

TOWNSHIP OF BIRCH RUN

At a Special meeting of the Township Board of the Township of Birch Run held at the Township Center, in the Township of Birch Run, Michigan, on September 4, 1996, at 7:00 p.m., Eastern Daylight Savings Time there were:

PRESENT: Edward Magnus, Sheila DiBerardino, Nancy Henige, Larry Russell, Joanne Strahm, David Stewart, Gary St.Charles

ABSENT: None

The following preamble and resolution were offered by Commissioner Stewart and seconded by Commissioner Henige :

BOND RESOLUTION #96-6

Birch Run Township General Obligation Unlimited Tax Library Bonds, Series 1996

WHEREAS, the electors in the Township of Birch Run (the "Township") at an Election on the 6th day of August, 1996, approved the following proposition concerning the issuance of not to exceed \$550,000 Birch Run Township General Obligation Unlimited Tax Library Bonds, Series 1996 (the "Bonds");

Shall the Township of Birch Run, Saginaw County, borrow the sum of not to exceed \$550,000 and issue its general obligation unlimited tax bonds therefor, for the purpose of constructing, furnishing and equipping a new Township Library, including land and appurtenances therefor as well as capitalized interest and bond discount?

WHEREAS, pursuant to the proposition, the Bonds of the Township may be issued pursuant to the provisions of Act No. 116, Public Acts of Michigan, 1923, as amended (the "Act"), for the purpose of paying the cost of constructing, furnishing and equipping a library to be used by the Township (the "Project") as further described in Appendix A.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWNSHIP BOARD OF THE TOWNSHIP OF BIRCH RUN as follows:

1. **Approval of Project.** The Township Board of the Township of Birch Run (the "Township Board") hereby determines it to be advisable and necessary to acquire and construct the Project in accordance with the preliminary plans for the Project

which have been submitted to this Township Board. The estimated cost of \$550,000 and the estimated period of usefulness of 20 years or more are hereby approved and adopted.

2. **Bond Details.** Pursuant to the Act, the Bonds of the Township, aggregating the principal sum of not to exceed \$550,000, shall be issued for the purpose of paying the cost of the Project. The Bonds shall be known as "Birch Run Township General Obligation Unlimited Tax Library Bonds, Series 1996" and shall be dated October 1, 1996 or such later date not more than nine calendar months thereafter as determined by an authorized officer of the Township, which authorized officer (as defined hereafter) shall provide for in the Notice of Sale. The Bonds shall be fully registered Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000, numbered from 1 upwards as determined by an authorized officer, regardless of rate and maturity date. The Bonds shall mature on June 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
1997	\$55,000	2003	\$65,000
1998	55,000	2004	70,000
1999	55,000	2005	70,000
2000	55,000		
2001	60,000		
2002	65,000		

The Bonds shall be in substantially the form attached hereto as Appendix B with such changes, additions or deletions as are not inconsistent with this resolution.

3. **Authorized Officers.** The Township Supervisor, the Township Manager, the Township Treasurer and the Township Clerk, and each of them individually, shall hereby be known as an "Authorized Officer" for and on behalf of the Township for the purpose of this Bond Resolution.

4. **Discount.** The Bonds may be offered for sale at par or at a discount of not to exceed 2% as shall be designated by an Authorized Officer in the Notice of Sale.

5. **Sale.** The Township shall conduct a public sale of the Bonds (after publication of the Notice of Sale in the form attached as Appendix C) at which the Township shall either award the Bonds to the lowest bidder or reject all bids. The conditions of such sale shall be as specified in the Notice of Sale.

6. **Interest Payment and Date of Record.** The Bonds shall bear interest payable June 1, 1997 and each Decemeber 1 and June 1 thereafter, until maturity, which interest shall not exceed 9% per annum. Interest shall be paid by check or draft mailed by first class mail to the registered owner of each Bond as of the

applicable date of record. The date of record shall be the 15th day of the month before such payment is due.

7. Prior Redemption. Bonds shall not be subject to redemption prior to maturity.

8. Capitalized Interest. Up to two years of interest payable on the Bonds may be capitalized and paid from bond proceeds, subject to and in light of the facts in existence upon the sale of the Bonds. An Authorized Officer is authorized to determine the amount of capitalized interest prior to delivery of the Bonds.

9. Reduction in Aggregate Amount of Bonds. If the bids received for construction of the Project shall be less than that provided in determining the estimated cost of the Project, an Authorized Officer shall reduce the principal amount of the Bonds by \$5,000 denominations, one such denomination for each maturity beginning in inverse order of maturity, in which event the Notice of Sale shall be correspondingly altered.

10. Paying Agent and Bond Registrar. Except as hereinafter provided, the Bonds shall be registrable upon the books of a paying agent and bond registrar (the "Bond Registrar") to be named by the Township Supervisor and confirmed by the Township Board in its resolution receiving bids and awarding the Bonds, and the Bond Registrar so named may be any bank or trust company permitted by law to offer and offering the necessary services pertaining to the payment, authentication, registration, transfer and exchange of the Bonds.

11. Transfer or Exchange of Bonds. Any bond shall be transferrable on the bond register maintained by the Bond Registrar with respect to the Bonds upon the surrender of the Bond to the Bond Registrar together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned bond, the Bond Registrar shall authenticate and deliver a new bond or bonds in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

Bonds may likewise be exchanged for one or more other bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the bond or bonds being exchanged. Such exchange shall be effected by surrender of the Bond to be exchanged to the Bond Registrar with written instructions signed by the registered owner of the Bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a bond with proper written instructions, the Bond Registrar shall authenticate and deliver a new bond or bonds to the registered owner of the Bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of Bonds during the fifteen (15) days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the Township unless otherwise agreed by the Township and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

12. Execution and Delivery. The Township Supervisor and the Township Clerk are hereby authorized and directed to execute the Bonds for and on behalf of the Township by manually executing the same or by causing their facsimile signatures to be affixed. If facsimile signatures are used, the Bonds shall thereafter be authenticated by the Bond Registrar, as authenticating agent. The Bonds shall be sealed with the Township's seal or a facsimile thereof shall be imprinted thereon. When so executed and (if facsimile signatures are used) authenticated, the Bonds shall be delivered to an Authorized Officer or his or her agent, who shall then deliver such bonds to the purchaser upon receipt in full of the purchase price for the Bonds.

13. Ad Valorem Tax and Full Faith and Credit Pledge. Upon the tax roll for December 1, 1996 and upon the tax roll for each year thereafter, there shall be levied an ad valorem tax unlimited as to rate or amount upon all taxable property in the Township in an amount determined by the Township to be sufficient to promptly pay when due the principal of and interest on the Bonds prior to the following year's levy and collection of taxes. In determining the amount of the levy that must be imposed pursuant to this Section, the Township may take into consideration surplus amounts in the Principal and Interest Fund (described hereafter). In addition, the full faith and credit of the Township is hereby pledged for the prompt payment of the principal of and interest on the Bonds as the same shall become due. The ability of the Township to raise funds with which to meet such full faith and credit pledge is subject to applicable statutory and constitutional limitations.

14. Principal and Interest Fund. The tax monies received pursuant to Section 12 above shall be set aside by the Township in a principal and interest fund (the "Principal and Interest Fund") to be used solely for the payment of the principal of and interest on the Bonds and expenses incidental thereto. From the proceeds of the sale of the Bonds, there shall be deposited in the Principal and Interest Fund any premium and accrued interest received from the purchaser of the Bonds as well as any capitalized interest on the Bonds.

15. Construction Fund. There is hereby established a construction fund (the "Construction Fund") into which all proceeds of the borrowing shall be deposited, except (a) capitalized interest on the Bonds, and (b) any premium and

accrued interest received from the purchaser of the Bonds. The Construction Fund shall be used to construct the Project and pay costs associated therewith including all financing costs. Excess moneys in the Construction Fund may, at the direction of the Township Board, be used to expand the Project.

16. Investments. Moneys in the Principal and Interest Fund and the Construction Fund may be continuously invested and reinvested in United States Government Obligations, obligations the principal of and interest on which are unconditionally guaranteed by the United States Government, or in interest-bearing time deposits selected by the Township Treasurer which are permissible investments for surplus funds under Act No. 20, Public Acts of Michigan, 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than (a) in the case of the Principal and Interest Fund, the dates moneys in such fund will be required to pay the principal of and interest on the Bonds and (b) in the case of the Construction Fund, the estimated dates when moneys in such fund will be required to pay costs of the Project. Obligations purchased as an investment of moneys in the Principal and Interest Fund or the Construction Fund, as the case may be, shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

17. Depositories. All of the banks located in the State of Michigan are hereby designated as permissible depositories of the moneys in the funds established by this Bond Resolution, except that the moneys in the Principal and Interest Fund shall only be deposited in such banks where the principal of and interest on the Bonds are payable. The Township Treasurer shall select the depository or depositories to be used from those banks authorized in this Section.

18. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any bond is mutilated, lost, stolen or destroyed, the Chairman of the Board and the Township Clerk, may on behalf of the Township, execute and deliver, or order the Bond Registrar to authenticate and deliver, a new bond having a number not then outstanding, of like date, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed.

In the case of a mutilated bond, a replacement bond shall not be delivered unless and until such mutilated bond is surrendered to the Bond Registrar. In the case of a lost, stolen or destroyed bond, a replacement bond shall not be delivered unless and until the Township and the Bond Registrar shall have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument bond for principal and interest remaining unpaid on the lost, stolen or destroyed bond; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the Bond lost, stolen or destroyed and the circumstances under

which it was lost, stolen or destroyed; (iii) the agreement of the owner of the Bond (or his or her attorney) to fully indemnify the Township and the Bond Registrar against loss due to the lost, stolen or destroyed bond and the issuance of any replacement bond in connection therewith; and (iv) the agreement of the owner of the Bond (or his or her attorney) to pay all expenses of the Township and the Bond Registrar in connection with the replacement, including the transfer and exchange costs which otherwise would be paid by the Township.

19. **Arbitrage and Tax Covenants.** Notwithstanding any other provision of this resolution, the Township covenants that it will not at any time or times:

(a) Permit any proceeds of the Bonds or any other funds of the Township under its control to be used directly or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Bond as a "private activity bond" within the meaning of Section 141(a) of the Code, as a "private loan bond" within the meaning of Section 141(a) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

(b) Take any action, or fail to take any action (including failure to file any required information or other returns with the United States Internal Revenue Service or to rebate amounts to the United States, if required, at or before the time or times required), within its control which action or failure to act would (i) cause the interest on the Bonds to be includible in gross income for federal income tax purposes, cause the interest on the Bonds to be includible in computing any alternative minimum tax (other than the alternative minimum tax applicable to interest on all tax-exempt obligations generally) or cause the proceeds of the Bonds to be used directly or indirectly by an organization described in Section 501(c)(3) of the Code, or (ii) adversely affect the exemption of the Bonds and the interest thereon from State of Michigan income taxation.

20. **Qualified Tax-Exempt Obligations.** The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265 of the Code, provided that such designation shall have no effect if, at the time the Notice of Sale is published, the Bonds have been determined to be ineligible to be so designated on the basis of the Township's reasonable expectations at the time of such publication. In such event, the Notice of Sale shall be changed accordingly.

21. **Defeasance or Redemption of Bonds.** If at any time,

- (a) the whole amount of the principal of and interest on all outstanding bonds shall be paid, or
- (b) sufficient moneys, or Government Obligations (as defined in this Section) not callable prior to maturity, the principal of and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the principal of and premium, if any, and interest on all outstanding bonds as and when due at maturity or upon redemption prior to maturity shall be deposited with and held by a trustee or an escrow agent for the purpose of paying the principal of and premium, if any, and interest on such bonds as and when due, and (ii) in the case of redemption prior to maturity, all outstanding bonds shall have been duly called for redemption (or irrevocable instructions to call such bonds for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the Township shall be released from all further obligations under this resolution, and any moneys or other assets then held or pledged pursuant to this resolution for the purpose of paying the principal of and interest on the Bonds (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this resolution, paid over to the Township and considered excess proceeds of the Bonds. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within thirty (30) days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be published once in a newspaper of general circulation in the Township of Birch Run, Michigan, setting forth (x) the date or dates, if any, designated for the redemption of the Bonds, (y) a description of the moneys or Government Obligations so held by it, and (z) that the Township has been released from its obligations under this resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of and premium, if any, and interest on the Bonds at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The trustee or escrow agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by the Township Administrator, and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as trustee or escrow agent under this Section

and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

22. Filing with Municipal Finance Division. Each Authorized Officer and Bond Counsel, and each of them individually, are authorized and directed to:

- (a) apply to the Municipal Finance Division of the Michigan Department of Treasury for either (i) prior approval of the sale of the Bonds, or (ii) an exception from the requirement that such prior approval be obtained;
- (b) file with such application all required supporting material; and
- (c) pay fees required in connection therewith.

23. Notice of Sale. After approval of sale of the Bonds by the Michigan Department of Treasury, an Authorized Officer is authorized to fix the date of sale of the Bonds and to publish the Notice of Sale in accordance with law once in the Bond Buyer or the Detroit Legal News at least seven days prior to the date fixed for receipt of bids for the purchase of the Bonds. The Notice of Sale shall be in substantially the form attached to this resolution as Appendix C with such changes therein as are not inconsistent with this resolution and as are approved by an Authorized Officer after conferring with bond counsel. The Township Administrator is hereby designated to act for and on behalf of the Township to receive bids for the purchase of the Bonds and to take all other steps necessary in connection with the sale and delivery thereof.

24. Effective Date. This Bond Resolution shall be recorded in the minutes of the Township Board as soon as is practicable after its passage.

25. Conflicting Resolutions. All resolutions and parts of resolutions in conflict with the foregoing, are hereby rescinded.

A vote on the foregoing resolution was taken and was as follows:

YES: Magnus, DiBerardino, Henige, Russell, Strahm, Stewart,
St.Charles

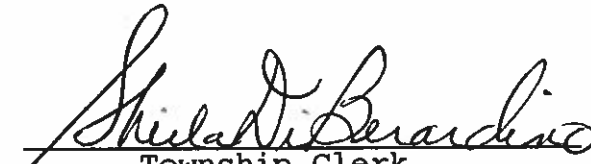
NO: None

ABSTAIN: None

THE RESOLUTION WAS THEREUPON DECLARED ADOPTED.

TOWNSHIP CLERK'S CERTIFICATE

The undersigned, being the duly qualified and acting Clerk of the Township of Birch Run, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Township Board of the Township of Birch Run at a Special meeting held on September 4, 1996, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Township Board of the Township in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended) and (4) minutes of such meeting were kept and will be or have been made available as required thereby.


Township Clerk
Sheila DiBerardino



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PROJECT DESCRIPTION

Acquisition of land, construction of approximately 6,000 square foot one story frame and masonry structure, furnishings therefor, equipment including computers, parking area, sidewalks and landscaping.

COSTS ESTIMATES

Land Acquisition, Construction & Furnishings	\$475,000
Contingency	39,000
Financing Costs including Bond Discount	<u>36,000</u>
TOTAL	\$550,000

amount to be levied upon all the taxable property in the Township in an amount determined by the Township to be sufficient to promptly pay when due the principal of and interest on the bonds prior to the following year's levy and collection of taxes. In addition, the full faith and credit of the Township have been pledged for the prompt payment of the principal of and interest on the bonds.

Bonds shall not be subject to redemption prior to maturity.

This Bond is transferable on the bond registration books of the Bond Registrar upon surrender of this Bond together with an assignment executed by the Registered Owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned bond the Bond Registrar shall authenticate and deliver a new bond or bonds in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

Bonds may likewise be exchanged for one or more other bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the bond or bonds being exchanged. Such exchange shall be effected by surrender of the bond to be exchanged to the Bond Registrar with written instructions signed by the registered owner of the bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a bond with proper written instructions the Bond Registrar shall authenticate and deliver a new bond or bonds to the registered owner of the bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of Bonds during the fifteen (15) days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the Township, unless otherwise agreed upon by the Township and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

This Bond has been designated as a "qualified tax-exempt obligation" for purposes of deduction of interest by financial institutions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit until the certificate of authentication hereon has been duly executed by the Bond Registrar, as authenticating agent.

It is hereby certified, recited and declared that all conditions, things and acts required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due

time, form and manner as required by the Constitution and Statutes of the State of Michigan.

IN WITNESS WHEREOF, the Township of Birch Run, State of Michigan, by its Township Board has caused this Bond to be executed in its name with the facsimile signatures of its Chairman and its Township Clerk and has caused a facsimile of its seal to be affixed hereto, and has caused this Bond to be authenticated by the Bond Registrar, as the Township's authenticating agent, all as of the Date of Issuance set forth above.

TOWNSHIP OF BIRCH RUN

By: _____
Chairman of the Township Board

[SEAL]

By: _____
Township Clerk

DATE OF AUTHENTICATION:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the series of bonds designated "Birch Run Township General Obligation Unlimited Tax Library Bonds, Series 1996".

_____, Michigan
as Bond Registrar and Authenticating Agent

By:

Authorized Representative

jra.r11-brc3

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ this Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer this Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature:

Notice: The signature(s) to this assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The transfer agent will not effect transfer of this Bond unless the information concerning the transferee requested below is provided:

Name and Address: _____

(Include information for all joint owners if bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Insert number for first named transferee if held by joint account)

jra.r11-brc3

[FORM OF NOTICE OF SALE]

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TOWNSHIP OF BIRCH RUN
 STATE OF MICHIGAN
 BIRCH RUN TOWNSHIP

GENERAL OBLIGATION UNLIMITED TAX LIBRARY BONDS, SERIES 1996

SEALED BIDS: Sealed bids for the purchase of the bonds described herein (the "Bonds") will be received by the undersigned, on behalf of the Township of Birch Run (the "Township"), at 8411 Main St., Birch Run, Michigan 48415, on _____, _____, 1996, until __:__.m., Eastern _____ Time, at which time and place the bids will be publicly opened and read.

In the alternative, sealed bids will also be received on the same date and until the same time by an agent of the undersigned at the office of the Municipal Advisory Council of Michigan, 1445 First National Building, Detroit, Michigan 48226, where they will be publicly opened simultaneously. Bids received at Crystal Falls, Michigan will be read first followed by the bids received at the alternate location. Bidders may choose either location to present bids and good faith checks, but not both locations.

The Bonds will be awarded or all bids will be rejected by the Township Board of the Township at a meeting to be held beginning at __:00 .m., Eastern _____ Time, on the day of the sale.

BOND DETAILS: The Bonds will be fully registered bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000, not exceeding the aggregate principal amount for each maturity, dated _____ 1, 199_, numbered from 1 upwards and will bear interest from their date of issuance payable on _____ 1, 199_ and semiannually thereafter on each _____ 1 and _____ 1 until maturity. The Bonds will mature on _____ 1 of each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
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PRIOR REDEMPTION: Bonds shall not be subject to redemption prior to maturity.

INTEREST RATE AND BIDDING DETAILS: The Bonds shall bear interest at a rate or rates not exceeding __% per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only

and all bonds maturing in any one year must carry the same interest rate. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR ON OR AFTER THE YEAR 200_ SHALL NOT BE AT A RATE LOWER THAN THE RATE BORNE BY BONDS MATURING IN THE PRECEDING YEAR. The difference between the highest and lowest interest rates bid shall not exceed _% per annum. No proposal for the purchase of less than all of the Bonds, at a price less than ___% of their par value or at an interest rate or rates that will result in a net interest cost of more than __% per annum, will be considered.

BOND REGISTRAR, PAYING AGENT AND DATE OF RECORD:

_____, _____, Michigan has been selected as bond registrar and paying agent (the "Bond Registrar") for the Bonds. The Bond Registrar will keep records of the registered holders of the Bonds, serve as transfer agent for the Bonds, authenticate the original and any re-issued bonds and pay interest by check or draft mailed to the registered holders of the Bonds as shown on the registration books of the Township kept by the Bond Registrar on the applicable date of record. The date of record for each interest payment shall be the 15th day of the month before such payment is due. The principal of and redemption premium, if any, on the Bonds will be paid when due upon presentation and surrender thereof to the Bond Registrar.

PURPOSE AND SECURITY: The Bonds were authorized at an election held on August 6, 1996, for the purpose of paying the cost of constructing, furnishing and equipping a library to be used by the Township, located in the Township of Birch Run (the "Project"), and will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount. The Township has pledged its full faith and credit for the payment of the principal and interest when due on the Bonds. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

GOOD FAITH CHECK: A certified or cashier's check drawn upon an incorporated bank or trust company or a financial surety bond in an amount equal to 2% (\$_____) of the face amount of the Bonds, and payable to the order of the Township Treasurer must accompany each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Bonds. If a check is used, it must accompany each bid. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Michigan and such bond must be submitted to the Township Treasurer prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser (the "Purchaser") is required to submit its good faith deposit to the Township in the form of a cashier's

check (or wire transfer such amount as instructed by the Township or its financial advisor) not later than 12 o'clock noon, Central Daylight Savings Time, on the next business day following the award. If such good faith deposit is not received by that time, the financial surety bond may be drawn upon by the Township to satisfy the good faith deposit requirement. The good faith deposit will be applied to the purchase price of the Bonds. No interest shall be allowed on the good faith checks, and checks of the unsuccessful bidders will be promptly returned to such bidder's representative or by registered mail. The good faith check of the successful bidder will be cashed immediately, in which event, payment of the balance of the purchase price of the Bonds shall be made at the closing.

AWARD OF THE BONDS: The Bonds will be awarded to the bidder whose bid produces the lowest interest cost computed by determining, at the rate or rates specified in the bid, the total dollar amount of all interest on the Bonds from _____ 1, 199_, to their maturity and adding thereto any premium or deducting therefrom any discount.

MICHIGAN PROPERTY TAX AND FINANCE REFORM: On March 15, 1994, the Michigan electorate voted to amend the State Constitution to increase the state sales tax from 4% to 6% and to place a cap on property value assessment increases. A new state education authority is levying a property tax to finance education, and a higher real estate transfer tax will be imposed on the sale of real property. Legislation has been adopted which contains other proposals that may reduce or alter the revenues of local units of government. While the ultimate nature, extent and impact of the constitutional amendment, the accompanying legislation and or other tax and revenue measures which have been adopted cannot currently be predicted, purchasers of the Bonds offered herein should be alert to the potential effect of such measures upon the Bonds, the security therefor, and the operations of the Township.

LEGAL OPINION: Bids shall be conditioned upon the unqualified approving opinion of John R. Axe and Associates, Grosse Pointe Farms, Michigan (the "Bond Counsel"), a copy of which will be printed on the reverse side of each bond and the original of which will be furnished without expense to the purchaser of the Bonds at the delivery thereof. The fees of Bond Counsel for its services in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue such opinion and as described in the official statement, Bond Counsel has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, marketing or issuance of the Bonds and, therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of the official statement or any such financial documents, statements or materials.

TAX MATTERS: In the opinion of Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, the Bonds and the interest thereon are exempt from all taxation in the State of Michigan except inheritance taxes and taxes on gains realized from the sale, payment or other disposition thereof.

THE BONDS HAVE BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" WITHIN THE MEANING OF SECTION 265 (b)(3) OF THE INTERNAL REVENUE CODE OF 1986.

CERTIFICATE REGARDING "ISSUE PRICE": The successful bidder will be required to furnish, prior to the delivery of the Bonds, a certificate in a form acceptable to Bond Counsel, as to the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended.

DELIVERY OF BONDS: The Township will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser at Detroit, Michigan. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o'clock noon, Eastern _____ Time, on the 45th day following the date of sale or the first business day thereafter if the 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the Bonds, withdraw its proposal by serving written notice of cancellation on the undersigned, in which event the Township shall promptly return the good faith deposit. Payment for the Bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the Bonds shall be paid by the purchaser at the time of delivery. Unless the purchaser of the Bonds furnishes the Bond Registrar with a list of names and denominations in which it wishes to have the Bonds issued at least ten (10) business days before delivery of the Bonds, the Bonds will be delivered in the form of one bond for each maturity, registered in the name of the purchaser.

OFFICIAL STATEMENT: A copy of the nearly final official statement (the "Nearly Final Official Statement") may be obtained by contacting Municipal Financial Consultants Incorporated at the address listed below. The Nearly Final Official Statement is in a form deemed final as of its date by the Township for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion of a final official statement (the "Final Official Statement"). The successful bidder shall supply to the Township

within twenty-four hours after the award of the Bonds, all pricing information and any underwriter identification determined by Bond Counsel to be necessary to complete the Final Official Statement.

The Township will furnish to the successful bidder, at no cost, ___ copies of the Final Official Statement within seven (7) business days after the award of the Bonds. Additional copies will be supplied upon the bidder's agreement to pay the cost incurred by the Township for those additional copies.

The Township shall deliver at closing an executed certificate to the effect that as of the date of delivery the information contained in the Final Official Statement, including revisions, amendments and completions as necessary, relating to the Township and the Bonds is true and correct in all material respects, and that such Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers nor any improperly printed number shall constitute cause for the purchaser to refuse to accept delivery of, or to pay for, the Bonds. All expenses for printing CUSIP numbers on the Bonds will be paid by the Township, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and paid for by the purchaser.

ADDITIONAL INFORMATION: Further information may be obtained from the undersigned at the address specified above or from Meredith A. Shanle, Municipal Financial Consultants Incorporated, 21 Kercheval Avenue, Suite 360, Grosse Pointe Farms, Michigan 48236, telephone (313) 884-9824.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES: Envelopes containing the bids should be plainly marked "Proposal for the Birch Run Township General Obligation Unlimited Tax Library Bonds, Series 1996."

_____, Supervisor
Township of Birch Run

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