

**BIRCH RUN TOWNSHIP
Saginaw County, Michigan**

Resolution Authorizing Installment Purchase Contract

(Maple Road Water Main Extension)

At a regular meeting of the Township Board of the Township of Birch Run, County of Saginaw, Michigan (the "Board"), held on the 10th day of May, 1994, at 7:30 p.m., Eastern Standard Time.

PRESENT: Magnus, DiBerardino, Hayes, Russell, Strahm

ABSENT: St. Charles

The following resolution was made by Russell and seconded by Hayes:

WHEREAS, the Board previously authorized the following extension to the Birch Run Township Water Supply System:

An 8-inch water main measuring 909 feet located beneath the Dixie Highway in the vicinity of Maple Road, to be connected to the current water main located adjacent to the Dixie Highway, together with the installation of one fire hydrant.

WHEREAS, it is determined to be necessary and desirable and in the best interest of the Township that part of the cost of the acquisition of the Project be financed by an installment purchase authorized pursuant to the provisions of Act 99, Public Acts of Michigan, 1933, as amended, and more specifically by an installment purchase contract with the Seller, American Excavating, Inc, in a total amount not to exceed \$27,000.00.

WHEREAS, the aggregate outstanding balance, exclusive of interest, of all contracts and agreements for purchase by the Township of lands, property or equipment for public purposes,

including the Contract, does not exceed 1-1/4% of the equalized assessed value of real and personal property in the Township;

NOW, THEREFORE, BE IT RESOLVED that:

1. It is hereby found to be necessary and desirable for the Township to finance all or part of the cost of the acquisition of the Project pursuant to the terms and conditions of the Contract; and the Township hereby pledges its full faith and credit for the payment of its obligations thereunder.

2. The Board shall include in its budget and pay the sum or sums necessary each year to meet the payments due pursuant to the provisions of the Contract.

3. The Township Supervisor and the Township Clerk are hereby authorized to execute and deliver on behalf of the Township the Contract in the form approved by the Township Supervisor and the Township Clerk. Principal and interest on the Contract shall be payable on the dates and in the amounts approved by the Township Supervisor and the Township Clerk; provided, however, that the final principal installment shall be due not later than 20 years from date of execution of the Installment Purchase Contract. The Contract shall bear interest at the rate or rates approved by the Township Supervisor. The Contract, when signed by the Township Supervisor and the Township Clerk on behalf of the Township, shall constitute a binding and valid obligation of the Township and shall be fully enforceable in accordance with its terms and conditions. The approvals of the Township Supervisor and the Township Clerk required in this Section 3 shall be evidenced by their execution of the Contract.

4. The Board hereby designates the Contract as a "qualified tax exempt obligation" for the purpose of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"). The Township covenants to comply with all provisions of the Code necessary to maintain the exclusion of interest on the Contract from gross income for federal income tax purposes.

5. The Township Supervisor, the Township Clerk, the Township Treasurer and other Township officials as may be necessary are hereby authorized to execute and deliver such documents, instruments and certificates as are necessary or desirable to consummate the described transactions and to maintain the exclusion of the interest on the Contract from gross income for federal income tax purposes.

6. The useful life of the Property is determined to be twenty years and upwards.

RESOLUTION DECLARED ADOPTED.


YEAS: Magnus, DiBerardino, Russell, Hayes, Strahm
NAYS: None
ABSTENTIONS: None

STATE OF MICHIGAN)
COUNTY OF SAGINAW)SS

I, the undersigned, the fully qualified and acting Clerk of the Township of Birch Run, Saginaw County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Township Board of

the Township of Birch Run, Michigan, held on the 10th day of May, 1994, the original of which proceedings is on file in my office and are available to the Public. Public notice of said meeting was given to and in compliance with Act 267, Public Acts of Michigan, 1976.

IN WITNESS WHEREOF, I have hereunto fixed my official signature on this 10th day of May, 1994.


SHEILA DiBERARDINO, Clerk
Township of Birch Run