

Vicksburg Community Schools, Kalamazoo and St. Joseph Counties, Michigan (the “Issuer”)

A regular meeting of the board of education of the Issuer (the “Board”) was held:  
at the Vicksburg High School Performing Arts Center, within the boundaries of the Issuer, on the 12th day of April, 2021, at 7:00 o’clock in the p.m. (the “Meeting”)

The Meeting was called to order by Virgil Knowles, President.

Present: Buikema, Forsyth, Lohman, Schriemer, Grabowski, Willoughby and Knowles

Absent: None

The following preamble and resolution were offered by Member \_\_\_\_\_  
and supported by Member \_\_\_\_\_:

**WHEREAS:**

1. Act No. 99, Public Acts of Michigan, 1933, as amended, authorizes this Board to acquire real or personal property for public purposes through an installment purchase contract; and 2. The Board intends to purchase six (6) 77-passenger school buses and related equipment (the “Property”) from Holland Bus Company, Holland, Michigan (the “Vendor”), in an amount not to exceed Five Hundred Thirty-Three Thousand Four Hundred Seventy-Eight Dollars (\$533,478.00), and to enter into an installment purchase agreement (the “Installment Purchase Agreement”) to finance the purchase of the Property; and

3. The outstanding balance of all Issuer purchases of lands, property or equipment for public purposes, to be paid for in installments (i.e., installment purchase agreements, land contracts, leases, etc.), and the taxable value of the real and personal property within the Issuer as of the date hereof are identified in Exhibit A; and

4. This Board desires to solicit bids from financial institutions to finance all or a portion of the cost of the Property (the successful bidder herein referred to as the “Bank”).

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. Competitive bids for the purchase of the Property, as required by Section 1274 of the School Code of 1976, as amended, have been submitted, and the Board determines that it is in the best interest of the Issuer to accept the bid of the Vendor. The Issuer has complied with all legal requirements with respect to competitive bidding related to the acquisition of the Property.

2. The Board determines that it is in the best interest of the Issuer to solicit bids from financial institutions to finance the acquisition of the Property through an Installment Purchase Agreement among the Issuer, the Bank and the Vendor for a total amount not to exceed Five Hundred Thirty-Three Thousand Four Hundred Seventy-Eight Dollars (\$533,478.00) at an interest

rate of not to exceed five percent (5%) per annum over a period of not to exceed three (3) years, with annual principal and interest payments beginning no later than one (1) year after the date of delivery/funding, with annual interest thereon, based upon a 360-day year, 30-day month.

3. A member of the administrative staff or Board of the Issuer is authorized to distribute a Solicitation for Bids to financial institutions in substantially the form attached hereto as Exhibit B and to accept the bid which produces the lowest dollar interest cost to the Issuer within the parameters established by the Board in this Resolution.

4. The Superintendent of Schools, Assistant Superintendent, or the President, Vice President, Secretary or Treasurer of the Board shall execute an Installment Purchase Agreement in substantially the form attached hereto as Exhibit C on behalf of the Issuer, and the executed Installment Purchase Agreement shall be delivered to the Bank.

5. The Installment Purchase Agreement may not be prepaid, in whole or in part, prior to maturity.

6. The Issuer hereby irrevocably pledges to make the principal installments and interest payments on the Installment Purchase Agreement, beginning with the fiscal year 2021-2022 or 2022-2023, as applicable, and during each fiscal year for which an operating budget is adopted, the first operating budget obligation within its authorized millage until such time as the principal installments and interest payments have been paid in full.

7. The Issuer hereby pledges its limited tax full faith and credit for the payment of the principal installments and interest payments on the Installment Purchase Agreement, payable from ad valorem taxes which will be levied within the authorized constitutional and statutory operating millage rate available to the Issuer and an irrevocable appropriation of a sufficient amount of taxes will be made each year from said millage rate for the payment of principal installments and interest payments on the Installment Purchase Agreement.

The obligation to pay the principal installments and interest payments will be the limited tax general obligation of the Issuer, and if tax collections are insufficient to pay the principal of or interest on the borrowing when due, the Issuer pledges to use any and all other resources available for the payment of principal and interest on the Installment Purchase Agreement.

8. The President, Vice President, Secretary, Treasurer, Superintendent and Assistant Superintendent are each further authorized to execute any documents or certificates necessary to complete the transaction. Any of those officers may designate, in writing, an individual to act in their place with respect to the powers conveyed in this paragraph.

9. The useful life of the Property is hereby determined to be not less than six (6) years.

10. The Issuer hereby covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the execution of the Installment Purchase Agreement in order that interest thereon be or continue to be excluded from gross income for federal income tax purposes, including the filing of Form 8038G or 8038-GC with the Internal Revenue Service.

11. The Issuer hereby designates the Installment Purchase Agreement as a “qualified tax-exempt obligation” for purposes of deduction of interest expense by financial institutions under the Code. In making said designation, the Board determines that the reasonably anticipated amount of tax-exempt obligations which will be issued by the Issuer or entities which issue obligations on behalf of the Issuer during calendar year 2021 will not exceed \$10,000,000, excluding only those tax-exempt obligations as permitted by Section 265(b)(3)(C)(ii) of the Code.

12. The outstanding balance of all of the Issuer’s contractual agreements for the purchase of real or personal property, exclusive of interest, does not exceed 1.25% of the taxable valuation of real and personal property in the Issuer.

13. The advance payment for the Property is hereby approved, and the monies are authorized to be advanced from monies on hand in the General Fund, which monies will be repaid to the General Fund from the proceeds of the Installment Purchase Agreement when received. The Issuer shall reimburse the General Fund not earlier than the date on which the expenses are paid and not later than the later of:

- (a) the date that is eighteen (18) months after the expenses are paid, or
- (b) the date the Property is placed in service or abandoned, but in no event more than three (3) years after the expenses are paid.

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

Ayes: Members

Nays: Members

Resolution declared adopted.

\_\_\_\_\_  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Vicksburg Community Schools, Kalamazoo and St. Joseph Counties, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at the Meeting, the original of which is part of the Board’s minutes. The undersigned further certifies that notice of the Meeting was given to the public pursuant to the provisions of the “Open Meetings Act” (Act 267, Public Acts of Michigan, 1976, as amended).

\_\_\_\_\_  
Secretary, Board of Education

MDG/cas

## EXHIBIT A

1. Total currently outstanding principal balance of all Issuer installment financing contracts (i.e., installment purchase agreements, land contracts, lease purchase agreements, etc.), plus the proposed principal borrowing under this Resolution is: \$533,478.00.
2. The Issuer's total 2020 taxable value for all taxable property within the Issuer's geographic boundaries is \$626,589,084.

**EXHIBIT B**  
**SOLICITATION FOR BIDS**

**\$533,478.00**

**VICKSBURG COMMUNITY SCHOOLS**

**INSTALLMENT PURCHASE AGREEMENT  
(GENERAL OBLIGATION - LIMITED TAX)**

Unconditional and firm bids for the above Installment Purchase Agreement will be received by Vicksburg Community Schools, Counties of Kalamazoo and St. Joseph, State of Michigan (the "Issuer") at the administrative offices of the Issuer, 301 South Kalamazoo Avenue, P.O. Box 158, Vicksburg, Michigan 49097-0158, on \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 2021, until \_\_\_\_\_ o'clock in the \_\_\_\_\_.m., prevailing Eastern Time, at which time and place said bids will be publicly opened and read. Award of the bids will be considered by the Administration on that date.

**FAXED BIDS:** Bidders may submit signed bids via facsimile transmission to the Issuer at (269) 321-1055, provided that the faxed bids are received prior to the time and date fixed for receipt of bids. Bidders submitting faxed bids bear the full risk of failed or untimely transmission of their bids. Bidders are encouraged to confirm the timely receipt of their full and complete bids by telephoning the Issuer at (269) 321-1000.

**INSTALLMENT PURCHASE AGREEMENT DETAILS; INTEREST RATE; PAYING AGENT:** The Installment Purchase Agreement will be in the form of an agreement prepared by Thrun Law Firm, P.C., and approved by the Issuer's Board of Education among Holland Bus Company, Holland, Michigan (the "Vendor"), the Issuer, and the Bank, dated the date of delivery. Annual installments of principal and interest for a period of three (3) years will be due beginning no later than one (1) year after the date of delivery/funding, with annual interest thereon, based upon a 360-day year, 30-day month. The Installment Purchase Agreement shall bear interest at a rate not exceeding five percent (5%) per annum. If the Bank requires the use of a paying agent for this issue, the paying agent fees, if any, are to be paid by the Bank.

**REDEMPTION:** The Installment Purchase Agreement may not be prepaid, in whole or in part, prior to maturity.

**PURPOSE AND SECURITY:** The Installment Purchase Agreement is issued for the purpose of purchasing six (6) 77-passenger school buses and related equipment. The Installment Purchase Agreement is issued under the provisions of Act 99, Public Acts of Michigan, 1933, as amended. The Issuer has pledged the limited tax full faith and credit of the Issuer for the payment of principal and interest on the Installment Purchase Agreement. The Issuer has further pledged to levy sufficient ad valorem taxes within its authorized millage annually, as a first budget obligation, on all taxable property in the Issuer, said levy must be subject to constitutional and statutory tax rate limitations. The Issuer has reserved the right to issue additional installment purchase agreements of equal standing.

**AWARD OF INSTALLMENT PURCHASE AGREEMENT:** The Installment Purchase Agreement will be awarded to the Bank whose unconditional and firm bid produces the lowest dollar cost to the Issuer. Any and all fees or charges of the Bank must be incorporated into the interest rate. When the delivery date is established, the Bank will provide a payment schedule consistent with the above-referenced details.

**TAX MATTERS:** The Issuer has covenanted to comply with those requirements of the Internal Revenue Code of 1986, as amended (the “Code”), necessary to continue the exclusion of interest on the Installment Purchase Agreement from gross income for federal income tax purposes. The Issuer has designated the Installment Purchase Agreement as a “QUALIFIED TAXEXEMPT OBLIGATION” within the meaning of the Code.

**LEGAL OPINION:** Bids shall be conditioned upon the unqualified approving opinion of Thrun Law Firm, P.C., East Lansing, Michigan, the original of which will be furnished without expense to the Bank upon delivery of the Installment Purchase Agreement.

**CERTIFICATE REGARDING “ISSUE PRICE”:** The Bank will be required to furnish, prior to delivery of the Installment Purchase Agreement, a certificate in a form acceptable to Issuer’s counsel as to the “issue price” of the Installment Purchase Agreement within the meaning of Section 1273 of the Code. By submitting a bid, the bidder represents to the Issuer that it intends to hold the Installment Purchase Agreement for its own account with no present intention to reoffer the Installment Purchase Agreement unless the bidder has notified Issuer’s counsel, in writing, at least 72 hours before the bid deadline that the bidder intends to reoffer the Installment Purchase Agreement.

**BIDDER CERTIFICATION - NOT “IRAN-LINKED BUSINESS”:** By submitting a bid, the bidder shall be deemed to have certified that it is not an “Iran-Linked Business” as defined in Act 517, Public Acts of Michigan, 2012; MCL 129.311, et seq.

**CLOSING DOCUMENTS:** Drafts of all closing documents, including the form of Installment Purchase Agreement and form of legal opinion, may be requested from Thrun Law Firm, P.C. Final closing documents will be in substantially the same form as the drafts provided. Closing documents will not be modified at the request of a bidder, regardless of whether the bidder’s proposal is accepted.

**THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.**

**ENVELOPES** containing the bids should be plainly marked “Proposal for Installment Purchase Agreement for Vicksburg Community Schools”.

\_\_\_\_\_

Authorized Officer

**EXHIBIT C**

**INSTALLMENT PURCHASE AGREEMENT  
PART I**

“OBLIGOR” means \_\_\_\_\_

“VENDOR” means \_\_\_\_\_

“Property” means \_\_\_\_\_

\_\_\_\_\_

“Purchase Price” means \$ \_\_\_\_\_

“Contract Amount” and “Principal” mean \$ \_\_\_\_\_

“Maturity Date”, “Principal Installment”, and “Interest Payment” shall have the meanings as described in Attachment A.

“Dated Date” means \_\_\_\_\_ , \_\_\_\_\_

“Interest Rate” means the interest rates pursuant to Part II of this Installment Purchase Agreement which shall be \_\_\_\_\_.

The provisions of Part II of this Installment Purchase Agreement are hereby approved and incorporated herein.

**PART II**

**THIS INSTALLMENT PURCHASE AGREEMENT**

the “Installment Purchase

Agreement”) is dated as of the Dated Date by and between the OBLIGOR, a Michigan municipal corporation, the VENDOR, and \_\_\_ (the “BANK”), as assignee of VENDOR or registered assigns. All capitalized terms not defined in Part II shall have the meaning set forth in Part I.

1. Purchase Price, Title and Useful Life. The OBLIGOR agrees to purchase and VENDOR agrees to sell and provide the Property to the OBLIGOR for the Purchase Price. The Purchase Price includes all property, equipment, material, labor, tools, freights, service, cabling and installation. The BANK will pay the Contract Amount to the OBLIGOR in federal funds by wire transfer or other agreed upon method and the OBLIGOR will pay the full Purchase Price including the difference, if any, between the Contract Amount and the Purchase Price to the VENDOR immediately upon the receipt of the Contract Amount and the delivery of the Property to and acceptance of the Property by the OBLIGOR. Upon delivery to and acceptance by the OBLIGOR, title to the Property shall vest in the OBLIGOR. The OBLIGOR shall not sell, assign

title to, lease, or obtain further financing with respect to the Property except with the permission of the BANK while Principal remains outstanding under this Installment Purchase Agreement. The OBLIGOR agrees that the useful life of the Property is equal to or longer than the date of the final payment hereunder. The BANK may pledge this Installment Purchase Agreement as security for any obligation of the BANK.

2. Repayment Provisions. The OBLIGOR agrees to pay to the BANK the Principal in the Principal Installments on the Maturity Dates and interest payments on the unpaid Principal balance from the Dated Date at the Interest Rate on the Interest Payment Dates. The Interest Rate shall be the rate set forth in Part I. Interest shall accrue on the unpaid balance of the Principal from the date hereof at the Interest Rate computed on the basis of a 360-day year, 30-day month.

The Installment Purchase Agreement may not be prepaid, in whole or in part, prior to maturity.

It is expressly agreed between the VENDOR and the OBLIGOR, and the BANK by acceptance of the assignment of this Installment Purchase Agreement, that the OBLIGOR shall make all payments of principal or interest due hereunder directly to the BANK or to a depository as shall be designated in writing by the BANK. The OBLIGOR further agrees that it will deposit with the BANK, or if so directed shall deposit with said depository, all payments of principal or interest due hereunder in immediately available funds at least one business day before the date on which said principal or interest due hereunder is due or in such other manner or such other time as the BANK shall approve.

3. Incorporation by Reference. The VENDOR agrees to all of the instructions, terms and conditions as outlined in the OBLIGOR'S invitation for bids and the acceptance of the VENDOR'S bid by the OBLIGOR or any other agreement between the OBLIGOR and the VENDOR to purchase the Property (the "Purchase Agreement"). In the event of a conflict in terms between this document and the Purchase Agreement the specific terms of this Installment Purchase Agreement shall govern.

4. Assignment by VENDOR to BANK. The VENDOR hereby irrevocably assigns this Installment Purchase Agreement immediately to the BANK in consideration for payment from the BANK of the Contract Amount. The OBLIGOR hereby consents to that assignment, except with respect to the warranties and other obligations of the VENDOR set forth in Paragraphs 3, 6 and 8 of this Installment Purchase Agreement, all of which shall remain the sole responsibility of the VENDOR and shall not be assignable and the VENDOR hereby acknowledges that all of said warranties and other obligations shall not be assigned and remain the sole responsibility of the VENDOR. The OBLIGOR'S obligation to the BANK is absolute and unconditional and shall remain in full force and effect until the amounts owed hereunder shall have been paid by the OBLIGOR to the BANK and such obligation shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following:

a. Any failure of title with respect to the VENDOR'S interest in the Property or the invalidity, enforceability or termination of this Installment Purchase Agreement;

b. The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Installment Purchase Agreement;



c. The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceedings affecting the VENDOR or any of its assets or any allocation or contest of the validity of this Installment Purchase Agreement, or the disaffirmance of this Installment Purchase Agreement in any such proceedings;

d. To the extent permitted by law, any event or action which would, in the absence of this clause, result in release or discharge by operation of law of the VENDOR from the performance or observation of any obligation, covenant or agreement contained in this Installment Purchase Agreement;

e. The default or failure of the VENDOR fully to perform any of its obligations set forth in this Installment Purchase Agreement or any other agreement; or

f. Any casualty or destruction of the Property.

After payment of the Contract Amount, the BANK shall have no liability for payment of monies to the VENDOR or for the performance of any obligations to the VENDOR. The VENDOR represents and warrants that the assignment of this Installment Purchase Agreement to the BANK does not violate any agreement, contract, or loan agreement to which it is a party and that the Installment Purchase Agreement has been duly executed and delivered by the VENDOR.

5. Limited Tax General Obligation. The obligation of the OBLIGOR to pay Principal Installments and interest payments is a limited tax general obligation subject to applicable constitutional, statutory and charter limitations, if any, on the taxing power of the OBLIGOR. The OBLIGOR shall include in its budget and pay each year, until this Installment Purchase Agreement is paid in full, such sum or sums as may be necessary each year to make payments of the Principal Installments and interest when due.

6. Delivery Date. It is agreed that the VENDOR has delivered or will deliver the Property. If the Property is not delivered simultaneously with the execution of this Installment Purchase Agreement, the VENDOR agrees to deliver the Property as provided in the Purchase Agreement.

7. Tax Covenant. The OBLIGOR covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to delivery of this Installment Purchase Agreement in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. The OBLIGOR has designated this Installment Purchase Agreement as a "qualified tax-exempt obligation" within the meaning of the Internal Revenue Code of 1986, as amended.

8. Warranty. Warranties, if any, with respect to the Property shall not be assigned but shall remain enforceable by the OBLIGOR.

9. Entire Agreement. Except for closing documents delivered in connection with the Installment Purchase Agreement to the BANK, this Installment Purchase Agreement (including the provisions of the Purchase Agreement incorporated by reference in Paragraph 3 above)

constitutes the entire agreement of the parties. All other prior or contemporaneous agreements, understandings, representations and statements, oral or written, are hereby terminated.

10. Amendments. Any attempt to modify the term of this Installment Purchase Agreement or of any supporting document shall be ineffectual unless approved in writing by the BANK.

11. Counterparts. This Installment Purchase Agreement may be executed in any number of counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement.

**VENDOR:**

HOLLAND BUS COMPANY  
HOLLAND, MICHIGAN

**OBLIGOR:**

VICKSBURG COMMUNITY SCHOOLS,  
COUNTIES OF KALAMAZOO AND ST.  
JOSEPH, STATE OF MICHIGAN

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

Its: \_\_\_\_\_

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

Its: \_\_\_\_\_

Approved:

**BANK:**

(NAME OF BANK)

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

Its: \_\_\_\_\_



**ATTACHMENT A MATURITY SCHEDULE**

<b>MATURITY DATE</b>	<b>PRINCIPAL INSTALLMENT</b>	<b>INTEREST PAYMENT</b>	<b>TOTAL</b>
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**TOTAL**