

**STATE AID OPERATING NOTES RESOLUTION**

Livonia Public Schools School District, Wayne County, Michigan (the "Issuer")

A regular meeting of the board of education of the Issuer (the "Board") was held in the Livonia Public Schools School District Board of Education Administrative Office, 15125 Farmington Road, Livonia, Michigan, 48154, within the boundaries of the Issuer, on the 15<sup>th</sup> day of August, 2016, at seven o'clock in the p.m.

The meeting was called to order by Colleen Burton, President.

Present: Members

Absent: Members

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

**WHEREAS:**

1. Under the terms of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended ("Act 451"), a school district is authorized, either by achieving qualified status as described in Section 303(2) of Act 34, Public Acts of Michigan, 2001, as amended, or upon receiving prior approval of the authorized representative of the Department of Treasury, to borrow money for school operations and issue its notes therefor, pledging for the payment thereof monies to be received by it from the state school aid fund, which notes shall be the full faith and credit obligation of the Issuer; and

2. The estimated amount of such state aid appropriations allocated, or to be allocated, to this Issuer is \$\_\_\_\_\_ for the fiscal year ending June 30, 2017, of which amount the sum of \$\_\_\_\_\_ has been heretofore distributed and received, leaving a balance of \$\_\_\_\_\_ as the estimated amount remaining to be distributed to the Issuer pursuant to Act 451; and

3. This Issuer has immediate need to borrow the sum of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) to pay current operating expenses for fiscal year 2016-2017; and

4. The principal amount of the notes payable from the undistributed balance of the appropriations allocated to this Issuer for said fiscal year which have heretofore been issued and are now outstanding is \$\_\_\_\_\_; and

5. Five percent (5%) of estimated fiscal year 2015-2016 operating expense is \$\_\_\_\_\_; and

6. The process of soliciting bids by publishing a notice of sale in a publication as specified in Section 309(2) of Act 34, Public Acts of Michigan, 2001, as amended, is prohibitively more expensive than obtaining bids through the process of soliciting bids.



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

1. This Issuer shall borrow the sum of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) or such lesser amount as the Department of Treasury may approve or as reduced by a member of either the administrative staff or the Board of the Issuer, and shall issue its note or notes (the "Notes") therefor. The Issuer hereby appropriates a sufficient amount of state aid to repay the principal of and interest on the Notes. In addition, the full faith and credit of the Issuer is hereby irrevocably pledged for payment of the principal and interest on the Notes, and in case of insufficiency of state aid, the Issuer shall pay the Notes from any funds legally available therefor, and, if necessary, levy taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations, all pursuant to Act 451. The pledge of full faith and credit is subordinate to any encumbrances or tax levies pledged or to be pledged for the payment of tax anticipation notes issued or to be issued by the Issuer pursuant to Act 34, Public Acts of Michigan, 2001, as amended.

It is hereby declared that said borrowing is necessary for the purpose of securing funds for school operations and it is agreed with the purchaser of said Notes that the proceeds thereof will be used exclusively for that purpose.

2. Based upon expense considerations associated with publishing a notice of sale, as specified in Section 309(2) of Act 34, Public Acts of Michigan, 2001, as amended, the Board authorizes the solicitation of bids, without publication, to obtain bids under the terms of Paragraph 4 of this resolution.

3. Book Entry. The ownership of one fully registered note for each maturity, in the aggregate principal amount of such maturity shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). So long as the Notes are in the book entry form only, the Paying Agent shall comply with the terms of the Blanket Issuer Letter of Representations to be entered into between the Issuer and DTC, which provisions shall govern registration, notices and payment, among other things, and which provisions are incorporated herein with the same effect as if fully set forth herein. The Superintendent is hereby authorized and directed to enter into the Blanket Issuer Letter of Representations with DTC in such form as determined by the Superintendent, in consultation with note counsel, to be necessary and appropriate. In the event the Issuer determines that the continuation of the system of book entry only transfer through DTC (or a successor securities depository) is not in the best interest of the DTC participants, beneficial owners of the Notes, or the Issuer, the Issuer will notify the Paying Agent, whereupon the Paying Agent will notify DTC of the availability through DTC of the note certificates. In such event, the Issuer shall issue and the Paying Agent shall transfer and exchange Notes as requested by DTC of like principal amount, series and maturity, in authorized denominations to the identifiable beneficial owners in replacement of the beneficial interest of such beneficial owners in the Notes, as provided herein.

4. Said Notes shall be dated as of September 30, 2016, or the date of delivery, shall bear interest from the date thereof until paid at a rate not exceeding four percent (4%) per annum on the balance from time to time remaining unpaid, shall be in minimum denominations of \$100,000 or multiples of \$1,000 in excess of \$100,000, shall be payable to the Registered Owner, in lawful money of the United States of America, at such bank or trust company in the State of Michigan as shall be designated by the original purchaser of the Notes, which paying

agent qualifies as such under the statutes of the State of Michigan or of the Federal Government, and shall be due and payable on January 31, 2017. If more than one note is issued, the Notes shall be numbered serially from 1 upwards. Such Notes may be designated, at the option of the purchaser thereof, as a "State Aid Note" or "State Aid Notes".

5. The form of the Notes shall be in substantially the form set forth and attached hereto as Exhibit A.

6. Once the Issuer has either achieved qualified status under Act 34, Public Acts of Michigan, 2001, as amended, or received prior approval for the issuance of the Notes from the authorized representative of the Department of Treasury, and based upon the determination of Paragraph 2 of this resolution, a member of either the administrative staff or the Board of the Issuer is authorized to arrange for the sale of such Notes without the taking of competitive bids thereon, provided that when bids, competitive or otherwise, are solicited and more than one bid received, such Notes shall be awarded to the lowest responsible bidder. The Notes shall be executed by the President and Secretary of the Board. In the absence of the President, the Superintendent may sign in the place of the President, and in the absence of the Secretary, the Treasurer of the Board may sign in place of the Secretary.

7. If the Issuer has not achieved qualified status under Act 34, Public Acts of Michigan, 2001, as amended, a member of either the administrative staff or the Board of the Issuer is hereby authorized and directed to file a certified copy of this resolution with the authorized representative of the Department of Treasury for and on behalf of the Issuer and an application for an order approving such borrowing and issuance of said Notes, if applicable, and to pay any applicable fee therefor.

8. The Board covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended, necessary to maintain the exemption of interest on the Notes from federal income taxation.

9. A member of either the administrative staff or the Board of the Issuer is further authorized to approve the specific interest rate to be borne by the Notes, not exceeding the maximum rate permitted by law, the purchase price of the Notes, and other terms and conditions relating to the Notes and the sale thereof. A member of either the administrative staff or the Board of the Issuer is directed to execute a certificate accepting the interest rate and purchase price of the Notes on behalf of the Issuer.

10. Within fifteen (15) business days after issuance of the Notes, the Board hereby authorizes and directs the Superintendent to cause to be filed with the Department of Treasury any and all documentation required subsequent to the issuance of the Notes, along with any statutorily required fee.

11. The President, Vice President, Secretary, Treasurer, Superintendent and the individual acting in the capacity of the school business official 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.

12. 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 Livonia Public Schools School District, Wayne County, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at a regular meeting held on August 15, 2016, 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

KKS/clw(keh)





IN WITNESS WHEREOF, Livonia Public Schools School District, County of Wayne, State of Michigan, by its Board of Education, has caused this Note to be signed in the name of the Issuer by its President and Secretary, as of September 30, 2016, and to be manually signed by the authorized signatory of the Paying Agent as of the date set forth below.

Livonia Public Schools School District  
County of Wayne  
State of Michigan

By Form Only - Not for Execution  
President

And Form Only - Not for Execution  
Secretary

CERTIFICATE OF AUTHENTICATION

Dated: \_\_\_\_\_

This Note is one of the Notes described herein.

[NAME OF BANK]

\_\_\_\_\_, MICHIGAN

PAYING AGENT

By \_\_\_\_\_

Authorized Signatory

