

TOWNSHIP OF PINCONNING
COUNTY OF BAY, MICHIGAN

94-01

**RESOLUTION APPROVING INSTALLMENT
PURCHASE AGREEMENT AND ACQUISITION OF PROPERTY**

Minutes of a REGULAR Meeting of the Township Board of the Township of Pinconning, County of Bay, Michigan, held in the Township Hall in said Township on the 11 day of January , 1994 at 7:00 o'clock p.m.

PRESENT:

Members MARY ANN ANTCLIFFE, RANDY AUGUSTYNIAK,
JOHN PUATELL, DONALD MOORE, SHARON STALSBERG

ABSENT:

Members NONE

The following preamble and resolution were offered by and supported by Member ANTCLIFFE and supported by Member MOORE:

WHEREAS, the Township Board of the Township of Pinconning, Bay County, Michigan (the "Township") determines it to be necessary for the public health, safety and welfare of the Township and its residents to acquire with the City of Pinconning, Bay County, Michigan ("City") and the Township of Fraser, Bay County, Michigan ("Township of Fraser") a fire truck consisting of pumper body on 1994 Freightliner Chassis fire and related equipment (the "Property"); and

WHEREAS, under the provisions of Act No. 99, Public Acts of Michigan, 1933, as amended ("Act 99"), the Township Board is authorized to enter into any contract or agreement for the purchase of property or equipment for public purposes, to be paid for in

installments over a period of not to exceed the useful life of the property acquired as determined by resolution of the Township Board; and

WHEREAS, the outstanding balance of all such purchases by the Township under the Act 99, exclusive of interest, shall not exceed one and one quarter percent (1-1/4%) of the equalized assessed value of the real and personal property of the Township at the date of such contract or agreement; and

WHEREAS, purchase of the Property pursuant to an installment purchase agreement will not result in the outstanding balance of all such purchases in excess of the limitation contained within Act 99 as set forth above; and

WHEREAS, the Township Board, the City of Pinconning and the Township of Fraser previously have received the offer of Fire Master Fire Apparatus, Inc., a division of Ozark Fire Extinguisher, Inc., Springfield, Missouri ("Seller") dated July 15, 1993, for the sale to the Township, the City of Pinconning and the Township of Fraser of the Property for the benefit of Pinconning-Fraser Fire Department, which proposal has been reviewed by the Township Board, and the Township Board has concluded that the offer of the Seller is in the best interest of the Township and said offer has been approved; and

WHEREAS, the Township Board, the City of Pinconning and the Township of Fraser have received an offer of funding the purchase of the Property from First of America Bank-Mid Michigan, N.A. (the "Bank") pursuant to which the Township, the City of Pinconning and the Township of Fraser shall each be liable to the Bank for one-third (1/3) of the obligations evidenced by the Installment Purchase Agreement between the Township, City of Pinconning and the Township of Fraser and the Seller; and

WHEREAS, the Township Board has had presented to it a form of Installment Purchase Agreement (the "Agreement") setting forth the terms and provisions of the sale of the Property to the Township, the City of Pinconning and the Township of Fraser and the payment by the Township, the City of Pinconning and the Township of Fraser therefor, and it is the desire of the Township Board to approve of the Agreement and the execution thereof, together with certain other documentation relating thereto.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Agreement is hereby approved substantially in the form attached as Appendix A hereto with such additions, changes and modifications as shall be approved by the Township Supervisor. The Township Supervisor and Township Clerk are hereby authorized and directed to execute the Agreement, when in final form, and deliver it to the Seller.
2. The useful life of the Property is hereby determined to be not less than seven (7) years.
3. The Township Supervisor and Township Clerk, or either of them, are each hereby directed and authorized to execute such additional documentation as shall be necessary to effectuate the closing contemplated by the Agreement and the assignment thereof.
4. The Township hereby agrees to include in its budget for each year, commencing with the present fiscal year, a sum which will be sufficient to pay the principal of and the interest coming due under the Agreement before each following fiscal year. In addition, the Township hereby pledges to levy ad valorem taxes on all taxable property in

the Township each year in an amount necessary to make its debt service payments under the Agreement, subject to applicable constitutional, statutory and charter tax rate limitations.

5. The Township hereby designates its obligations under the Agreement as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Internal Revenue Code of 1986 (the "Code").

6. The Township covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the payments due under the Agreement from adjusted gross income for general federal income tax purposes under the Code including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable.

7. The acquisition of the Property and the approval of the Agreement hereby are found and declared to be for a valid public purpose and in the best interest of the health and welfare of the residents of the Township.

8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded to the extent of such conflict.

AYES: Members ANTCIFFE, AUGUSTYNIAK, PURTELL,
MOORE, STALSBERG

NAYS: Members NONE

RESOLUTION DECLARED ADOPTED.

Donald H. Moore
Donald H. Moore
Township Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of the Township of Pinconning, County of Bay, State of Michigan, at a REGULAR meeting held on January 11, 1994, 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.

X Donald H Moore
Donald H. Moore
Township Clerk