

CITY OF ROCHESTER HILLS  
OAKLAND COUNTY, MICHIGAN

NOTICE OF ADOPTION OF RESOLUTION BY CITY COUNCIL  
AUTHORIZING EXECUTION OF A CONTRACT PLEDGING  
THE FULL FAITH AND CREDIT  
OF THE CITY AND NOTICE OF RIGHT OF REFERENDUM

TO ALL ELECTORS AND TAXPAYERS OF  
THE CITY OF ROCHESTER HILLS AND  
OTHER INTERESTED PERSONS:

NOTICE IS HEREBY GIVEN, that on April 20, 2005, the City Council of the City of Rochester Hills adopted a resolution approving and authorizing the execution and delivery of a contract between the County of Oakland (hereinafter sometimes referred to as the "County") and the City of Rochester Hills (hereinafter sometimes referred to as the "City") pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended, relative to the acquisition, construction and financing of the improvement, enlargement and extension of the Oakland County Water Supply and Sewage Disposal Systems for Rochester Hills by the acquisition and construction of the Extension No. 5A Project to serve properties located south of Mead Road and both east and west of Rochester Road as more specifically set forth in the contract (the "Project").

PURPOSE OF CONTRACT

The contract has for its purpose and provides for (a) the acquisition and construction of the Project at a total estimated cost of \$5,913,000; (b) the increase of the estimated cost under certain circumstances; (c) the payment of all or part of the cost by the City to the County in annual installments with interest and expenses; (d) the financing of all or part of the cost by the issuance of County bonds in one or more series in the estimated aggregate amount of \$5,910,000 (which amount may be increased under certain circumstances); and (e) the pledge of the full faith

and credit of the City to the payment of the amounts due the County as specified in the Contract that shall be sufficient to pay the principal of and interest on such bonds.

**CITY'S CONTRACTUAL  
OBLIGATION AND SOURCE OF PAYMENT**

The bonds to be issued by the County to defray the cost of the acquisition and construction of the Project will bear interest at a rate of not to exceed 8% per annum and will mature serially over a period not exceeding 40 years. The full faith and credit of the City have been pledged in the contract for the making of payments to the County in amounts sufficient to pay the principal of and interest on the bonds as the same shall become due and for the payment of bond service charges incurred by the County. Pursuant to its pledge of full faith and credit, the City has obligated itself to levy ad valorem taxes on all taxable property in the City to the extent necessary (i.e., to the extent other funds are not available for such purpose) to enable it to make such payments to the County. Taxes imposed by the City are subject to constitutional, statutory and charter tax limitations.

**RIGHT TO PETITION FOR REFERENDUM ON CONTRACT**

This notice is given by order of the City Council to and for the benefit of the electors and taxpayers of the City of Rochester Hills and any other interested persons in order to inform them of their right to petition for a referendum upon the contract. The contract will not become effective until the expiration of 45 days after the publication of this notice. If, within said 45-day period, a petition signed by 10% or 15,000, whichever is the lesser, of the registered electors residing within the City is filed with the City Clerk requesting a referendum upon the contract, the contract will not become effective until approved by a majority of the electors of the City qualified to vote and voting thereon at a general or special election.

FURTHER INFORMATION

Further information relative to the subject matter of the contract and this notice, including the description and location of the Project, may be secured at the office of the City Clerk where a copy of the contract is available for examination during normal business hours.

This notice is given pursuant to the provisions of Section 5b of Act 342, Public Acts of Michigan, 1939, as amended.

Jane Leslie, Interim Clerk  
City of Rochester Hills

BLOOMFIELD 9007-355 669345v1