

TOWNSHIP OF PINCONNING
COUNTY OF BAY, MICHIGAN

Minutes of a special meeting of the Township Board of the Township of Pinconning, held at the Pinconning Township Hall, 1751 Cody Estey Road, within the Township, on the 30th day of September, 2010, at 10 a.m.

PRESENT: Members: Holbrook, Stalsberg, Morin

ABSENT: Members: Trudo

The following preamble and resolution was offered by Member Holbrook and seconded by Member Morin :

RESOLUTION NO. 10-11

**RESOLUTION TO ACQUIRE AND CONSTRUCT CAPITAL IMPROVEMENTS
TO THE TOWNSHIP OF PINCONNING WATER SYSTEMS AND TO
PUBLISH NOTICE OF INTENT TO ISSUE CAPITAL IMPROVEMENT BONDS**

WHEREAS, it is necessary for the public health, safety and welfare of the Township of Pinconning (the "Township") and the users of the Township's public water system (the "Water System") to issue and sell capital improvement bonds 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 acquisition and construction of extensions and improvements to the Water System including, but not extensions to serve Water Special Assessment District Nos. 10 and 11, and related appurtenances; (the "Project"); and

WHEREAS, the current pre-bid estimate of cost of the Project, including construction, legal, financial, administrative and contingency costs, is \$850,500; and

WHEREAS, it is necessary to publish a Notice of Intent to Issue Bonds pursuant to Section 517(2) of Act 34; and

WHEREAS, Section 517(3) of Act 34 provides that the debt limit for bonds issued in accordance with Section 517(1) of Act 34 is five percent (5%) of the Township's state equalized valuation; and

WHEREAS, Section 517(1) of the Act provides that:

"the amount of taxes necessary to pay the principal and interest on that municipal security, together with the taxes levied for the same year, shall not exceed the limits authorized by law."

NOW, THEREFORE, BE IT HEREBY RESOLVED:

1. The Township hereby determines to acquire and construct the Project and to pay for part of the costs of the Project by the issuance of capital improvement bonds in one or more series pursuant to Section 517(1) of Act 34 in the maximum principal amount of \$615,000. The balance of the costs of the Project shall be paid from investment earnings, if any, on bond proceeds, collections of special assessments imposed on properties located within Water Special Assessment District Nos. 10 and 11, and other legally available funds.
2. 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 \$615,000 may be issued by the Township within the aforestated debt limit.
3. The Township Board does not expect that it will be necessary to levy any additional taxes to pay the principal and interest on the proposed bonds and, in no event, will any taxes necessary to pay the principal of and interest on the bonds, together with other taxes levied for the same year, exceed the limits authorized by law.
4. A notice of intent to issue capital improvement bonds in substantially the form attached hereto as Exhibit A (the "Notice") shall be published in accordance with Section 517(2) of

Act 34 in the *Pinconning Journal*, a newspaper of general circulation in the Township and determined to be the newspaper reaching the largest number of persons to whom the Notice is directed. The Notice shall not be less than 1/4 page in size in the newspaper.

5. The Township Board does hereby determine that the form of Notice and the manner of publication directed is the method best calculated to give notice to the Township's electors of this Township's intent to issue the bonds, the maximum amount of the bonds, the purpose of the bonds, the source of payment and security for the bonds, the right of referendum on the issuance of the bonds and such other information as this Township Board determines necessary to adequately inform the Township's electors of the nature of the issue.

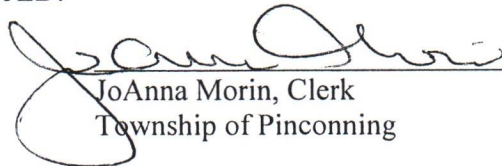
6. All resolutions or portions thereof inconsistent with the provisions of this resolution are hereby rescinded.

YEAS: Members: Holbrook, Stalsberg, Morin

NAYS: Members: _____

ABSTAIN: Members: _____

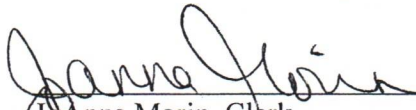
RESOLUTION DECLARED ADOPTED.


JoAnna Morin, Clerk
Township of Pinconning

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY)

I, the undersigned, 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 at a special meeting on the 30th day of September, 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 posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature on this ____ day of September, 2010.



JoAnna Morin, Clerk
Township of Pinconning

EXHIBIT A

NOTICE TO ELECTORS OF THE TOWNSHIP OF PINCONNING OF THE TOWNSHIP'S INTENT TO ISSUE CAPITAL IMPROVEMENT BONDS AND THE RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE THAT THE TOWNSHIP OF PINCONNING intends to issue Capital Improvement Bonds in a maximum amount which shall not exceed \$615,000.

PURPOSE

The Bonds shall be issued for the purpose of defraying part of the cost of the acquisition and construction of extensions and improvements to the Township's Water System to serve properties located within Water Special Assessment District Nos. 10 and 11 (the "Project").

ESTIMATED PROJECT COST

The total estimated cost of the proposed project is \$850,500. The costs of the project shall be paid from bond proceeds, investment earnings, if any, on bond proceeds, collections of special assessments imposed on properties located within Water Special Assessment District Nos. 10 and 11, and other legally available funds.

MAXIMUM AMOUNT AND TERMS OF REPAYMENT

The Bonds shall be issued in one or more series in a maximum aggregate amount not to exceed \$615,000, shall mature serially with interest on the unpaid balance at a rate not to exceed the maximum rate of interest allowed by law and shall be repaid over a term not to exceed the maximum term permitted by law. The Bonds shall be issued pursuant to Act 34 of the Public Acts of Michigan of 2001, as amended.

SOURCE OF PAYMENT AND SECURITY FOR THE BONDS

The principal of and interest on the Bonds shall be payable as a general obligation of the Township secured by the Township's full faith and credit and limited tax pledge, within applicable statutory and constitutional tax limitations applicable to the Township. THE TOWNSHIP WILL NOT HAVE THE AUTHORITY TO LEVY ADDITIONAL TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS OVER PRESENTLY EXISTING TOWNSHIP MILLAGE LIMITS WITHOUT A FURTHER VOTE OF TOWNSHIP ELECTORS. The Township Board intends that the principal of and interest on the Bonds will be repaid from revenues derived from collections of special assessments imposed on properties located within Water Special Assessment District Nos. 10 and 11, Township funds on hand, and funds contributed by the Township's Downtown Development Authority.

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF TOWNSHIP ELECTORS APPROVING THE BONDS, UNLESS, WITHIN 45 DAYS FROM THE DATE OF PUBLICATION OF THIS NOTICE OF INTENT, A PETITION, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS RESIDING WITHIN THE LIMITS OF THE TOWNSHIP OF PINCONNING, SHALL BE FILED WITH THE TOWNSHIP BOARD REQUESTING A REFERENDUM UPON THE QUESTION OF THE ISSUANCE OF THE BONDS. IF PETITIONS ARE SO FILED, THE BONDS SHALL NOT BE ISSUED UNTIL APPROVED BY THE VOTE OF A MAJORITY OF THE ELECTORS OF THE TOWNSHIP QUALIFIED TO VOTE AND VOTING ON THE QUESTION OF ISSUING THE BONDS AT A GENERAL OR SPECIAL ELECTION.

This Notice is published pursuant to the requirements of Section 517 of Act 34 of the Public Acts of Michigan of 2001, as amended, and was approved by the Township Board of the Township of Pinconning on September 30, 2010.

JoAnna Moring, Township Clerk
Township of Pinconning