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Act 99

**RESOLUTION APPROVING INSTALLMENT PURCHASE CONTRACT**

Township of Torch Lake  
County of Antrim, State of Michigan

PRESENT: Members K. Schmidt, E. Cowell, R. Smedley, M. Dawson, J. Hubbell

ABSENT: Members None

The following preamble and resolution were offered by Member Rochelle Smedley and supported by Member Jerry Hubbell :

WHEREAS, under the provisions of Act No. 99, Public Acts of Michigan, 1933, as amended ("Act 99"), the Township of Torch Lake, County of Antrim, State of Michigan (the "Township") is authorized to enter into any contract or agreement for the purchase of lands, 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 in no event for longer than fifteen (15) years; and

WHEREAS, the outstanding balance of all such purchases by the Township under 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 in the Township at the date of such contract or agreement; and

WHEREAS, purchase of the Property pursuant to such contract or 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 intends to acquire the parcel of land located in the Township of Torch Lake, Michigan (more particularly described in Exhibit A) from the M-16 Corporation (the "Vendor")

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for the acquisition of the premises identified in Exhibit A hereto (the "Property");

WHEREAS, pursuant to Act 99, an Installment Purchase Contract (the "Contract") between the Township and the Vendor, and by assignment, Alden State Bank, a Michigan banking corporation (the "Assignee"), of the Vendor's interest in the Property has been prepared and is on file with the Township Clerk; and

WHEREAS, in order to accomplish the financing, the Assignee will agree to take assignments of all of the Vendor's right, title and interest in the Property and right to payment therefor under the Contract; and

WHEREAS, it is necessary to accept the proposal of the Assignee to provide financing, to approve the Contract and authorize the execution of the Contract.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Township Board hereby approves purchase of the Property is to be acquired for a price of \$320,000, which is payable in an initial principal payment of \$226,725.48 due on February 1, 1994, and the remaining principal amount of \$93,274.52 is payable in annual installments due on October 1 of each year commencing October 1, 1994 for a period of 5 years, in the amounts and bearing interest on the unpaid principal from time to time outstanding at the rate of 4.5% per annum all as shall be more fully specified in the Contract.

2. The form of Contract on file with the Township Clerk is hereby approved subject to such amendments and revisions as are necessary to complete the transaction and which are not

inconsistent with the terms of this Resolution including, but not limited to substitution of a final payment schedule based on the closing date.

3. The Township Supervisor and the Township Clerk are authorized to make such changes in the Contract as are necessary upon the advice of counsel to place the Contract in final form, and the Township Supervisor and the Township Clerk shall execute the final form of Contract.

4. The Township agrees to incur the debt specified in the Contract.

5. The useful life of the Property is hereby determined to be not less than forty (40) years.

6. The Township Supervisor, Township Clerk and Township Treasurer are hereby authorized to do all acts and things and, upon the advice of counsel, to execute any documents or certificates as may be necessary or desirable to deliver the aforesaid documents to the parties and to effectuate the transactions described therein and the purposes of this Resolution.

7. The Township hereby covenants and 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 and the interest coming due under the Contract before the next fiscal year.

8. 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 Contract, subject to applicable constitutional and statutory tax rate limitations.



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9. 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 Contract from adjusted gross income for general federal income tax purposes (as opposed to alternative minimum tax or other indirect tax purposes) under the Code including, but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of proceeds of the Contract and moneys deemed to be proceeds of the Contract, and to prevent such proceeds from being or becoming "private activity bonds" as that term is used in Section 141 of the Code.

10. The acquisition of the Property and the approval of the Contract hereby are found and declared to be for public purposes and in the best interest of the health and welfare of the residents of the Township.

11. The Township hereby designates the obligations due under the Contract as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

12. All resolutions and parts of resolutions insofar as they conflict with this resolution be and the same are hereby rescinded.

AYES: Members K. Schmidt, E. Cowell, R. Smedley, M. Dawson, J. Hubbell

NAYS: Members None

RESOLUTION DECLARED ADOPTED.

*Edna Powell*  
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 Torch Lake, County of Antrim, State of Michigan, at a Special meeting held on November 4, 1993, 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.

*Eva Lowell*  
Township Clerk

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EXHIBIT A

PROJECT DESCRIPTION

A certain piece of land situated in the Township of Torch Lake, County of Antrim, State of Michigan, and described as follows, to-wit:

Part of Government Lots 1 and 4, Section 24, Town 31 North, Range 9 West, described as beginning at the North quarter corner of said Section 24; thence North 88 degrees 57 minutes 00 seconds East 325.99 feet; thence South 00 degrees 08 minutes 00 seconds East 1,062.67 feet; thence South 88 degrees 49 minutes 00 seconds East 345.12 feet to the Southeast corner of Block 8 of the recorded Plat of VILLAGE OF TORCH LAKE; thence North 89 degrees 52 minutes 52 seconds East 66 feet to the Southwest corner of Block 7 of said recorded plat, being the point of beginning; thence East along the South line of said Block 7 a distance of 356.87 feet; thence South parallel with Prospect Street 179.93 feet to the center line of a County Road; thence South 82 degrees 18 minutes 30 seconds East along said center line 11.23 feet; thence South 33.30 feet to the South line of said road; thence South 82 degrees 18 minutes 30 seconds East along the South line of said road 280.50 feet to the shore of Torch Lake; thence South 24 degrees 54 minutes 00 seconds West along said shore 195.94 feet to a point 200 feet South of the North line of said Government Lot 4; thence West 563.47 feet to the East line of Prospect Street in said Plat of the VILLAGE OF TORCH LAKE; thence North along said road 430.00 feet to the point of beginning. Subject to the right of way of the County Road, 3.58 acres more or less, situated in the Township of Torch Lake, Antrim County, Michigan.

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