

RESOLUTION AUTHORIZING ISSUANCE OF NOTES
IN ANTICIPATION OF OPERATING TAXES -
CURRENT FISCAL YEAR

Township of Birch Run
County of Saginaw, State of Michigan

92-7

Minutes of a special meeting of the Township Board of the Township of Birch Run, County of Saginaw, State of Michigan (the "Township"), held in the Township Center in the Township, on the 22 day of September, 1992, at 5:00 o'clock p.m., Eastern Daylight Time.

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

ABSENT: Members Donald Voorheis

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

WHEREAS, it is hereby determined that it is necessary to borrow the sum of not to exceed Thirty three thousand and 00/100 Dollars (\$33,000.00) in anticipation of the collection of the operating taxes for the current fiscal year ending March 31, 1993, which tax is first due and payable on December 1, 1992, for the purpose of obtaining funds to meet operating expenses which cannot be funded because of a delay in receipt of budgeted revenues; and

WHEREAS, the Act No. 202, Public Acts of Michigan, 1943, as amended (the "Act") authorizes the borrowing of money in anticipation of the collection of the unpaid operating taxes for the current fiscal year for the above purpose in an amount not to

exceed fifty percent (50%) of the operating tax levy for the preceding fiscal year when the taxes for the current fiscal year are not yet due and payable; and

WHEREAS, the amount included for operating expenses in the tax budget of the Township for the fiscal year ended March 31, 1992, is \$ 67,697.48 .

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Township borrow for the above purpose the sum of Thirty three thousand and 00/100 Dollars (\$ 33,000.00) or such part thereof in multiples of \$1,000, as the Michigan Department of Treasury (the "Department") may authorize if prior approval of the Department is necessary, and issue the general obligation notes of the Township therefor in anticipation of the collection of operating taxes for the fiscal year ending March 31, 1993.

2. The Township Clerk or Township Manager each is hereby authorized to make application to the Department for and on behalf of the Township for an order permitting the Township to borrow said sum and issue its general obligation notes therefor or in his or her discretion, to apply to the Department for an exception from prior approval and to pay the applicable fee.

3. The general obligation notes shall bear interest at the rate or rates determined on public sale thereof, but not to exceed the maximum rate permitted by law at the time of sale, be dated as of the date of delivery of the notes to the purchaser thereof and be due and payable without option of prior redemption on March 31, 1993 which is the estimated time of collection of a sufficient

amount of the operating taxes for the current fiscal year to pay the notes in full. The general obligation notes shall be payable in lawful money of the United States of America at a bank or trust company in the State of Michigan qualified to act as paying agent as shall be designated by the purchaser of the notes who may also designate a co-paying agent or agents, which may be located outside of the State of Michigan. The notes shall be in the denomination of \$5,000, or multiples or combinations thereof, as shall be designated by the original purchaser of the notes. The general obligation notes may be sold at a discount not exceeding 1/2%.

4. From the collections of the operating taxes for the fiscal year ending March 31, 1993 there shall be set aside in a separate depository account a portion of each dollar collected which is not less than 125% of the percentage that the principal amount of the notes bears to the amount of the operating taxes for the fiscal year ending March 31, 1993. Commencing February 1, 1993, all collections of operating taxes, as received, shall be set aside for payment of the notes until the amount set aside is sufficient payment of principal and interest on the notes and any notes of equal standing, said fund to be used for the payment of the principal of and interest on the notes and any additional notes of equal standing as to the operating taxes. The Township reserves the right to issue additional notes of equal standing with the notes authorized in this resolution as to the operating taxes for the fiscal year ending March 31, 1993, subject to the limitations provided by law.

5. The full faith and credit of the Township is hereby irrevocably pledged for payment of principal of and interest on said general obligation notes and in case of the insufficiency of the taxes pledged for the payment thereof, the Township shall pay said notes from any funds legally available therefor, and, if necessary, levy sufficient taxes on all taxable property in the Township for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

6. The Supervisor and the Township Clerk of the Township shall execute the notes by manual signatures on behalf of the Township and cause the seal of the Township to be placed or printed on the notes and the executed notes shall be delivered to the Township Treasurer who shall deliver the notes to the purchaser thereof upon the receipt of the purchase price therefor. The foregoing officials are hereby authorized to execute and deliver a temporary note or notes and exchange, when available, final printed notes therefor.

7. The Township Clerk shall fix a date for sale of the notes and shall cause notice of sale thereof to be published in accordance with laws in the Detroit Legal News a publication printed in the English language and circulated in the State of Michigan and which carries, as a part of its regular service, notices of sale of municipal bonds and notes, not less than seven (7) days prior to the date fixed for sale of the notes which notice shall be substantially in the following form:

OFFICIAL NOTICE OF SALE

\$ _____

TOWNSHIP OF BIRCH RUN
COUNTY OF SAGINAW, STATE OF MICHIGAN

TAX ANTICIPATION NOTES
(LIMITED TAX GENERAL OBLIGATION)

SEALED BIDS for the purchase of the above notes will be received by the undersigned at the Township Offices located at _____, Birch Run, Michigan, on _____, the _____ day of _____, 1992, until _____ o'clock _____ .m., Eastern _____ Time, at which time and place said bids will be publicly opened and read. The Township Board will meet no later than _____ o'clock, p.m. on that date to consider the award or rejection of the bids.

NOTE DETAILS: The notes will be dated as of the date of delivery, will mature March 31, 1993, and will bear interest at a rate or rates not exceeding 6% per annum fixed by the bids therefor. Interest upon the notes will be calculated on a 360 day year (30 day month). The notes will be in denominations of \$1,000 or multiples or combinations thereof, designated by the original purchaser of the notes. Notes of this issue will not be subject to prior redemption.

PAYING AGENT: Both principal and interest shall be payable at a bank or trust company located in Michigan qualified to act as paying agent under State or United States law, to be designated by the purchaser of the notes, which may also designate a co-paying agent or agents, similarly qualified, which may be located outside of Michigan.

PURPOSE AND SECURITY: The notes are issued in anticipation of operating taxes due and payable on December 1, 1992. The Township is required to set aside in a separate depository account a portion of each dollar of said taxes collected which is not less than 125% of the percentage that the principal amount of the notes bears to the amount of the operating taxes for the fiscal year ending March 31, 1993. Commencing February 1, 1993, all taxes, as received, will be set aside for payment of the notes until the amount set aside is sufficient for the payment of principal of and interest on the notes herein offered and any additional notes of equal standing as to such taxes hereafter issued. In case of the insufficiency of the taxes pledged for the payment thereof the Township is required to pay the notes from any funds legally available therefor including subsequent tax levies of the Township. The Township does

not have the power to levy taxes for the payment of the notes in excess of its constitutional and statutory tax rate limits. The rights or remedies of noteholders 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.

PROPERTY TAX REFORM: [Updated descriptions of the property tax reform proposals and their possible effects on tax revenues and collections shall be inserted herein at the time of publication of this Notice of Sale.]

ADDITIONAL NOTES: The Township has reserved the right to issue additional notes of equal standing with the notes offered herein, subject to the limitations provided by law.

GOOD FAITH: A certified or cashier's check in the amount of ___% of par value of the notes drawn upon an incorporated bank or trust company and payable to the order of the Treasurer of the Township 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 notes. No interest shall be allowed on the good faith checks and checks of the unsuccessful bidders will be promptly returned to each bidder's representative or by registered mail.

AWARD OF NOTES: For the purpose of awarding the notes, the interest cost of each bid will be computed by determining, at the rate specified therein, the total dollar value of all interest on the notes from _____, 1992 to their maturity and determining the annual percentage rate that amount produces on the par value of the notes plus any premium or less any discount. The notes will be awarded to the bidder whose bid on the above computation produces the lowest net interest cost to the Township. No bid for less than all of the notes or at a price less than 99-1/2% of their par value or at a rate which will cause the net interest cost to exceed 6% per annum will be considered.

LEGAL OPINION: Bids shall be conditioned upon the unqualified approving opinion of Miller, Canfield, Paddock and Stone, attorneys of Detroit, Michigan, which will be furnished without expense to the purchaser of the notes at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone for services rendered in connection with such approving opinion are expected to be paid from note proceeds. Except to the extent necessary to issue its unqualified approving opinion as to validity of the above notes, Miller, Canfield, Paddock and Stone has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the notes, and accordingly will not express any

opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

TAX MATTERS: In the opinion of note counsel, assuming compliance with certain covenants, interest on the notes is excluded from gross income for federal income tax purposes, as described in the opinion, and the bonds and 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 purchaser will be required to furnish a certificate to the Township setting forth the price at which a substantial part of the notes have been reoffered.

QUALIFIED TAX EXEMPT OBLIGATIONS: The Township has designated the notes as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions.

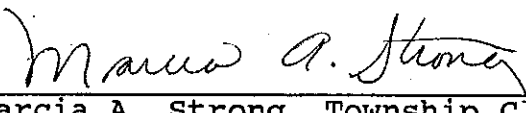
PRINTING AND DELIVERY OF NOTES: The Township will furnish printed notes at its expense. The purchaser may be required to accept the delivery of a temporary note or notes. Notes will be delivered without expense to the purchaser at Detroit, Michigan, or other location mutually acceptable to the Township and the original purchaser of the notes. The Township will furnish the purchaser with the usual closing documents including a certificate that no litigation is pending affecting the right of the Township to issue the notes. Accrued interest to the date of delivery of the notes shall be paid by the purchaser at the time of delivery.

NO OFFICIAL STATEMENT: The Township does not expect to prepare an Official Statement in connection with this issue of notes.

FURTHER INFORMATION: Further information concerning the notes may be obtained from James T. Totten, Township Manager, Township of Birch Run, 8411 Main St., Birch Run, Michigan 48415, Telephone (517) 624-9773.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for Tax Anticipation Notes".



Marcia A. Strong, Township Clerk
Township of Birch Run

[APPROVED: _____
MUNICIPAL FINANCE DIVISION,
DEPARTMENT OF TREASURY]

8. The Township hereby covenants for the benefit of all holders of the notes to comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the notes in order that the interest thereon be or continue to be excluded from gross income for general federal income taxation purposes, including, but not limited to, requirement relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of note proceeds and moneys deemed to be note proceeds.

9. The Township Manager or Township Clerk shall, if necessary, forward the foregoing Notice of Sale to the Department for its approval and upon receipt of said approval the Township Clerk shall fix the time of receiving bids for the purchase of said notes and publish the approved form of Notice of Sale in accordance with law.

10. The Township hereby designates the notes as "qualified tax exempt obligations" for the purposes of deduction of interest expense by financial institutions under the Code.

11. The Supervisor, Clerk, Treasurer and Township Manager of the Township are each authorized and directed to execute and delivery such documents and certificates relating to the notes authorized by this resolution as may be necessary or desirable in connection with the issuance and delivery of said notes.

12. 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, Totten

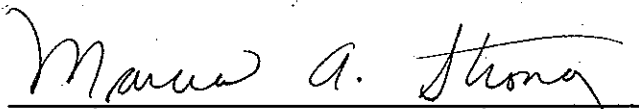
NAYS: Members Russell, Strahm

RESOLUTION DECLARED ADOPTED.

Marcia A. Strong

Marcia A. Strong, Township Clerk
Township of Birch Run

I hereby certify that the foregoing constitutes a true and complete copy of a resolution duly adopted by the Township Board of the Township of Birch Run, County of Saginaw, Michigan, at a special meeting held on the 22 day of September, 1992 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 167, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



Marcia A. Strong, Township Clerk
Township of Birch Run

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