

RESOLUTION AUTHORIZING ISSUANCE OF NOTES
IN ANTICIPATION OF
STATE REVENUE SHARING (INCLUDING S.B.T.) FUNDS

Township of Birch Run
County of Saginaw, State of Michigan

92-6

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 Birch Run 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 Ninety nine thousand and 00/100 Dollars (\$ 99,000.00) in anticipation of the receipt of payments from the State of Michigan (the "State") under the provisions of Act No. 140 of the Public Acts of 1971, as amended ("Act 140"), and Section 134 of Act No. 228 of the Public Acts of 1975, as amended ("Act 228"), for the fiscal year ending March 31, 1993, for the purpose of obtaining funds to meet operating expenses of the Township; and

WHEREAS, Act No. 202 of the Public Acts of 1943, as amended ("Act 202"), authorizes the borrowing of money in anticipation of the receipt of payments under the provisions of Act 140 and Act 228 for the current fiscal year in an amount not to exceed fifty

percent (50%) of the total payments received in the last preceding fiscal year as certified by the Department of Treasury (the "Department") of the State, plus 50% of the amount received in a subsequent fiscal year that the Department certifies would have been received in the preceding fiscal year if distribution of scheduled payments had not been delayed by the State, less 50% of any amount received in the last preceding fiscal year that the Department certifies would have been received in a fiscal year prior to that last preceding fiscal year if the amount had not been part of a scheduled payment delayed by the State; and

WHEREAS, the Department has certified that the Township received total payments (including deferred payments) of \$ 193,978.82 under the provisions of Act 140 and \$ 4,254.82 under the provisions of Act 228 in the last preceding fiscal year, that the Township received total payments of \$ 0.00 during the current fiscal year that would have been received in the last preceding fiscal year if distribution of scheduled payments had not been delayed by the State, and that the Township received total payments under the provisions of Act 140 of \$ 0.00 during the last preceding fiscal year that would have been received in a fiscal year prior to the last preceding fiscal year if the amount has not been part of a scheduled payment delayed by the State.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Township borrow for the above purpose the sum of not to exceed Ninety nine thousand and 00/100 Dollars (\$ 99,000.00) or such part thereof in multiples of \$1,000 as 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 receipt of payments under the provisions of Act 140 and Act 228 for the current fiscal year ending March 31, 1993.

2. The Township Manager or Township Clerk be and 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 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, and be due and payable without option of prior payment on March 31, 1993, which is the estimated time of receipt of a sufficient amount of the payments under the provisions of Act 140 and Act 228 for the current fiscal year ending March 31, 1993 to pay the notes in full. The principal of and interest on the notes shall be payable in lawful money of the United States of America at such bank or trust company in the State of Michigan qualified to act as paying agent as shall be designated by the original purchaser. The notes shall be such denominations as shall be designated by the original purchaser of the notes. The notes may be sold at a discount not exceeding 1/2%.

4. From the first receipt of payments under the provisions

of Act 140 and Act 228 deposited in the general fund of the Township for the fiscal year ending March 31, 1993, there shall be transferred and set aside in a separate depository account a portion of each dollar received which is not less than 125 % of the percentage that the principal amount of the notes bears to the amount of payments remaining to be received, as certified by the Department, until the amount set aside is sufficient to pay the principal of and interest on the notes and any notes of equal standing as to such payments, said fund to be used only for the payment of the principal of and interest on said notes and any other notes hereafter issued in anticipation of said payments until the amount set aside is sufficient to pay principal and interest on the notes, and any additional notes, and shall be used for no other purpose. The Township reserves the right to issue additional notes of equal standing with the notes authorized in this resolution as to the payments under the provisions of Act 140, 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 payments 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 and statutory tax rate limitations.

6. The Supervisor and Township Clerk of the Township be and each is hereby authorized and directed to execute said notes by manual signatures for and on behalf of the Township, and cause the seal of the Township to be printed or affixed thereto, and upon the execution of said notes the same shall be delivered to the Treasurer of the Township, who is hereby authorized and directed to deliver said notes to the purchaser thereof upon the receipt of the purchase price therefor. The Supervisor, the Clerk, the Treasurer and the Township Manager each are hereby authorized to deliver a temporary note or notes and exchange final printed notes therefor when available.

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

OFFICIAL NOTICE OF SALE

\$ _____

TOWNSHIP OF BIRCH RUN

COUNTY OF SAGINAW, STATE OF MICHIGAN

LIMITED TAX GENERAL OBLIGATION NOTES
(STATE REVENUE SHARING ANTICIPATION)

SEALED BIDS for the purchase of the above notes will be received by the undersigned at the Township Offices located at Box 152, 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 the date of delivery, will mature March 31, 1993, and will bear interest payable at maturity at a rate or rates not exceeding ___% per annum fixed by the bids therefor. The notes will be in denominations of \$1,000 or multiple denominations 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 original purchaser of the notes which may also designate or co-paying agent or agents, similarly qualified, which may be located outside of Michigan.

PURPOSE AND SECURITY: The notes are issued in anticipation of the receipt of payments under the provisions of Act No. 140 of the Public Acts of 1971, as amended, and under the provisions of Section 134 of Act No. 228 of the Public Acts of 1975, as amended (consisting of sales, income, intangibles taxes and certain single business taxes collected by the State and returned to local units of government pursuant to law) for the fiscal year commencing April 1, 1992. The Township is required to set aside in a separate depository account a portion of each dollar of said payments which is not less than 125% of the percentage that the principal amount of the notes bears to the amount of payments remaining to be received, as certified by the Department of Treasury, until the amount so set aside is sufficient for payment of principal of and interest on the notes herein offered and any other notes of equal standing hereafter issued in anticipation of said funds. In case of the insufficiency of the funds 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, statutory and charter 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 the 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 proposal for the purchase of 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, the original of 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 notes 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 upon delivery of the notes 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 will designate the notes as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions.

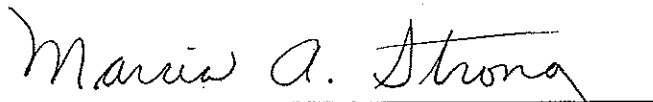
PRINTING AND DELIVERY OF NOTES: The Township will furnish notes ready for execution at its expense. The purchaser may be required to accept the delivery of a temporary note or notes. Notes will be delivered without expense to the purchaser at Detroit, Michigan. The Township will furnish the purchaser 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, Manager of the 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 Revenue Sharing 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, requirements 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 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 deliver 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 is a true and complete copy of a resolution adopted by the Township Board of the Township of Birch Run, County of Saginaw, Michigan, at a special meeting held on Sept. 22, 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 267, 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

Marcia A. Strong, Township Clerk
Township of Birch Run

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