

**BIRCH RUN TOWNSHIP
SAGINAW COUNTY, MICHIGAN**

RESOLUTION 2006-08

Township Board Member Ed Magnus supported by Township Board Member Amy Cook moved the adoption of the following resolution:

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

WHEREAS, the Township Board previously determined to purchase Fire Equipment and to finance a portion of the cost thereof through an installment purchase; and

WHEREAS, the Township has contracted with CENTRAL STATES FIRE APPARATUS, L.L.C., a division of Rosenbauer America (the "Seller") to purchase the equipment for the sum of approximately \$336,569.00, together with financing, legal and other project expenses; 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 personal property for public purposes, to be paid for in installments over a period not to exceed 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 (1 1/4%) 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 SUNTRUST LEASING CORP. (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 Seller 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 construction and financing of the Project.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. That 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. That the contract for purchase of the Project was awarded to the Seller for the sum of approximately \$336,569.00.
3. That the proposal of the Financial Institution is hereby approved and that the cost of the Project in the amount of \$336,569.00, shall be financed through the Financial Institution through an installment purchase agreement at a bank qualified tax-exempt interest rate of 4.25 % per annum from the date of this Agreement through May 15, 2016 by the payment of twenty (20) semi-annual payments of principal and interest each, commencing on November 15, 2006 and each May 15 and November 15 thereafter through May 15, 2016 as set forth on the Payment Schedule attached as Exhibit "A" to the Agreement.
4. That 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 Supervisor.
5. That the Project has a useful life extending beyond May 15, 2016, the term of the Agreement.
6. The Township hereby agrees to that the payment of principal and interest shall be made from the general fund of the Township. The Township hereby pledges its full faith and credit for all payments required under the Agreement.
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"). The Township designates its obligation to pay the Financed Purchase Price 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 \$1,000,000.00 during the 2006 calendar year.

8. The Township Supervisor and the Township Treasurer, 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.

9. 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.

YEAS: Members: Cook, Schlegel, Strahm, Marr, Magnus, and Putnam

NAYS: None

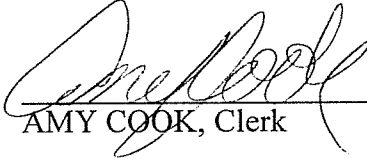
ABSTAIN: None

ABSENT:

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing constitutes a true and complete copy of a Resolution duly adopted by the Township Board of Birch Run Township, Saginaw County, Michigan, at a regular meeting held on the 9th day of May, 2006, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, 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 or have been made available as required by said Act.

Dated: May 9, 2006


AMY COOK, Clerk