

**BIG RAPIDS CHARTER TOWNSHIP BOARD
SPECIAL MEETING TUESDAY, SEPTEMBER 21, 2010
HELD AT THE BIG RAPIDS TOWNSHIP OFFICES**

CALL TO ORDER: 11:30 a.m. McClelland, Gilbert, Currie, Hamelund, O'Neil, Osburn, Smith present.

ITEMS OF BUSINESS:

Adoption of a resolution for Agreement 1 and Agreement 2 authorizing the financing of the Northland Drive/Gilbert Road sewer project.

Chemical Bank and Isabella Bank submitted financing bids to the Township. For Agreement 1 there was a difference of \$260.00 and Agreement 2 a difference of \$700.00 between the banks with Isabella Bank submitting the lowest bids, Agreement 1 \$91,795.20, Agreement 2 \$294,509.60. It is at the recommendation of Mark Nettleton of Mika Meyers to go with Isabella Bank. A motion to follow Mark Nettleton's recommendation to award the financing to Isabella Bank was made by Smith. Seconded by O'Neil. Motion carried on roll call vote.

**CHARTER TOWNSHIP OF BIG RAPIDS
COUNTY OF MECOSTA, MICHIGAN**

Minutes of a special meeting of the Township Board of the Charter Township of Big Rapids, Mecosta County, Michigan, held at the Township Hall, 14212 Northland Dr., Big Rapids, Michigan, on the 21st day of September, 2010, at 11:30 a.m., Local Time.

PRESENT: Members: Currie, Gilbert, Hamelund, McClelland, O'Neil, Osburn, Smith

ABSENT: Members: None

The following resolution was offered by Member Smith and supported by Member O'Neil:

RESOLUTION NO. 2010-05

**RESOLUTION TO AUTHORIZE PURCHASE OF LANDS,
PROPERTY OR EQUIPMENT AND THE FINANCING THEREOF
BY INSTALLMENT PURCHASE AGREEMENTS AND AWARD SALE OF
INSTALLMENT PURCHASE AGREEMENTS**

WHEREAS, the Charter Township of Big Rapids (the "Township") is authorized by Act 99 of the Public Acts of Michigan of 1933, as amended ("Act 99"), to purchase real and personal property to be used for public purposes, and to pay for such property in installments over the lesser of a period of fifteen (15) years or the useful life of such property; and

WHEREAS, the Township previously expressed its intent, by resolution adopted August 10, 2010, to finance the acquisition of certain sanitary sewer improvements to the Township's existing public sanitary sewer system including (1) the acquisition of a new lift station, and (2) the replacement of existing sewer mains, wet wells, controls, and related appurtenances (collectively, the "Property"), which comprise "real or personal property" within the meaning of

Act 99; and

{00592389 2 } 2

WHEREAS, the Township proposes to acquire the lift station and related appurtenances from Dubois-Cooper Associates in the amount of \$72,055; and

WHEREAS, the Township proposes to acquire the remainder of the Property pursuant to

a contract to be entered into between the Township and Kamminga & Roodvoets, Inc. in the amount of \$424,203.50; and

WHEREAS, the combined cost of the Property is \$496,258.50, excluding engineering, legal, Township administrative and publication costs; and

WHEREAS, the Township intends to finance the lift station portion of the Property through the use of an Act 99 installment purchase agreement in the amount of \$72,000 ("Agreement No. 1"); and

WHEREAS, the Township intends to finance the costs for the replacement of existing sewer mains, wet wells, controls and related appurtenances through the use of an Act 99 installment purchase agreement in the amount of \$231,000 ("Agreement No. 2"); and

WHEREAS, the combined amount to be financed by Agreement No. 1 and Agreement No. 2 under Act 99 is \$303,000 (the "Financed Amount"); and

WHEREAS, by resolution adopted August 10, 2010, the Township Board previously authorized the Sewer Committee, with the assistance of Bond Counsel, to obtain bids for the financing of the Property through one or more Act 99 installment purchase agreements; and

WHEREAS, the Financed Amount, when added to the currently outstanding balance of all other installment purchases made of real and personal property by the Township pursuant to

Act 99 does not exceed one and one quarter of one percent (1-1/4%) of the 2010 Taxable Value

of the real and personal property in the Township; and

{00592389 2 } 3

WHEREAS, September 21, 2010, at 11:00 a.m., Local Time, was set as the date and time for opening bids for the purchase of Agreement No. 1 and Agreement No. 2, to finance the purchase price of the Property; and

WHEREAS, the bids summarized on Exhibit A attached hereto were received, and publicly opened and read; and

WHEREAS, based on the rate(s) of interest, the total interest cost and the prepayment terms, the bid of Isabella Bank for Agreement No. 1 is determined to be the proposal most favorable to the Township; and

WHEREAS, based on the rate(s) of interest, the total interest cost and the prepayment terms, the bid of Isabella Bank for Agreement No. 2 is determined to be the proposal most favorable to the Township.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. The Township Board determines that it is necessary and in the best interest of the Township to purchase the Property by construction and to utilize the Property for public purposes.

2. The Township Board determines that it is necessary and in the best interest of the Township to finance the purchase of the Property pursuant to Act 99. The Financed Amount shall be financed by two installment purchase agreements as provided in this Resolution. The useful life of the Property is hereby determined to exceed fifteen (15) years.

3. The Financing Specifications used by the Sewer Committee to request proposals for the Installment Purchase Agreements are hereby ratified and approved.

4. The bid of Isabella Bank of Mt. Pleasant, Michigan, for Agreement No. 1 ("Bank #1"), as above stated, is hereby accepted.

{00592389 2 } 4

5. The bid of Isabella Bank of Mt. Pleasant, Michigan, for Agreement No. 2 ("Bank #2"), as above stated, is hereby accepted.

6. The Installment Purchase Agreements shall be issued in accordance with the terms set forth in the Financing Specifications, and the bids accepted by the terms of this resolution.

7. An Installment Purchase Agreement by and between the Township, Bank #1 and Bank #2, as the case may be, and the party providing the respective Property (the "Vendor")

in
the form attached to this Resolution as Exhibit B (each an "Installment Purchase Agreement"
or
collectively, the "Installment Purchase Agreements") is hereby approved. The Financed
Amount
for each Installment Purchase Agreement shall be payable in fifteen (15) annual installments
of
principal commencing February 1, 2011, and on each February 1 thereafter. Interest shall be
payable semi-annually on each February 1 and August 1 on the unpaid principal balance of
the
Installment Purchase Agreement, beginning February 1, 2011, at the interest rate(s) set forth
on
Exhibit A for Bank #1 and Bank #2. The Township Supervisor and the Township Clerk are
hereby authorized and directed to execute the Installment Purchase Agreements in
substantially
the form of Exhibit B with such necessary variations, additions, omissions, corrections and
insertions as the Township Supervisor, with the assistance of Township Bond Counsel, Mika
Meyers Beckett & Jones PLC, deem appropriate and/or required, for and on behalf of the
Township.

8. The Township Supervisor, the Township Clerk and/or the Township Treasurer are
hereby authorized to execute and file all documents, instruments and certificates necessary
or
required to effectuate the execution and delivery of each Installment Purchase Agreement.

9. The obligation of the Township to pay, in accordance with the terms of each
Installment Purchase Agreement, the principal installments of the Financed Amount and
interest

{00592389 2 } 5

thereon shall be a limited tax general obligation of the Township subject to applicable
statutory
and constitutional limitations.

10. The Township shall at all times have control of the Property and shall maintain
the same for public use and public purposes.

11. The Township shall include in its annual general fund budget such sum or sums as
may be necessary to pay and satisfy all payments when due under the Installment Purchase
Agreements.

12. Each Installment Purchase Agreement is hereby designated as a "qualified taxexempt
obligation" for purposes of deduction of interest expense by financial institutions under
the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, it
being

reasonably anticipated by the Township that the aggregate amount of qualified tax-exempt
obligations which will be issued by or on behalf of the Township and all subordinate entities to
the Township, including the Installment Purchase Agreements, shall not exceed \$30,000,000
during calendar year 2010.

13. The Installment Purchase Agreements shall be issued to Bank #1 and Bank #2,
each as sole purchaser of the respective Installment Purchase Agreements in a principal
amount

equal to the Financed Amount for each agreement and may not be subsequently traded,
sold, or
transferred by such financial institution whether by participation interests or otherwise in any
principal amount of less than \$100,000 other than through a primary offering under the
federal
securities laws, including compliance to the extent applicable with SEC Rule 15c 2-12.

14. All resolutions and parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

{00592389 2 } 6

YEAS: Members: Currie, Gilbert, Hamelund, McClelland, O'Neil, Osburn, Smith

NAYS: Members: None

ABSTAIN: Members: None

RESOLUTION DECLARED ADOPTED.

Sherri S. Gilbert, Clerk
Charter Township of Big Rapids

STATE OF MICHIGAN)

) ss.

COUNTY OF MECOSTA)

I, Sherri S. Gilbert, the duly qualified and acting Clerk of the Charter Township of Big Rapids, Mecosta County, Michigan (the "Township"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board at a special meeting held on the 21st day of September 2010, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of

Michigan, 1976, as amended, including in the case of a special or rescheduled meeting, notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 7th day of September, 2010.

Sherri S. Gilbert, Clerk
Charter Township of Big Rapids

ADJOURNMENT:

Meeting adjourned at 12:00 pm

Clerk

Supervisor