

At a regular meeting of the Board of the Township of Wright (the "Township"), County of Hillsdale, State of Michigan, held on the 11th day of August, 2005.

PRESENT: Frederick Horwath, Roger Zimmerman, William White, and Lois Hills

ABSENT: Connie Strong

The following resolution was offered by William White, and seconded by Roger Zimmerman:

WHEREAS, the Board of the Township (the "Board") expects the Township to issue special assessment bonds in an aggregate principal amount of not less than \$1,500,000 (the "Bonds") for the purpose of paying part of the cost of sanitary sewer improvements to serve properties in the Lime Lake/Prattville area of the Township (the "Project"); and

WHEREAS, the Township previously issued a Bond Anticipation Note, Series 2002 dated September 25, 2002 (the "Previous Note"), and the Previous Note was amended so that it matures on September 1, 2005 ; and

WHEREAS, the Board now expects that Bonds will be issued on or about September 1, 2006; and

WHEREAS, the Township is in need of funds to pay the Previous Note and pay a portion of the costs of the Project prior to the issuance of the Bonds; and

WHEREAS, the Township is authorized under Section 413 of the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), to issue a short-

term municipal security in anticipation of the proceeds of the Bonds and to use the proceeds of short-term municipal security for, among other things, the purpose to which the proceeds of the Bonds may be applied; and

The Township has received an offer from United Bank & Trust, Tecumseh, Michigan (the "Bank") to purchase the short-term municipal security from the Township and the Board desires to sell such security to the Bank as hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE TOWNSHIP OF WRIGHT, as follows:

1. AUTHORIZATION OF NOTE - PURPOSE. A short-term municipal security in the form of a note in the principal sum of Three Hundred Seventy-Five Thousand Dollars (\$375,000) (the "Note") shall be issued and sold pursuant to the provisions of Act 34, and other applicable statutory provisions, for the purpose of paying the principal of and interest on the Previous Note, costs of the Project and issuance of the Note, and interest on the Note. The Board hereby declares the necessity of the Note for the aforestated purpose.

2. NOTE DETAILS. The Note shall be issued in the form of a single note, designated Note No. 1, in the principal amount of \$375,000 that shall be designated "Bond Anticipation Note, Series 2005". The Note shall be sold to the Bank in a negotiated sale at a price of par and in accordance with the terms set forth in this resolution and shall be registered in the name that the Bank designates. The Board hereby determines that the sale of the Note to the Bank pursuant to this method of sale is in the best interests of the Township and is calculated to provide the Township with flexibility and the lowest costs of borrowing money. The Note shall be dated as of the date of its delivery to the Bank and shall bear interest from such date at the rate of 3.50% per annum, payable on the first days of March and September in each year

commencing on March 1, 2006. The principal of the Note shall be due in full on September 1, 2006.

3. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Note shall be payable in lawful money of the United States. Principal and interest shall be paid when due by check or draft that shall be mailed to the registered owner.

4. PREPAYMENT OF PRINCIPAL. Principal of the Note may be prepaid prior to maturity in whole but not in part without premium on any date on or after December 1, 2005, upon the terms and conditions set forth in the form of the Note contained in Section 6 hereof.

5. EXECUTION, AUTHENTICATION AND DELIVERY OF NOTE. The Note shall be executed in the name of the Township by the manual signatures of the Supervisor and the Clerk. After the Note has been executed, it shall be delivered by the Supervisor or the Treasurer to the Bank upon receipt of the purchase price of the Note.

6. FORM OF NOTE. The Note shall be in substantially the following form:

No. 1

UNITED STATES OF AMERICA  
STATE OF MICHIGAN  
COUNTY OF HILLSDALE  
TOWNSHIP OF WRIGHT

BOND ANTICIPATION NOTE, SERIES 2005

The Township of Wright, County of Hillsdale, Michigan (the "County"), acknowledges itself indebted to, and for value received, hereby promises to pay to United Bank & Trust or registered assigns the principal amount of \$375,000, on September 1, 2006, unless redeemed prior thereto as hereinafter provided and to pay interest on such principal amount at the rate of 3.50% per annum, on March 1, 2006, and September 1, 2006, to United Bank & Trust or registered assigns. Principal and interest are payable in lawful money of the United States of America.

This note is issued by the Township under and pursuant to and in full conformity with the Constitution and statutes of Michigan (especially Section 413 of Act No. 34, Public Acts of Michigan, 2001, as amended) and a note authorizing resolution (the "Resolution") of the Board of the Township for the purpose of paying a previously issued note and for defraying a portion of the cost of acquiring and constructing sanitary sewer improvements to serve properties in the Lime Lake/Prattville area of the Township (the "Project"). This note is issued in anticipation of and is payable from and secured by the proceeds of bonds to be issued by the Township to finance the costs of the Project (the "Bonds"). As additional security, the Township has irrevocably pledged its full faith and credit for the prompt payment of the principal of and interest on this note as the same become due. The principal of and interest on the note are payable as a first budget obligation of the Township from its general funds. The ability of the Township to raise such funds is subject to applicable statutory and constitutional limitations on the taxing power of the Township.

This note is subject to redemption prior to maturity on any date on or after December 1, 2005, in whole but not in part, at the option of the Township, upon at least 30 days notice to the holder hereof, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

This note is designated as a "qualified tax-exempt obligation" as described in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the Township, including this note, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Township of Wright, County of Hillsdale, Michigan, has caused this note to be executed in its name by the manual signatures of its Supervisor and its Clerk as of this 1st day of September, 2005.

TOWNSHIP OF WRIGHT

By: \_\_\_\_\_  
Supervisor

And: \_\_\_\_\_  
Clerk

7. SECURITY. The principal of and interest on the Note shall be payable from and are secured by the proceeds on the Bonds. As additional security, the full faith and credit of the Township are pledged hereby to the payment of the principal of and interest on the Note. Each year the Township shall include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due to the extent that other funds are not available for such purpose. The ability of the Township to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the Township.

8. USE OF NOTE PROCEEDS; CONSTRUCTION FUND. Proceeds of the sale of the Note shall be used to pay the principal of and interest on the Previous Note and to pay interest on the Note on March 1, 2006, which interest is capitalized. The remainder of the proceeds of the sale of the Note shall be set aside in a construction fund for the Project and used to acquire and construct the Project. Any such proceeds and investment earnings thereon remaining in the construction fund at the time of maturity of the Note may be used to pay principal of and interest on the Note.

9. SALE, ISSUANCE, DELIVERY AND TRANSFER OF THE NOTE. The Supervisor, the Clerk, the Treasurer and the other officers, agents and employees of the Township are authorized to execute such documents and certificates and to take all other actions necessary and convenient to facilitate the sale and delivery of the Note.

10. TAX COVENANT. The Township covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, necessary to assure that the interest on the Note will be and will remain excludable from gross income for federal income tax purposes. The Supervisor, the Clerk, the Treasurer and other appropriate Township officials are authorized to

do all things necessary to assure that the interest on the Note will be and will remain excludable from gross income for federal income tax purposes.

11. QUALIFIED TAX EXEMPT OBLIGATIONS. The Note is hereby designated as a Qualified Tax Exempt Obligation as described in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

12. APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY. The issuance and sale of the Note shall be subject to permission being granted therefor by the Michigan Department of Treasury pursuant to Act No. 34, and, if necessary, the Supervisor or Township Clerk is authorized and directed to make application to the Department of Treasury for prior approval to issue and sell the Note as provided by the terms of this resolution and by Act 34.

13. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

YEAS: William White, Roger Zimmerman, Lois Hills, and Fred Horwath

NAYS: none

ABSENT: Connie Strong

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN     )  
  ) ss  
COUNTY OF HILLSDALE )

I, the undersigned, the duly qualified and acting Clerk of the Township of Wright, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of said Township at a regular meeting held on the 11<sup>th</sup> day of August, 2005, the original of which is on file in my office. I further certify that notice of the meeting was given pursuant to and in compliance with the open meetings act, MCL 15.261 et seq.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 11th day of August, 2005.

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Clerk  
Township of Wright