

TOWNSHIP OF PINCONNING

BAY COUNTY, MICHIGAN

Minutes of a special meeting of the Township Board of the Township of Pinconning, Bay County, Michigan, held at the Pinconning Township Hall, 1751 Cody Estey Road, within the Township, on the 1st day of December, 2010, at 1:00 p.m. Local Time.

PRESENT: Members: Statsberg, Kusterer, LaTrambeix, Holbrook
ABSENT: Members: none

The following preamble and resolution were offered by Member Kusterer and supported by Member Holbrook:

RESOLUTION NO. 10-15

RESOLUTION TO AWARD SALE OF BONDS

WHEREAS, Thursday, November 18, 2010, at 11:00 a.m. local time, was set as the date and time for opening bids for the purchase of the Township of Pinconning's (the "Township") \$593,000 Capital Improvement Bonds (General Obligation Limited Tax) (Federally Taxable Recovery Zone Economic Development Bonds – Direct Payment), Series 2010 (the "Bonds"); and

WHEREAS, no bids were received from local banks and financial institutions by that time for the purchase of the Bonds; and

WHEREAS, the Township subsequently requested and received a proposal from Chemical Bank, in the form attached hereto as Exhibit A, for the purchase of the Bonds.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The form of the Bid Specifications dated November 5, 2010, and Bid Form are approved.
2. The proposal of Chemical Bank (the "Bank") is hereby accepted.

3. The Bonds shall be issued in accordance with the terms set forth in the Resolution to Authorize Issuance of Capital Improvement Bonds for M-13 and I-75 Water Extension Projects adopted by the Township Board on October 19, 2010 (the "Bond Resolution"), and the Bonds shall bear interest in accordance with the proposal accepted by the terms of this resolution, as set forth on Exhibit A; provided however, that the following provisions of the Bonds Resolution are amended as set forth herein:

a. Paragraph 4 of the Bond Resolution is amended in its entirety to read as follows:

4. Redemption of Bonds Prior to Maturity. Bonds maturing in the years 2011 through 2020, both inclusive, shall not be subject to redemption prior to maturity. Bonds maturing in the years 2021 through 2030, both inclusive, shall be subject to redemption prior to maturity, at the option of the Township, in whole or in part, in such order of maturity as the Township may determine and within any maturity by lot on any interest payment date on or after June 1, 2020, at par and accrued interest. No premium shall be paid on Bonds called for redemption.

If for any reason (other than because of an action taken by or inaction by the Township), the Township is held by the Internal Revenue Service to be ineligible to receive all or part of the Refundable Credit (hereinafter defined) or if the United States Department of Treasury or any agency of the United States of America at any time cease to remit to the Township all or any part of the Refundable Credit payable in accordance with Section 54AA of the Code, the Township has the right at its option to redeem and retire all or any part of the principal amount of the Bonds then outstanding in multiples of \$1,000 within a single maturity in such order of maturity as the Township shall determine and within a single maturity by lot on any date at par plus accrued interest without premium.

Notice of the call of any Bonds for redemption shall be given by first-class mail by the Bond Registrar no less than thirty (30) days prior to the date fixed for redemption, to the registered owners of record at the registered addresses shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$1,000 and Bonds of denominations of greater than \$1,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the Bond by \$1,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof. Bonds so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided sufficient funds are on hand with the Bond Registrar to redeem said Bonds.

b. The Bank is hereby designated as the Bond Registrar and Paying Agent.

4. The Township Supervisor and Township Clerk are hereby authorized and directed to execute a Bond Registrar and Paying Agent Agreement, in the form recommended by Bond Counsel, with the Bank and the payment of the \$200 annual fee to the Bank for the services to be provided as Bond Registrar and Paying Agent pursuant to the Bond Registrar and Paying Agent Agreement is hereby approved.

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

YEAS: Members: Stakberg, Kusterer, Holbrook, LaFramboise

NAYS: Members: none

ABSTAIN: Members: none

RESOLUTION DECLARED ADOPTED.

Teresa Kusterer
Teresa Kusterer, Clerk
Township of Pinconning

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY)

I, the undersigned, the duly qualified and acting Clerk of the Township of Pinconning, Bay 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 on the 1st day of December, 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 posting at least eighteen (18) hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my official signature on this 2nd day of December, 2010.

Teresa Kusterer
Teresa Kusterer, Clerk
Township of Pinconning

EXHIBIT A

Proposal of Chemical Bank



CHEMICAL BANK_{SM}
www.chemicalbankmi.com

November 24, 2010

Sharon Stalsberg
Township of Pinconning
1751 Cody Estey Rd.
Pinconning, MI 48650

Dear Ms. Stalsberg:

With respect to your Request for Proposal for \$593,000 Township of Pinconning, State of Michigan, (GO-LT), Federally Taxable Recovery Zone Economic Development Bonds please be advised as follows:

For the entire issue, as described in your Notice of Sale, we will bid par, plus accrued interest from the dated date to the date of delivery to us for bonds maturing and bearing interest as follows:

6/1/2011	\$4,000	3.55%	6/1/2021	\$31,000	6.10%
6/1/2012	\$28,000	3.95%	6/1/2022	\$31,000	6.25%
6/1/2013	\$28,000	4.35%	6/1/2023	\$31,000	6.40%
6/1/2014	\$30,000	4.60%	6/1/2024	\$31,000	6.55%
6/1/2015	\$31,000	4.90%	6/1/2025	\$32,000	6.70%
6/1/2016	\$31,000	5.20%	6/1/2026	\$32,000	6.85%
6/1/2017	\$31,000	5.50%	6/1/2027	\$32,000	7.00%
6/1/2018	\$31,000	5.65%	6/1/2028	\$32,000	7.15%
6/1/2019	\$31,000	5.80%	6/1/2029	\$32,000	7.30%
6/1/2020	\$31,000	5.95%	6/1/2030	\$33,000	7.40%

The bid is for all or none of the bonds.

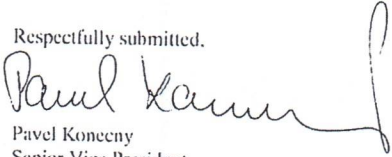
This bid is subject to the following conditions:

- A. That the bonds be federally taxable;
- B. That the bonds be a general obligation of the Township of Pinconning;
- C. That the bonds be structured in accordance with Michigan statutes pertaining to the authority of townships to borrow;
- D. That the township provides bond documents and a legal opinion acceptable to bank counsel.

This rate commitment will expire 45 days from the date of this letter unless extended by the bank in writing.

We are pleased to be of service to you.

Respectfully submitted,


Pavel Konecny
Senior Vice President
Senior Investment Officer

The following is a computation of the true interest cost on the above bid from December 9, 2010. This computation is not to be considered part of this bid and is subject to verification:

Gross Interest Cost	\$ 405,824.83
Premium (Discount)	\$ -
Net Interest Cost	\$ 405,824.83
Net Interest Cost	6.51410%