolution adopted on August 25, 2010, the Township Board requested that the County Board amend Resolution No. 2010-55 to include the proposed I-75 Project to serve District No. 11 and allocate the \$750,000 of the Volume Cap for both the M-13 and I-75 Projects; and

WHEREAS, on September 14, 2010, the Bay County Board of Commissioners adopted Resolution No. 2010-187, and allocated a revised total of \$616,000 of the Volume Cap to the Township for the M-13 and I-75 Projects (collectively, the “Project”).

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. **Approval of Project; Necessity; Findings.** It is hereby determined to be advisable and necessary for the public health, safety and welfare of the Township to acquire, construct and complete the Project. The plans and specifications and as-bid estimates of cost for the Project are hereby accepted and approved. The total estimated cost of acquiring and constructing the Project, including payment of engineering, legal and financial expenses, in the aggregate amount of \$828,600 (the "Estimated Cost") is hereby approved and confirmed. Based upon the Estimated Cost of the Project, it is necessary and in the best interest of the Township for the Township to issue and sell bonds aggregating the principal sum of Five Hundred Ninety-three Thousand and No Dollars (\$593,000) pursuant to the provisions of this resolution, Act 188 and Act 34, and other applicable statutory provisions, for the purpose of defraying part of the Estimated Cost of the Project. The Township Board makes the following findings:

a. The Project is comprised of capital improvement items within the meaning of Act 34.

b. The period of usefulness of the capital improvement items which comprise the Project is hereby determined to be not less than thirty (30) years.

c. The Township hereby determines that, based upon the Township's 2010 state equalized value of \$80,551,849, the Township's debt limit for bonds issued in accordance with Section 517(1) of Act 34 is \$4,027,592 and the Township further determines that the bonds proposed for the Project in the maximum amount of \$593,000 may be issued by the Township within the aforestated debt limit.

d. The principal and interest on the bonds proposed for the Project shall be paid from the collection of special assessments confirmed on Roll No. 1 for the Districts (collectively, the "Roll") by the Township Board against lots and parcels of property in the

Districts, Township funds on hand (including an annual pledge of revenue from the DDA), and interest earnings on the Bonds, if any.

2. **Bond Specifications.** The Township shall borrow the sum of \$593,000, and issue the bonds of the Township in the aggregate amount of \$593,000, designated CAPITAL IMPROVEMENT BONDS (GENERAL OBLIGATION LIMITED TAX) (FEDERALLY TAXABLE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS – DIRECT PAYMENT), SERIES 2010 (the “Bonds”). It is the intent of the Township to pay the principal of and interest on the Bonds from revenues derived from the imposition and collection of special assessments confirmed on the Roll by the Township Board against lots and parcels of property in the Districts, Township funds on hand (including DDA funds), and investment earnings on the Bonds, if any. The Township also hereby pledges the limited tax full faith and credit of the Township for the prompt payment of the principal of, premium, if any, and interest on the Bonds, as the same shall become due, in which event the Township may levy a tax on all taxable property in the Township for the payment of principal of, premium, if any and interest on the Bonds, which tax shall be limited as to rate and amount by applicable constitutional, statutory and charter limitations on the taxing power of the Township.

The Bonds shall be dated as of the date of delivery to the initial purchaser thereof, shall bear interest at a rate or rates not to exceed 7% per annum, expressed in multiples of 1/8 or 1/20 of 1% or both, to be determined upon the negotiated sale thereof, payable on June 1, 2011, and semi-annually thereafter on each June 1 and December 1 until payment of the principal hereof has been made or duly provided for. The Bonds shall be issued in substantially the form and tenor as set forth in Exhibit C attached hereto, shall be in denominations of \$1,000 or any multiple thereof up to the amount of a single maturity, shall be numbered from 1 upwards in

order of authentication, shall be fully registered and shall be due and payable on June 1 each year and in the amounts as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Maturity</u>	<u>Principal Amount</u>
2012	\$13,000	2027	\$20,000
2013	\$20,000	2028	\$20,000
2014	\$20,000	2029	\$20,000
2015	\$20,000	2030	\$20,000
2016	\$20,000	2031	\$20,000
2017	\$20,000	2032	\$20,000
2018	\$20,000	2033	\$20,000
2019	\$20,000	2034	\$20,000
2020	\$20,000	2035	\$20,000
2021	\$20,000	2036	\$20,000
2022	\$20,000	2037	\$25,000
2023	\$20,000	2038	\$25,000
2024	\$20,000	2039	\$25,000
2025	\$20,000	2040	\$25,000
2026	\$20,000		

In the alternative, a single bond may be issued incorporating all maturities.

The Bonds shall not be sold for less than 100% of par value.

Notwithstanding the foregoing or any other provision of this resolution, the Township Supervisor and the Township Treasurer are hereby authorized to adjust the final bond terms set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding maturities, principal amounts, denominations, dated dates, dates of issuance, the final form of the bond, the amount of capitalized interest, if any, revisions to Exhibits A, B and C, and other matters, provided that the principal amount of the bonds shall not exceed \$615,000, the rate or rates of interest payable on the Bonds shall not exceed the rate or rates of interest bid by the initial purchaser thereof (the "Purchaser"), and the minimum denomination of the Bonds shall not be less than \$1,000. In providing this authorization to the

Township Supervisor and the Township Treasurer, the principal amount of the Bonds, with corresponding revisions to annual maturities, shall only be reduced as a result of the prepayment of special assessments prior to the delivery of the Bonds, a reduction in the cost of the Improvements below \$828,600, or a combination thereof.

The Bonds may be issued in book-entry only form as one bond per maturity fully registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. If this option is selected, DTC will act as securities depository for the Bonds, purchase of the Bonds will be made in book-entry only form in the denomination of \$1,000 or any integral multiple thereof, and purchasers will not receive certificates representing their interest in bonds purchased. If the bonds are issued in book-entry only form, the provisions in this resolution to the contrary shall be of no force or effect unless and until the suspension of the book-entry only system. The Township Treasurer is authorized to determine whether the bonds shall be issued in book-entry only form, to make such changes in the form of the bonds as shall be necessary or convenient to enable the bonds to be issued in book-entry only form, and to execute such documents as may be required to enable the bonds to be so issued.

3. **Bond Registrar; Payment of Principal and Interest.** The Township Treasurer shall act on behalf of the Township as paying, registration and transfer agent (the "Bond Registrar") with respect to the Bonds. The Bonds and the interest thereon shall be paid in lawful money of the United States of America by the Bond Registrar. Interest shall be paid when due by check or draft drawn on the Bond Registrar and mailed by first class mail or other acceptable method to the registered owners of record as of each May 15 with respect to payments due and payable on the immediately succeeding June 1, and as of each November 15 with respect to payments due and payable on the immediately succeeding December 1. Principal shall be



payable at the principal office of the Bond Registrar upon presentation and surrender of the corresponding bond certificate.

4. **Redemption of Bonds Prior to Maturity.** Bonds maturing in the years 2011 through 2018, both inclusive, shall not be subject to redemption prior to maturity. Bonds maturing in the years 2019 through 2040, both inclusive, shall be subject to redemption prior to maturity, at the option of the Township, in whole or in part, in such order of maturity as the Township may determine and within any maturity by lot on any interest payment date on or after June 1, 2018, at par and accrued interest. No premium shall be paid on Bonds called for redemption.

If for any reason (other than because of an action taken by or inaction by the Township), the Township is held by the Internal Revenue Service to be ineligible to receive all or part of the Refundable Credit (hereinafter defined) or if the United States Department of Treasury or any agency of the United States of America at any time cease to remit to the Township all or any part of the Refundable Credit payable in accordance with Section 54AA of the Code, the Township has the right at its option to redeem and retire all or any part of the principal amount of the Bonds then outstanding in multiples of \$1,000 within a single maturity in such order of maturity as the Township shall determine and within a single maturity by lot on any date at par plus accrued interest without premium.

Notice of the call of any Bonds for redemption shall be given by first-class mail by the Bond Registrar no less than thirty (30) days prior to the date fixed for redemption, to the registered owners of record at the registered addresses shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$1,000 and Bonds of denominations of greater than \$1,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the Bond by \$1,000 and such Bonds may be redeemed

in part. The notice of redemption for Bonds 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 Bond surrendered shall be issued to the registered owner thereof. Bonds so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided sufficient funds are on hand with the Bond Registrar to redeem said Bonds.

5. **Registration of Bonds.** The Bonds shall be registered both as to principal and interest in substantially the form and tenor as set forth in Exhibit C attached hereto. Any individual bond shall be transferable on the bond register maintained with respect to the Bonds upon the surrender of the individual bond together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned Bond, the Bond Registrar shall authenticate and deliver a new bond or bonds in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees. Any individual bond may likewise be exchanged for one or more other bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the bond being exchanged. Such exchange shall be effected by surrender of the individual bond to be exchanged to the Bond Registrar with written instructions signed by the registered owner of the individual bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of an individual bond with proper written instructions the Bond Registrar shall authenticate and deliver a new bond or bonds to the registered owner of the Bond or his or her properly designated transferee or transferees or attorney. A transfer, exchange and registration of Bonds shall be without expense or service charge to the registered holder except for any tax or other governmental charge required to be paid with respect to such transfer, exchange or registration.

6. **Duties of Bond Registrar.** The Bond Registrar shall, upon receipt of sufficient funds from the Township, make timely payments of principal and interest on the Bonds, authenticate the Bonds upon their initial issuance and subsequent transfer to successive holders, act as registrar of the Bonds including the preparation and maintenance of a current register of registered owners of the Bonds, coordinate the transfer of individual bonds between successive holders, including printing and transferring new certificates, and perform all other duties set forth in this Resolution or otherwise normally performed by paying, registration and transfer agents. All reasonable fees and expenses of the Bond Registrar shall be paid by the Township. The Township reserves the right to designate an alternate financial institution qualified to act as a paying agent and registrar in the State of Michigan or the Township Treasurer to act as Bond Registrar for the Bonds and in such event the Township shall mail notice to all registered owners of the Bonds not less than 60 days prior to the effective date of said change in Bond Registrar. At the option of the Township, the Bonds may be deposited in whole or in part, with a depository trustee designated by the Township which shall transfer ownership of interests in the Bonds by book entry and which shall issue depository trust receipts to owners of interests in the Bonds. Such book entry depository trust arrangement, and the form of depository trust receipts, shall be determined after consultation with the depository trustee named by the Township. The Township Treasurer is hereby authorized to enter into any depository trust agreement on behalf of the Township upon such terms and conditions as the Township Treasurer shall deem appropriate consistent with the terms of this Resolution. The depository trustee may be the same as the Bond Registrar and the Bonds may be transferred in part by depository trust and in part by transfer of physical bonds as the Township Treasurer may determine.

7. **Replacement of Bonds.** Upon receipt by the Bond Registrar of proof of ownership of an unmatured bond, of satisfactory evidence that the bond has been lost, apparently

destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the Bond Registrar, the Bond Registrar may deliver a new executed bond to replace the bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the Township Treasurer may authorize the Bond Registrar to pay the bond without presentation upon the receipt of the same documentation required for the delivery of a replacement bond. The Bond Registrar for each new bond delivered or paid without presentation as provided above, shall require the payment by the bondholder of expenses, including counsel fees, which may be incurred by the Bond Registrar and the Township in connection therewith. Any bond delivered pursuant to the provisions of this Paragraph 8 in lieu of any bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the bond originally issued.

8. **Debt Service Fund.** There shall be established and maintained on the books of the Township a fund to be designated "SERIES 2010 SPECIAL ASSESSMENT BONDS DEBT SERVICE FUND" (the "Debt Service Fund"). There shall be deposited into the Debt Service Fund, accrued interest from the date of the Bonds to the date of delivery thereof, premium, if any, proceeds of the Refundable Credit, if any, and all payments which are hereby pledged to the payment of the principal of and interest on the Bonds and expenses incidental thereto. As part of the Debt Service Fund, there shall be established and maintained such subaccounts as are deemed necessary and appropriate for the proper administration of the Debt Service Fund and compliance with the requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury regulations promulgated thereunder. The principal of, premium, if any, and interest on the Bonds when due shall be paid directly out of the Debt Service Fund or its subaccounts.

9.     **Construction Fund.** There shall be established and maintained on the books of the Township a separate account designated "SERIES 2010 SPECIAL ASSESSMENT BONDS CONSTRUCTION FUND" (the "Construction Fund"). After deducting a sum equal to the amount of any (i) accrued interest from the date of the Bonds to the date of delivery thereof and (ii) premium, which sums shall be deposited in the Receiving Fund, as defined above, the balance of the proceeds shall be deposited into the Construction Fund. In addition, the initial collections of special assessments on the Roll in the current amount of \$0, as summarized on Exhibit A, or such other amount of initial collections of special assessments on the Roll as set forth on any revision to Exhibit A approved by the Supervisor and the Treasurer in accordance with paragraph 2 above, hereto shall be deposited into the Construction Fund. The monies on deposit in the Construction Fund from time to time shall be used solely for the purpose for which the Bonds were issued. Any unexpended balance shall be used for such purposes as required or permitted by law including, without limitation, transfer to the Receiving Fund for payment of principal, premium, if any, and interest on the Bonds at maturity or by redemption; provided that any such transfer shall be accompanied by a corresponding refund or credit of surplus special assessments to the extent and in the manner required by Act 188 to the appropriate district or the Districts. After completion of the Project and disposition of remaining Bond proceeds, if any, pursuant to the provisions of this paragraph, the Construction Fund shall be closed.

10.    **Duties of Township Treasurer.** The Township Treasurer shall keep full and complete records of all deposits to and withdrawals from the Debt Service Fund and the Construction Fund and of all investments of monies in such accounts and other transactions relating thereto. The Township Treasurer is authorized to invest the monies in said accounts in any one or more lawful investments authorized by law for townships.

11. **Revised Municipal Finance Act.** The Township currently meets, or shall meet, the requirements of qualified status under Section 303(3) of Act 34 of the Public Acts of Michigan of 2001, as amended (“Act 34”) or obtaining prior approval of the Michigan Department of Treasury pursuant to Act 34, and shall comply with all applicable requirements of Act 34, including the filing of a security report and the payment of the filing fee required by Section 319 of Act 34.

12. **Negotiated Sale of Bonds.** The Township Supervisor and the Township Treasurer, with the assistance of Bond Counsel, are hereby authorized and directed to solicit and receive bids for and negotiate the terms of a negotiated sale of the Bonds in a maximum face amount not to exceed \$615,000 at an interest rate not more than 7% per annum. Pursuant to Section 309(1) of Act 34, the Township Board elects to sell the Bonds by negotiated sale to a local bank instead of by competitive sale in order to secure the unlimited right to optionally redeem the principal of the Bonds without premium on any interest payment date commencing June 1, 2018, and to avoid the additional cost of a public sale. The Township Supervisor and the Township Treasurer, with the assistance of Bond Counsel, shall prepare bond specifications for delivery to local area banks (or banks and financial institutions) setting forth the terms and conditions for the Bonds. The use of written Bond Specifications, in the form attached hereto as Exhibit D, and with such material additions and deletions as determined by the Township Supervisor and the Township Treasurer, with the assistance of Bond Counsel, to be necessary and in the best interest of the Township are hereby ratified and approved.

13. **Award of Sale of Bonds.** In accordance with Section 315(1)(d) of Act 34, the Township Supervisor and Township Treasurer are hereby authorized and directed to award the sale of the Bonds to the bidder whose bid produces the lowest true interest cost to the Township to be determined as set forth in the Bond Specifications attached hereto as Exhibit D.

14. **Execution and Delivery of Bonds.** The Township Supervisor and Township Clerk are authorized and directed to execute the Bonds in substantially the form approved with such necessary variations, omissions, corrections and insertions as they deem appropriate and are required for and on behalf of the Township, manually or by facsimile signature for and on behalf of the Township, and, if the Township has a seal, to place thereon the Township Seal or a facsimile thereof; provided that the Bonds shall be executed by the facsimile signatures of the Township Supervisor and Township Clerk only if the bonds are thereafter manually authenticated by the Bond Registrar. The Township Supervisor, Clerk and Treasurer are authorized and directed to execute and deliver on behalf of the Township such other certificates, affidavits, investment agreements or other documents or other instruments, including applications for ratings or municipal bond insurance, as may be required by the Purchaser of the Bonds or Bond Counsel or convenient to effectuate the execution and delivery of the Bonds. Upon execution of the Bonds, the Township Treasurer is hereby authorized and directed to deliver or cause to be delivered the Bonds to the Purchaser, upon receipt of the purchase price therefor less any discount and plus any premium and accrued interest, if any, to the date of delivery. The Township shall furnish the Bonds ready for execution without expense to the Purchaser. The Township shall also furnish without expense to the Purchaser at the time of delivery of the Bonds, the approving opinion of Mika Meyers Beckett & Jones PLC, Attorneys, Grand Rapids, Michigan, approving the legality of the Bonds. The Bonds will be delivered at the expense of the Township in such place as agreed upon with the Purchaser. The proceeds of the Bonds shall be deposited into the Debt Service Fund and the Construction Fund, as provided in paragraphs 8 and 9, above.

15. **Principal Amount Less than \$1,000,000.** Insofar as the principal amount of the Bonds is less than \$1,000,000, the Bonds shall not be rated, no official statement shall be

prepared by the Township with respect to the Bonds and the Township shall not enter into a continuing disclosure undertaking with regard to the issuance of the Bonds.

16. **Designation of Bonds as “Recovery Zone Economic Development Bonds;” Designation of Bonds as “qualified Build America Bonds;” Tax Covenants.** The Township hereby irrevocably elects to have Sections 1400U-2 and 54AA of the Code apply to the Bonds so that the Bonds are treated as “Recovery Zone Economic Development Bonds” and further to have Sections 54AA(g) and 6431 of the Code apply to the Bonds so that the Bonds are treated as “qualified Build America Bonds” with respect to which the Township will be allowed the Refundable Credit payable by the United States Treasury to the Township pursuant to Sections 6431 and 1400U-2 of the Code in an amount equal to 45% of the interest payable on the Bond on each interest payment date. For purposes of the foregoing, “Refundable Credits” shall be defined as:

certain refundable credits payable to the Township with respect to the Bonds as a 45% interest rate subsidy by the United States of America in accordance with Sections 6431 and 1400U-2 of the Internal Revenue Code of 1986, as amended.

The Township authorizes the Township Treasurer to take such actions as are necessary or appropriate for the Township to receive from the United States Treasury the Refundable Credit payments in respect to the Bonds including, but not limited to, the timely filing with the Internal Revenue Service of Form 8038-CP “Return for Credit Payments to Issuers of Qualified Bonds,” or any other required forms or returns.

The Township also covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the entitlement of the Township to receive the Refundable Credit payments from the United States Treasury. Without limiting the foregoing, the Township will comply with the provisions of the Code, compliance with which would result in the interest



on the Bonds being excluded from gross income for federal tax purposes but for the Township's irrevocable election to have Section 54AA(d) of the Code apply to the Bonds.

17. **Additional Bonds.** The Township may issue additional bonds of equal standing with the Bonds for purposes authorized by law only in the manner provided by Act 188 and Act 34.

18. **Refunding.** The Township reserves the right to refund the Bonds, in whole or in part, prior to maturity, subject to the requirements of the Code, Act 188 and Act 34.

19. **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 have been deposited in trust, this Bond Resolution shall be defeased and the owners of the Bonds shall have no further rights under this Bond Resolution 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.

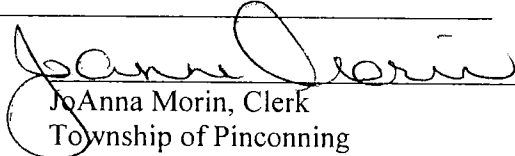
20. **Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Bond Resolution shall be deemed to be and shall constitute a contract between the Township and the registered owners from time to time of the Bonds and covenants and agreements herein set forth to be performed on behalf of the Township shall be for the equal benefit, protection and security of the registered owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be

of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Bond Resolution.

21. **Rescission of Resolutions in Conflict.** All resolutions and parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

AYES: Members: Holbrook, Stalsberg, Morin

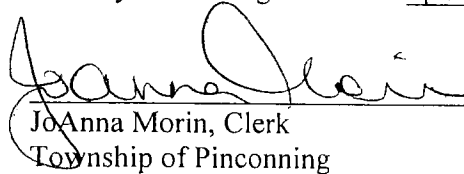
NAYS: Members: \_\_\_\_\_

  
JoAnna Morin, Clerk  
Township of Pinconning

STATE OF MICHIGAN     )  
                                      ) ss.  
COUNTY OF BAY         )

I, JoAnna Morin, the duly qualified and acting Clerk of the Township of Pinconning, Bay County, Michigan (the "Township"), do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the Township Board of the Township at a regular meeting thereof held on the 19th day of October, 2010, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have affixed by official signature this 19<sup>th</sup> day of October, 2010.

  
JoAnna Morin, Clerk  
Township of Pinconning

## EXHIBIT A

### SPECIAL ASSESSMENT DISTRICT SUMMARY

Special Assessment District(s)	Date of Confirmation	Amount of Confirmed Roll No. 1	Less: Initial Collections of Roll to be Deposited into Construction Fund	Equals: Amount of Roll Pledged for Bonds
Water Special Assessment District No. 10	October 6, 2010	\$442,600	\$0	\$442,600
Water Special Assessment District No. 11	October 6, 2010	\$ 46,000	\$0	\$ 46,000
Total:		\$488,600	\$0	\$488,600

**EXHIBIT B**

**TOWNSHIP OF PINCONNING  
COUNTY OF BAY, MICHIGAN**

**DESCRIPTION OF IMPROVEMENTS**

**WATER SPECIAL ASSESSMENT DISTRICT NO. 10**

This project consists of the installation of approximately 15,800 lineal feet of 12-inch water main and related appurtenances thereto to provide adequate service for fire protection and commercial needs. The water main is proposed to be located on the east side of M-13 from Cody Estey Road to Bay Arenac Road at the north end of Bay County.

The estimated cost of the project is:

Construction	\$530,720
Contingency	\$ 40,000
Connection, inspection and meter fees	\$ 10,600
Engineering, stake-out, observation, contract administration	\$ 84,000
Township Administrative/Publication Costs	\$ 3,280
Bond Counsel fees	\$ 4,000
Bond-related fees and costs (includes out-of-pocket expenses for filing and registration fees)	\$ 500
<u>Legal fees for special assessment proceedings</u>	<u>\$ 4,500</u>
Total Estimated Costs	\$677,600
Tribe total contribution	<u>\$235,000</u>
Total amount to be assessed on special assessment roll for District No. 10	\$442,600

**TOWNSHIP OF PINCONNING  
COUNTY OF BAY, MICHIGAN**

**DESCRIPTION OF IMPROVEMENTS**

**WATER SPECIAL ASSESSMENT DISTRICT NO. 11**

This project consists of the installation of approximately 2,950 lineal feet of 12-inch water main, and related appurtenances, to the west side of the I-75/Pinconning Road interchange to provide adequate service for commercial needs. The water main would be located along the North side of Pinconning Road from the East side of the I-75 interchange to Seven Mile Road just west of the interchange.

The estimated cost of the project is:

Construction	\$101,596
Contingency	\$ 16,000
Engineering, stake-out, observation, contract administration	\$ 21,500
Township Administrative/Publication Costs	\$ 2,904
Bond Counsel fees	\$ 4,000
Bond-related fees and costs (includes out-of-pocket expenses for filing and registration fees)	\$ 500
<u>Legal fees for special assessment proceedings</u>	<u>\$ 4,500</u>
Total Estimated Costs	\$151,000
Total amount assessed on special assessment roll for District No. 11	<u>\$ 46,000</u>
DDA contribution (principal only; with interest \$126,000)	\$105,000

**EXHIBIT C**

REGISTERED

UNITED STATES OF AMERICA

REGISTERED

STATE OF MICHIGAN

COUNTY OF BAY

TOWNSHIP OF PINCONNING

CAPITAL IMPROVEMENT BONDS  
(GENERAL OBLIGATION LIMITED TAX)  
(FEDERALLY TAXABLE RECOVERY ZONE  
ECONOMIC DEVELOPMENT BONDS – DIRECT PAYMENT),  
SERIES 2010

No. R-\_\_

Rate

Maturity

Date of Original Issue

CUSIP

June 1, \_\_\_\_\_

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the Township of Pinconning, County of Bay, State of Michigan (the "Township"), acknowledges itself indebted and for value received hereby promises to pay on the date specified above to the owner specified above or its registered assigns shown as the owner of record of this bond on the books of \_\_\_\_\_, \_\_\_\_\_, Michigan, as bond registrar (the "Bond Registrar") on the applicable date of record, the principal sum specified above in lawful money of the United States of America, upon presentation and surrender of this bond at the principal office of the Bond Registrar, together with interest thereon at the rate per annum specified above payable on June 1, 2011, and semi annually thereafter on the first day of June and December of each year from the June 1 or December 1 next preceding the Date of Authentication hereof, unless such Date of Authentication is a date to which interest has been paid or duly provided for, in which case from the Date of Authentication hereof, unless interest on this bond has not been paid in full or duly provided for, in which case from the date to which interest has been paid in full, or if no interest has been paid on this bond, from the Date of Original Issue specified above, until payment of the principal hereof has been made or duly provided for. Payment of interest shall be paid to the registered owner hereof by the Bond Registrar by first class mail. The date of record shall be each May 15 and November 15 with respect to the payments due on each June 1 and December 1, respectively. Principal and interest are payable in lawful money of the United States of America.

This bond is one of a series of bonds of like date and tenor except as to date of maturity and rate of interest aggregating the principal sum of \$ \_\_\_\_\_ (the "Bonds") issued by the Township under and pursuant to and in full conformity with the Constitution and statutes of the State of Michigan (including, without limitation, Act 34 of the Public Acts of Michigan of 2001, as amended) and a bond authorizing resolution adopted by the Township Board (the "Bond Authorizing Resolution"), in anticipation of (a) the collection of special assessments confirmed by the Township Board on a special assessment roll against benefitted lots and parcels of property located in Water Special Assessment District No. 10 and Water Special Assessment District No. 11, for the purpose of making improvements and extensions to the Township's water system to serve properties located within those special assessment districts, and (b) certain refundable credits to be received from the United States. Special assessments, in the amount of \$488,600, and the interest thereon, are hereby pledged to the payment of principal of, premium, if any, and interest on the Bonds. The Issuer also hereby pledges the limited tax full faith and credit of the Township of Pinconning for the prompt payment of the principal of and interest on the Bonds, in which event the Issuer may levy a tax on all taxable property in the Township for the payment of principal of and interest on the Bonds, which tax shall be limited as to rate and amount by applicable constitutional, statutory and charter limitations on the taxing power of the Township.

Bonds maturing in the years 2011 through 2018, both inclusive, shall not be subject to redemption prior to maturity. Bonds maturing in the years 2019 through 2040, both inclusive, shall be subject to redemption prior to maturity, at the option of the Township, in whole or in part in increments of \$1,000 in such order of maturity as the Township may determine and within any maturity by lot on any interest payment date on or after June 1, 2018, at par and accrued interest. No premium shall be paid on Bonds called for redemption.

If for any reason (other than because of an action taken by or inaction by the Township), the Township is held by the Internal Revenue Service to be ineligible to receive all or part of the Refundable Credit (hereinafter defined) or if the United States Department of Treasury or any agency of the United States of America at any time cease to remit to the Township all or any part of the Refundable Credit payable in accordance with Section 54AA of the Code, the Township has the right at its option to redeem and retire all or any part of the principal amount of the Bonds then outstanding in multiples of \$1,000 within a single maturity in such order of maturity as the Township shall determine and within a single maturity by lot on any date at par plus accrued interest without premium.

Notice of the call of any Bonds for redemption shall be given by first-class mail by the Bond Registrar, no less than thirty (30) days prior to the date fixed for redemption, to the registered owners of record at the registered addresses shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$1,000 and Bonds of denominations of greater than \$1,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the Bond by \$1,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds 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 Bond surrendered shall be issued to the registered owner thereof. Bonds so called for redemption shall not bear interest after the date fixed for redemption,

whether presented for redemption or not, provided sufficient funds are on hand with the Bond Registrar to redeem said Bonds.

This bond is transferable, as provided in the Bond Authorizing Resolution, on the bond registration books of the Bond Registrar upon surrender of this bond together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon such transfer, one or more fully registered bonds with denominations of \$1,000 or such larger denomination in the same aggregate principal amount and the same maturity and interest rate, will be issued to the designated transferee or transferees.

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

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Authorizing Resolution until the Certification of Registration and Authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, the Township of Pinconning, County of Bay, Michigan by its Township Board, has caused this Bond to be signed and sealed in its name by its Supervisor and by its Clerk, all as of the Date of Original Issue.

[SEAL]

TOWNSHIP OF PINCONNING

By: Sharon Stalsberg  
Sharon Stalsberg, Supervisor

By: JoAnna Morin  
JoAnna Morin, Clerk



## **CERTIFICATION OF REGISTRATION AND AUTHENTICATION**

This Bond is one of the Bonds described in the within mentioned Bond Authorizing Resolution and has been registered in the name of the payee designated on the face hereof in the Register maintained for the Issuer thereof.

Bond Registrar

\_\_\_\_\_

Date of  
Authentication: \_\_\_\_\_

By: \_\_\_\_\_  
Its Authorized Representative

## ASSIGNMENT

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed:

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

\_\_\_\_\_  
NOTICE: The signature(s) to this assignment  
must correspond with the name as it appears on  
the face of the within Bond in every particular,  
without alteration or enlargement or any change  
whatever.

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

Name and Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Include information for all joint owners if this Bond is  
held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
(Insert number for first named transferee if held by joint account)

**EXHIBIT D**

**BOND SPECIFICATIONS  
DATED \_\_\_\_\_, 2010**

**TOWNSHIP OF PINCONNING  
COUNTY OF BAY  
STATE OF MICHIGAN**

**\$593,000**

**CAPITAL IMPROVEMENT BONDS (GENERAL OBLIGATION LIMITED TAX)  
(FEDERALLY TAXABLE RECOVERY ZONE  
ECONOMIC DEVELOPMENT BONDS – DIRECT PAYMENT),  
SERIES 2010**

**BOND DETAILS:** The Bonds will be in fully registered form and in \$1,000 denominations or such multiples thereof up to the amount of a single maturity; will bear interest from their date payable on June 1, 2011, and semi annually thereafter, will be dated as of the date of delivery to the initial purchaser thereof, will be numbered in direct order of maturity from 1 upwards, and will mature serially on June 1 in the years and amounts as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Maturity</u>	<u>Principal Amount</u>
2012	\$13,000	2027	\$20,000
2013	\$20,000	2028	\$20,000
2014	\$20,000	2029	\$20,000
2015	\$20,000	2030	\$20,000
2016	\$20,000	2031	\$20,000
2017	\$20,000	2032	\$20,000
2018	\$20,000	2033	\$20,000
2019	\$20,000	2034	\$20,000
2020	\$20,000	2035	\$20,000
2021	\$20,000	2036	\$20,000
2022	\$20,000	2037	\$25,000
2023	\$20,000	2038	\$25,000
2024	\$20,000	2039	\$25,000
2025	\$20,000	2040	\$25,000
2026	\$20,000		

The Township reserves the right to decrease the principal amount of the bond issue and to increase or decrease the principal amount of any individual maturity.

**INTEREST RATE AND BIDDING DETAILS:** The Bonds shall bear interest at a rate or rates not exceeding 7% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. 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 difference between the highest and lowest rate bid on the Bonds shall not exceed three percentage (3.0%) points. No proposal

for the purchase of less than all of the Bonds or at a price less than 100% of their par value will be considered.

**BOOK-ENTRY ELIGIBLE:** At the option of the Purchaser, the Bonds may be issued in book-entry only form as one bond per maturity fully registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry only form, in the denomination of \$1,000 or any integral multiple thereof, and purchasers will not receive certificates representing their interest in bonds purchased.

**PRIOR REDEMPTION:** The Bonds maturing in the years 2011 through 2018, both inclusive, shall not be subject to redemption prior to maturity. The Bonds maturing in the years 2019 through 2040, both inclusive, shall be subject to redemption prior to maturity at the option of the Township, in whole or in part in increments of \$1,000 in direct order of maturity and within any maturity by lot on any interest payment date on or after June 1, 2018, at par and accrued interest to the date fixed for redemption, without premium.

If for any reason (other than because of an action taken by or inaction by the Township), the Township is held by the Internal Revenue Service to be ineligible to receive all or part of the Refundable Credit (hereinafter defined) or if the United States Department of Treasury or any agency of the United States of America at any time cease to remit to the Township all or any part of the Refundable Credit payable in accordance with Section 54AA of the Code, the Township has the right at its option to redeem and retire all or any part of the principal amount of the Bonds then outstanding in multiples of \$1,000 within a single maturity in such order of maturity as the Township shall determine and within a single maturity by lot on any date at par plus accrued interest without premium.

Notice of the call of any Bonds for redemption shall be given by first-class mail by the Bond Registrar, no less than thirty (30) days prior to the date fixed for redemption, to the registered owners of record at the registered addresses shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$1,000 and Bonds of denominations of greater than \$1,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$1,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds 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 Bond surrendered shall be issued to the registered owner thereof. No further interest payment on the Bonds or portions of the Bonds called for redemption shall accrue after the date fixed for redemption, whether or not the Bond is presented for redemption, provided funds are on hand with the Bond Registrar to redeem the same.

**REGISTRATION, TRANSFER AGENT AND PAYING AGENT:** Principal (June 1) shall be payable by the Township Treasurer, who will be appointed as Registrar, Transfer and Paying Agent for the Bonds, or such other transfer agent as the Township may hereafter designate by notice mailed to the registered owners not less than 60 days prior to any change in transfer agent. Interest (June 1 and December 1) shall be paid by check mailed to the owner as shown on the registration books of the Township on May 15 with respect to payments due on the immediately succeeding June 1 and on November 15 with respect to payments due on the immediately succeeding December 1. The Bonds will be transferable only upon the registration books of the

Township kept by the transfer agent. The first interest payment will be due June 1, 2010. The Township reserves the right to appoint the successful bidder as Registrar, Transfer and Paying Agent.

**PURPOSE AND SECURITY:** The Bonds are issued for the purpose of paying part of the cost of constructing and financing improvements and extensions to the Township's existing water system to serve properties located in Water Special Assessment District No. 10 and Water Special Assessment District No. 11 located in the Township. The Township has pledged an equal amount of special assessments levied within said special assessment districts in the amount of \$488,600, Township funds on hand (including a pledge by the Township's Downtown Development Authority to make annual payments totaling \$126,000 toward the project), to the payment of principal of, premium, if any, and interest on the Bonds. In addition, the Township has pledged the limited tax full faith and credit of the Township for the prompt payment of the principal of, premium, if any, and interest on the Bonds, as the same shall become due, in which event the Township may levy a tax on all taxable property in the Township for the payment of principal of, premium, if any, and interest on the Bonds, which tax shall be limited as to rate and amount by applicable constitutional and statutory limitations on the taxing power of the Township.

The rights and remedies of bondholders may be affected by bankruptcy and other laws and equitable remedies of general application now existing or hereafter enacted relating to or affecting the enforcement of the rights and remedies of bondholders.

**GOOD FAITH:** A certified or cashier's check drawn upon an incorporated bank or trust company in the amount of \$5,900 and payable to the order of the Treasurer of the Township of Pinconning must accompany each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid is accepted and the bidder fails to take up and pay for the Bonds. No interest will be allowed on good faith deposits. The good faith check of the winning bidder will be promptly cashed, and the amount received therefor will be credited against the purchase price as of the date of delivery.

**LEGAL OPINION:** Bids shall be conditioned upon the approving opinion of Mika Meyers Beckett & Jones PLC, Attorneys, of Grand Rapids, Michigan, approving the legality of the Bonds and the original of the opinion will be delivered without expense to the purchaser of the Bonds at the delivery thereof.

The fees of Mika Meyers Beckett & Jones PLC, for services rendered in connection with such approving opinion are expected to be paid from Bond proceeds. Except to the extent necessary to issue their approving opinion as to the validity of the above bonds, Mika Meyers Beckett & Jones PLC, has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials 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 documents, statements or materials.

**TAX STATUS:** The approving opinion of bond counsel will include an opinion to the effect that under existing law, the interest on the Bonds is included in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). The opinion

set forth above will be subject to the condition that the Township comply with all requirements of the Code. The Township has covenanted to comply with all such requirements. Bond counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Bonds.

The successful bidder will be required, as a condition of delivery of the Bonds, to certify the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. The form of an acceptable certificate will be provided by Bond Counsel.

**PRINCIPAL AMOUNTS LESS THAN \$1,000,000:** Insofar as the principal amount of the Bonds is less than \$1,000,000, the Bonds shall not be rated, no official statement shall be prepared by the Township with respect to the Bonds and the Township shall not enter into a continuing disclosure undertaking in connection with the issuance of the Bonds.

**DELIVERY OF BONDS:** The Township will furnish Bonds ready for execution at its expense at such location as approved by the Township. 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 the delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o'clock noon, Michigan 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 his proposal by serving notice of cancellation, in writing, on the undersigned in which event the Township shall promptly return the good faith deposit without interest. 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.

**CUSIP NUMBER:** CUSIP numbers will be printed on the Bonds at the Township's expense. The printing of incorrect CUSIP numbers or the failure to print the CUSIP numbers on the Bonds shall not constitute cause for the purchaser to refuse delivery of the Bonds.

**FURTHER INFORMATION** may be obtained from Sharon Stalsberg, Supervisor, Township of Pinconning, P.O. Box 58, Pinconning, MI 48650-0058, phone: (989) 879-4018, fax: (989) 879-4553, or Bond Counsel, Mark E. Nettleton, Mika Meyers Beckett & Jones PLC, 900 Monroe Avenue, NW, Grand Rapids, MI 49503, phone: (616) 632-8048, fax: (616) 632-8002.

Dated: \_\_\_\_\_, 2010

Sharon Stalsberg, Supervisor  
Township of Pinconning