

TOWNSHIP BOARD

**TOWNSHIP OF BIRCH RUN
SAGINAW COUNTY, MICHIGAN**

**RESOLUTION REGARDING FINANCING OF TOWNSHIP
93-1 FIRE TRUCK CHASSIS**

Board member Maria Foerster, supported by Board member Gary St. Charles, moved the adoption of the following Resolution:

RESOLUTION APPROVING AN INSTALLMENT PURCHASE AGREEMENT TO FINANCE THE COST OF PURCHASING TOWNSHIP FIRE TRUCK CHASSIS, AUTHORIZING EXECUTION OF SAID INSTALLMENT PURCHASE AGREEMENT AND AUTHORIZING THE UNDERTAKING OF ALL OTHER NECESSARY AND REQUIRED ACTS IN CONNECTION WITH THE FINANCING OF SUCH FIRE TRUCK CHASSIS.

WHEREAS, the Township Board previously determined to acquire and install new fire equipment from H.M.E. Inc. (the "Project") and finance the cost thereof through an installment purchase; and

WHEREAS, under the provisions of Act 99 of the Public Acts of Michigan of 1933, as amended ("Act 99"), the Township is authorized to enter into an agreement for the acquisition of real and personal property for public purposes, to be paid for in installments over a period not to exceed fifteen (15) years or the useful life of the property acquired as determined by resolution of the Township Board (whichever is the lesser time period); and

WHEREAS, the outstanding balance of all such installment purchases by the Township under Act 99, exclusive of interest, shall not exceed one and one-quarter percent (1¼%) of the equalized assessed value of the real and personal property in the Township on the date of such agreement or agreements; and

WHEREAS, the acquisition of the Project pursuant to an installment purchase agreement will not result in the outstanding balance of all such purchases to be in excess of the limitations contained in Act 99 as set forth above; and

WHEREAS, the Township requested proposals for financing the acquisition of the Project through an installment purchase agreement pursuant to Act 99; and

WHEREAS, the proposal of First of America Bank - Mid Michigan, N.A., Bay City, Michigan (the "Financial Institution"), has been determined to be the lowest responsive proposal; and

WHEREAS, the Township Board has had presented to it at this meeting the form Installment Purchase Agreement (the "Agreement") to be entered into by the Township, the Financial Institution and the Contractor in connection with such financing, and it is the desire of the Township Board to approve and authorize the execution of such Agreement; and

WHEREAS, the Township Board desires to authorize the undertaking of all such acts necessary to complete the purchase and financing of the Project.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The acquisition of the Project is hereby found and declared to be for valid public purposes and in the best interests of the health, safety and welfare of the residents of the Township.

2. A contract for purchase of the Project dated September 24, 1992, has been awarded to the Contractor, (H.M.E. Inc.).

3. The proposal of the Financial Institution is hereby approved and the cost of the Project in the amount of \$86,255 shall be financed through the Financial Institution through an installment purchase at an interest rate of 5.10% per annum through December 1, 1997 at which time the entire balance of principal and interest due under the Agreement shall be due and payable in full. Payments of principal and interest shall be in the amounts and at the times set forth on Schedule "A" to the Agreement.

4. The Agreement is hereby approved substantially in the form presented at this meeting with such additions, changes and modifications as shall be approved by the Township Attorney.

5. The Project has a useful life extending beyond December 1, 1997, the term of the Agreement.

6. The Township hereby agrees to include in its budget for each fiscal year during the term hereof an amount sufficient to pay when due the principal of and interest coming due under the Agreement during such fiscal year. In addition, the Township hereby pledges to levy in each fiscal year ad valorem taxes on all taxable property in the Township in an amount which, together with other funds available for such purpose, shall be sufficient for the payments required under the Agreement in such fiscal year. Any such tax levy is, however, subject to existing charter, statutory and constitutional tax limitations.

7. The Township covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the payments due under the Agreement from the adjusted gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code").

8. The Township designates its obligation to pay the purchase price of the Project under the Agreement as a qualified tax-exempt obligation pursuant to Section 265(b)(3) of the Code and does not reasonably anticipate that qualified tax-exempt obligations of the Township will exceed \$5,000,000 during the 1993 calendar year.

9. The Township Supervisor and the Township Clerk, or either of them, are hereby directed and authorized to execute such additional certificates and other documents as shall be necessary to effectuate the closing contemplated by the Agreement.

10. All resolutions or parts of resolutions insofar as they conflict with the provisions hereof be and the same hereby are rescinded to the extent of such conflict.

Upon roll call vote, the following voted

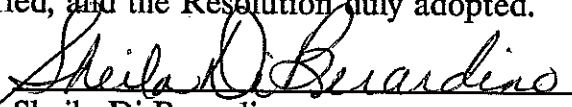
YEAS: Board members Edward Magnus, Sheila DiBerardino,
Maria Foerster, Gary St. Charles, Jacqueline Hayes

NAYS: Board members Larry Russell, Joanne Strahm

ABSTAIN: Board members None

ABSENT: Board members None

The Supervisor declared the motion carried, and the Resolution duly adopted.



Sheila Di Berardino

CERTIFICATE

I, Sheila Di Berardino, the duly elected and acting Clerk of the Township of Birch Run hereby certifies that the foregoing constitutes a true copy of an Excerpt of the Minutes of a regular meeting of the Township of Birch Run Township Board, Birch Run, Michigan, held on February 9, 1993, at which meeting seven members were present as indicated in said Minutes and voted as therein set forth; that said meeting was held in accordance with the Open Meetings Act of the State of Michigan, and that due and proper notice of the meeting as required by law was given to the members of the Township Board, and that the minutes of said meeting were kept and will be and have been made available as requested by said Act.

Dated: February 10, 1993


Sheila Di Berardino, Clerk

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