

**TOWNSHIP OF PINCONNING
BAY COUNTY, MICHIGAN
RESOLUTION DECLARING OFFICIAL INTENT
TO REIMBURSE PROJECT EXPENDITURES
WITH PROCEEDS OF AN OBLIGATION**

Minutes of a regular meeting of the Township Board of Trustees, Pinconning Township, County of Bay, Michigan, held in the Township Hall in said Township on the 12th of February, 2008 at 4:00 o'clock p.m. Member Buchalski moved for the adoption of the following Resolution seconded by Member Waibel.

**RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE
PROJECT EXPENDITURES WITH PROCEEDS OF AN OBLIGATION**

WHEREAS, the Township of Pinconning, Bay County, Michigan (the "Township") is authorized under the provisions of Act No. 99, Public Acts of Michigan, 1933, as amended ("Act 99"), to enter into an agreement for the acquisition of real and personal property for public purposes, to be paid for in installments over a period of not to exceed fifteen (15) years, or the useful life of the property acquired, whichever is less, provided, however, that the total outstanding balance of all such purchases does not exceed 1-1/4% of the taxable value of property in the Township; and

WHEREAS, the Township intends to acquire, construct and install waterlines and related water supply system improvements in its Special Assessment District Number 9 (the "Project"); and

WHEREAS, the Township intends to issue its obligations in the form of an installment purchase agreement to finance the Project in the aggregate principal amount of not to exceed \$200,000; and

WHEREAS, it is anticipated that the Township will advance a portion of the costs of the Project prior to the issuance of the obligations, such advance to be repaid without interest from proceeds of the obligations upon the issuance thereof; and

WHEREAS, all expenditures to be reimbursed from proceeds of the obligations are capital expenditures or a cost of issuance for the obligations; and

WHEREAS, Treasury Regulation § 1.150-2 (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of proceeds of an obligation, and the Township intends by this Resolution to qualify monies advanced by the Township to the Project for reimbursement from proceeds of the obligations in accordance with the requirements of the Reimbursement Regulations.

NOW, THEREFORE, be it resolved by the Township Board of the Township of Pinconning that:

1. The Township Board hereby determines that it reasonably expects to issue its obligations in the form of an installment purchase agreement in the aggregate principal amount of not to exceed \$200,000 for the purpose of defraying all or a portion of the costs of the Project.

2. Prior to the issuance of the obligations, the Township Board intends to expend monies on hand for a portion of the costs of the Project.

3. Pursuant to the requirements set forth in the Reimbursement Regulations, the Township hereby declares its official intent to issue its obligations to finance the costs of the Project and to reimburse from proceeds of the obligations, without interest, the Township's advances to the Project as anticipated by this Resolution.

4. All prior resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and are hereby rescinded.

Upon roll call vote, the following voted:

AYES: Buchalski, Kusterer, Lichon, Waibel, Stalsberg

NAYS: _____

ABSTAIN: _____

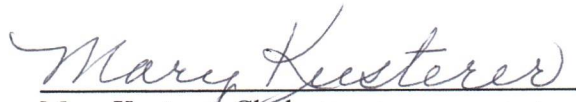
ABSENT: _____

RESOLUTION DECLARED ADOPTED. February 12, 2008

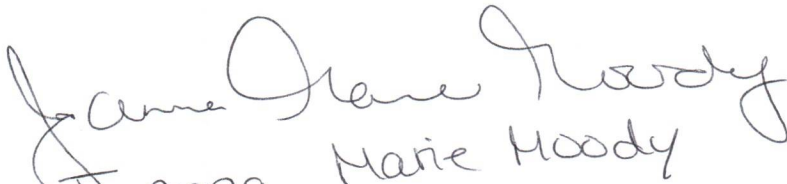
Mary Kusterer
Mary Kusterer, Clerk

I, Mary Kusterer, the duly elected and acting Clerk of the Township of Pinconning, hereby certify that the foregoing constitutes a true copy of an Excerpt of the Minutes of a regular meeting of the Township Board of the Township of Pinconning, Bay County, Michigan, held on February 12, 2008, at which meeting members were present, as indicated in said Minutes, and voted as therein set forth; that said meeting was held in accordance with the Open Meetings Act of the State of Michigan, and that due and proper notice of the meeting, as required by law, was given to the members of the Township Board, and that the minutes of said meeting were kept and will be, and have been, made available, as requested by said Act.

Dated: February 12 2008


Mary Kusterer, Clerk

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Joanna Marie Moody

