

RESOLUTION DECLARING INTENT TO REIMBURSE EXPENDITURES

Township of Birch Run  
County of Saginaw, State of Michigan

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Minutes of a regular meeting of the Township Board of the Township of Birch Run, County of Saginaw, State of Michigan, held at the Township offices on the 14<sup>th</sup> day of July, 1992, at 7:30 o'clock p.m., Daylight Savings Time.

PRESENT: Members Donald White, Marcia Strong, Maria Foerster,  
Larry Russell, Joanne Strahm, Tom Totten

ABSENT: Members Donald Voorheis

The following preamble and resolution were offered by Member Strong  
and supported by Member Foerster :

WHEREAS, the Township Board of the Township of Birch Run, County of Saginaw, State of Michigan (the "Issuer"), intends to authorize the issuance and sale its bonds or bonds of the County of Saginaw, or both, in an amount not to exceed \$3,600,000, for the purpose of defraying part of the cost of the project described in Exhibit A attached hereto and made a part hereof (the "Project"); and

WHEREAS, the Internal Revenue Service (the "IRS") has promulgated "reimbursement rules" under Treas. Reg. §1.103-18 pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), affecting the use of proceeds of the bonds to reimburse the Issuer for expenditures made on improvements to the Project before the bonds are issued; and

WHEREAS, the Issuer desires to affirm its intent to be in compliance with the "reimbursement rules" under the Code; and

WHEREAS, the Issuer intends to issue its bonds or to request the County of Saginaw to issue its bonds, or both, and to be reimbursed from the proceeds of the bonds for expenditures made prior to issuing the bonds; and

WHEREAS, in order to comply with the Code it is necessary for the Issuer to declare its intention to be reimbursed from the proceeds of the bonds for expenditures made prior to issuing the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Issuer makes the following declarations for the purpose of official intent of compliance with the "reimbursement rules" issued and to be issued pursuant to Treas. Reg.

§1.103-18:

- (a) The Issuer intends to construct the Project, included related appurtenances and attachments.
- (b) The Issuer intends to issue bonds to pay the costs described in paragraph (a) above and to pay the engineering and design costs of the improvements made to the Project and the issuance costs of the bonds.
- (c) The Issuer intends to reimburse itself for any expenditures described in paragraphs (a) and (b) above from proceeds of the bonds.
- (d) The maximum principal amount of debt expected to be issued for the reimbursement purposes described herein is \$ 3,600,000
- (e) This declaration of official intent is consistent with the budgetary and financial circumstances of the Issuer since no funds from sources other than the borrowing described herein are or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Issuer pursuant to the budget or

financial policies of the Issuer with respect to the expenditures or the fund to be reimbursed as described in paragraphs (a) and (b) above.

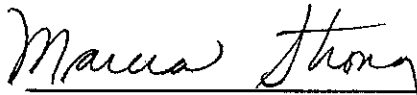
- (f) Reimbursement of the expenditures described in paragraphs (a) and (b) above with the proceeds of the borrowing described herein will occur not earlier than the date on which the expenditure is paid and not later than (i) the date that is one year after the date the on which the expenditure is paid, or (ii) the date that is one year after the date on which the project is placed in service, and the reimbursement will follow the procedures described in Treas. Reg. §1.103-18(e)(2).
- (g) The expenditures described in paragraphs (a) and (b) are "capital expenditures" as defined in Treas. Reg. §1.150-1(h), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election) under general Federal income tax principles (as determined at the time the expenditure is paid).
- (h) The resolution shall be reasonably available for inspection by the public within thirty days hereof at the main administrative office of the Issuer and will remain available for public inspection on a reasonable basis until the date of issuance of the bonds described herein.
- (i) This declaration of intention to reimburse from bond proceeds is made pursuant to Treasury Regulation §1.103-18.

2. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members White, Strong, Foerster, Russell, Totten

NAYS: Members Strahm

RESOLUTION DECLARED ADOPTED.

  
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Marcia Strong, Township Clerk

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Township Board of the Township of Birch Run, County of Saginaw, State of Michigan, at a regular meeting held on the 14 day of July, 1992, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.

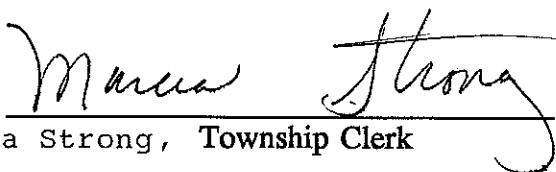
  
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Marcia Strong, Township Clerk

Exhibit A

PROJECT DESCRIPTION  
BIRCH RUN TOWNSHIP SEWAGE DISPOSAL SYSTEM

The proposed Birch Run Township Sewage Disposal System with connection to the Genesee County Treatment Facility in Montrose will serve the Dixie Highway, M83-54 corridor.

The project area is along the Dixie Highway from approximately the Half-Moon Drain, south to 3,000 feet south of Birch Run Road, then east on Birch Run road to approximately 400 feet west of Dehmel Road. Collection sewers will also be constructed along Canada Road west of Dixie Highway and 570 feet in Totten Lane east of Dixie Highway.

The Dixie Highway/Canada Road Area will have gravity sewers and pumping station #2. The collected sewer will be pumped to the regional pumping station near the intersection of Dixie Highway and Birch Run Road. The remaining gravity sewers will discharge directly into the regional pumping station #1.

The regional pumping station will discharge into a 12" force main running south along Dixie Highway to East Burt Road then west on East Burt Road to the CSX Transportation railroad tracks. At this point the force main will connect with existing 12" force main that continues west on East Burt Road to Maple Road, then south on Maple Road to a meter pit located at the Maple Road, Willard Road intersection. The force main then continues south into Genesee County along Webster Road to Farrand Road and connects to the existing Farrand Road interceptor in Genesee County.

The project consists of an estimated 11,100 lineal feet of 12" force main, 1,650 lineal feet of 6" force main, 4,010 lineal feet of 18" sanitary sewer, 2,600 lineal feet of 12" sanitary sewer, 12,130 lineal feet of 10" sanitary sewer for an estimated 18,740 total lineal feet of sanitary sewer.

The project includes the cost of designing the system and engineering, consulting, and legal fees.