

NOTICE TO TAXPAYERS AND ELECTORS OF THE
CITY OF HASTINGS, COUNTY OF BARRY, STATE OF MICHIGAN
AND THE USERS OF SAID CITY'S WASTEWATER
SYSTEM OF INTENT TO ISSUE BONDS
AND THE RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City of Hastings, County of Barry, State of Michigan, intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an aggregate amount not to exceed Eleven Million Dollars (\$11,000,000) (the "Bonds"), for the purpose of paying the costs of acquiring and constructing improvements to the City's wastewater system, including improvements to the wastewater treatment plant, together with all necessary interests in land, rights-of-way, appurtenances and attachments thereto (the "Project").

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS SHALL BE PAYABLE primarily from the revenues received by the City from the operations of the City's wastewater system. The City expects the revenue bonds to be sold to the Michigan Finance Authority in connection with the Michigan Department of Environment, Great Lakes, and Energy Clean Water Revolving Fund program in which case the bonds sold to Michigan Finance Authority may also be payable as described below. Said 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 said bonds and other bonds payable from revenues of the system, and to pay other obligations of the system.

BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed twenty (20) in number 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 two and one-half percent (2.50%) per annum on the balance of the bonds from time to time remaining unpaid.

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 ANY TIME, 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 bonds.

RIGHT OF REFERENDUM

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

Jane Saurman
City Clerk
City of Hastings