

**RESOLUTION AUTHORIZING ISSUANCE OF NOTES
IN ANTICIPATION OF STATE SCHOOL AID**

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

A regular meeting of the board of education of the Issuer (the “Board”) was held in the Vicksburg Administration Building, within the boundaries of the Issuer, on the 11th day of June, 2018, at 7:00 o’clock in the p.m.

The meeting was called to order by _____, President.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, under the terms of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended (the “Act”), the School District is authorized to borrow money for school operations and issue its notes therefor, in one or more series, pledging for the payment thereof moneys to be received by it pursuant to the State School Aid Act of 1979, Act 94, Public Acts of Michigan, 1979, as amended (the “State Aid Act”), which notes shall be the full faith and credit obligation of the School District; and

WHEREAS, the estimated amount of the state school aid appropriations allocated or to be allocated to the School District for the fiscal year ending June 30, 2019 and expected to be received by the School District from October 2018 through August 2019, inclusive (the “2018/2019 State Aid” or the “Pledged State Aid”), is shown in paragraph 1 of Exhibit A; and

WHEREAS, the School District has the need to borrow the sum of not to exceed the amount shown in paragraph 2 of Exhibit A to pay operating expenses for the fiscal year ending June 30, 2019, which amount is estimated to be not more than 70% of the difference between the total state school aid funds apportioned or to be apportioned to the School District for the 2018/2019 State Aid and that portion of the 2018/2019 State Aid already received or pledged; and

WHEREAS, the School District plans to issue or has issued notes, bonds or other obligations subject to Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), relating to arbitrage and the rebate thereof, including but not limited to federally tax-exempt and/or tax-advantaged bonds and other obligations, not including this borrowing, during calendar year 2018 in the aggregate principal amount shown in paragraph 3 of Exhibit A; and

WHEREAS, the School District determines that it is in its best interest to borrow the sum of not to exceed the amount shown in paragraph 2 of Exhibit A and issue the general obligation notes in one or more series (the “Note” or “Notes”) of the School District therefor.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. In the event that an Authorized Officer (defined below) determines that it is in the best interests of the School District to negotiate the sale of the Notes to the Michigan Finance Authority (the “Authority” or “MFA”), the following provisions shall apply:

A. The School District, pursuant to Section 1225 of the Act, shall issue its Notes in one or more series in order to borrow for the above purpose a sum not to exceed the amount shown in paragraph 2 of Exhibit A, the final amount and series designation to be determined by an officer designated in paragraph 4 of Exhibit A, or a designee who shall be a member of the administrative staff or board of education of the School District (each an “Authorized Officer”), prior to the sale of the Notes, or such portion thereof as the Michigan Department of Treasury (the “Treasury”) may approve, if prior approval is necessary, and issue the Notes of the School District therefor in anticipation of the distribution of the Pledged State Aid.

B. The Notes shall be issued in one or more series, bear interest at the rate or rates determined on the sale thereof, which shall not exceed the maximum rate permitted by law at the time of sale, be dated as set forth in paragraph 5 of Exhibit A, or as of the date of delivery, and be due and payable on the date shown in paragraph 5 of Exhibit A. The Notes shall be payable in lawful money of the United States of America at a bank or trust company qualified to act as paying agent in the State of Michigan, as shall be designated by the Authority. The Notes shall be in denominations to be determined by an Authorized Officer prior to the sale of the Notes. The Notes shall be subject to redemption prior to maturity as specified in the Purchase Contract described below.

C. The School District hereby appropriates a sufficient amount of the Pledged State Aid to repay the principal of and interest on the Notes. In addition, the full faith and credit of the School District is hereby irrevocably pledged for payment of the principal of and interest on the Notes and, in case of the insufficiency of the Pledged State Aid, the School District shall pay the Notes from any funds legally available therefor, and, if necessary, levy sufficient taxes on all taxable property in the School District for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

D. In the event any Authorized Officer determines that it is in the best interest of the School District to choose to pay all or a portion of the principal and interest on the Notes with set-aside installments, the following provisions in this paragraph 1(D) shall apply:

Moneys to pay the principal and interest on the Notes when due shall be set aside in a separate fund with the depository designated in the Purchase Contract described below (the “Depository”) in three (3), five (5) or seven (7) consecutive monthly set-aside installments (the “Installment” or “Installments”), ending on July 22, 2019, and earlier on the 20th day of each month (or in the case of January, the 22nd, and in the case of April, the 22nd), or such other state school aid payment date as may be provided for under state law (each a “Payment Date”). If a Payment Date falls on a Saturday, Sunday or legal holiday, the Payment Date shall be the next business day. The payment to the Depository shall be made first from the Pledged State Aid received during the month of the Installment. If, for any reason, the Pledged State Aid received during the month of the Installment is insufficient to pay the Installment, then in that event the School District pledges to use any and all other available funds to meet the Installment obligation. If the School District fails to set aside all or any portion of an Installment (the “Installment Shortfall”) on the Payment Date, the Authority is authorized, pursuant to Section 17a(3) of the State Aid Act, to intercept 100% of the Pledged State Aid to be distributed to the School District beginning with the month following the School District’s failure to meet the Installment obligation and all months thereafter, in accordance with the terms and conditions of the Purchase Contract (the “Purchase Contract”) between the Authority and the School District. Beginning with the month following the Installment Shortfall, the Authority shall intercept 100% of the Pledged State Aid to be distributed to the School District and apply the intercepted amount on

the following priority basis: (A) the Installment Shortfall; (B) the current month's Installment; and (C) any amounts remaining to be immediately distributed to the School District. The intercept process set forth above shall continue each month following the Installment Shortfall until sufficient funds are deposited with the Depository to pay the total principal and interest on the Notes. The maximum amount of each Installment will not exceed 50% of the amount of Pledged State Aid due to the School District in any set-aside month.

If the School District has failed to deposit all or a portion of an Installment by the last business day of the month of the Installment, the Depository is authorized and directed to give written notice to the Authority, the State Treasurer and the School District on the first business day following the last business day of the month of the failure to deposit all or a portion of the Installment. Upon receipt of such written notice from the Depository, the Authority shall promptly notify the School District that it will immediately commence to intercept 100% of the Pledged State Aid.

If on the date of the final Installment as specified in Schedule I to the Purchase Contract, the funds with the Depository are insufficient to pay the principal of and interest on the Notes when due, the School District, pursuant to Section 17a(3) of the State Aid Act to the extent necessary to meet the payment obligation, assigns to the Authority and authorizes and directs the State Treasurer to advance all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the payment has been made.

Any Authorized Officer is further authorized to agree, if required by the Authority, to assign to the Authority and authorize and direct the State Treasurer to intercept all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the state school aid payment has been made pursuant to Section 17(a)(3) of the State Aid Act.

Any Authorized Officer is further authorized to determine that each Installment is a partial mandatory redemption of a particular series of the Notes and that the last Installment is the maturity date of that series of the Notes, and such determination shall be conclusively evidenced by the Purchase Contract described below.

E. Any Authorized Officer is authorized to sell all or a portion of the Notes to the Authority without an Installment payment schedule (the "No Set-Aside Notes") pursuant to the provisions of this resolution. In that event: (a) any Authorized Officer is further authorized to agree, if required by the Authority, to assign to the Authority and authorize and direct the State Treasurer to intercept or advance all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the state school aid payment has been made pursuant to Section 17a(3) of the State Aid Act; (b) the School District acknowledges that payment of the principal and interest on certain of the No Set-Aside Notes may be secured by a direct-pay letter of credit issued for the account of the Authority and the School District by one or more providers selected by the Authority (each a "Letter of Credit"; and each issuer a "Letter of Credit Bank"); (c) it shall not be deemed a default by the School District under the provisions of the Purchase Contract or the No Set-Aside Notes if the principal and interest on the No Set-Aside Notes shall have been paid in full when due to the Authority from proceeds of a drawing on the Letter of Credit and the drawing on the Letter of Credit is reimbursed by the School District on the designated date set forth in the reimbursement agreement relating to the Letter of Credit; and (d) the School District appoints the Authority as its agent to enter into the reimbursement agreement for and on behalf of the School District, if required by the Authority, as well as on the Authority's own behalf, and the School District agrees to be referred to as an account party in the Letter of Credit obtained by the Authority to secure payment of the No Set-Aside Notes and a series of the Authority's State Aid Revenue Notes issued to finance the Authority's purchase of the No Set-Aside Notes.

F. The President and Secretary of the Board of Education shall execute the Notes on behalf of the School District, and the executed Notes shall be delivered to the Authority upon the receipt of the purchase price therefor. The Vice President, Treasurer or Superintendent may execute the Notes instead of either the President or Secretary. The foregoing officials are hereby authorized to execute and deliver a temporary Note or Notes and exchange, when available, final printed Notes therefor at the request of the Authority.

G. Unless the Notes are issued as federally taxable, the School District hereby covenants for the benefit of all holders of the Notes to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be or continue to be excluded from gross income for federal income taxation purposes, including, but not limited to, requirements relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Note proceeds and moneys deemed to be Note proceeds.

H. If necessary, any Authorized Officer is hereby authorized to make application to Treasury for and on behalf of the School District for an order approving the issuance of the Notes and to pay any applicable fee therefor, or a post-issuance filing fee, as applicable.

I. The President, Vice President, Secretary, Treasurer, Superintendent, Assistant Superintendent, individual acting in the capacity of the school business official, or designee and any Authorized Officer are further authorized to execute any documents or certificates necessary to complete the transaction including, but not limited to, any certificates relating to federal or state securities laws, rules or regulations.

J. The Notes shall be sold to the Authority and the following provisions shall apply:

(i) Any Authorized Officer is hereby authorized to execute and deliver one or more Purchase Contracts with the Authority (which shall be determined by whether one or more series of Notes are issued hereunder) in substantially the form attached hereto as Exhibit B reflecting the terms and conditions of the borrowing with such additions, deletions or substitutions (including without limitation additions, deletions or substitutions required by any Letter of Credit Bank(s) or any purchaser(s) of the State Aid Revenue Notes issued by the Authority to finance its purchase of the No Set-Aside Notes), as the Authority and any Authorized Officer shall deem necessary and appropriate, including the number of set-asides, if any, and their dates and amounts, and not inconsistent with the provisions of this resolution. The choice of whether to make Installments for the Notes and/or the number, dates and amounts of Installments shall be conclusively evidenced by the Purchase Contract. The Purchase Contract shall include the School District's agreement with respect to any Installment not received by the Depository from the School District on the Payment Date, to pay the Authority an amount as invoiced by the Authority to recover its administrative costs and lost investment earnings attributable to that late payment.

(ii) Any Authorized Officer is further authorized to approve the specific interest rate(s) to be borne by the Notes, not exceeding the maximum rate permitted by law, the purchase price of the Notes, not less than the price specified in paragraph 6 of Exhibit A, a guaranteed investment agreement or other permitted investment in accordance with state law for funds paid to the Depository, if applicable, direct payments of Pledged State Aid to and if required by the Authority, and other terms and conditions relating to the Notes and the sale thereof.

(iii) The form of the Notes shall contain the following language in substantially the form set forth below as applicable, with such additions, deletions or substitutions (not inconsistent with the Purchase Contract) as the Authority and any Authorized Officer shall deem necessary and appropriate:

To the extent permitted by law, the principal of and interest on this Note which remains unpaid after this Note has matured and all other outstanding and unpaid amounts owing by the School District under the Purchase Contract shall bear interest until paid at an interest rate per annum based upon a 360-day year for the actual number of days elapsed equal to the "Default Rate" as described in Schedule I to the Purchase Contract.

K. By opting to sell its Notes to the Authority, the School District hereby determines that it is in the best interest of the School District to sell its Notes to the Authority rather than sell the Notes at a competitive sale based upon the historical performance of the Authority's note pool program whereby competitive interest rates and reduced costs of issuance are obtained by pooling several participating school districts in one or more series of notes.

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

M. The series of Notes issued hereunder are of equal standing as to the Pledged State Aid. The School District reserves the right to issue additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid with the prior written consent of an authorized officer of the Authority. The School District further resolves that the amount payable as to principal and interest on the Notes plus the amount payable as to principal and interest on or prior to the maturity date of the Notes on any additional notes or other obligations of equal standing with the Notes as to payment from Pledged State Aid will not exceed 75% of the amount of Pledged State Aid.

2. In the event that an Authorized Officer (as defined in paragraph 1(A) herein) determines that it is in the best interests of the School District to sell the Notes to a bank or financial institution through negotiation or by distributing a solicitation for bids, without publication, to obtain bids from banks and/or financial institutions for the purchase of the Note, the following provisions shall apply:

A. 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 distribution of a solicitation for bids, without publication, to obtain bids under the terms of paragraph 2(E) of this resolution.

B. This Issuer shall borrow the sum of not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) or such lesser amount as the Department of Treasury may approve or as reduced by an Authorized Officer, 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.

C. Said Notes shall be dated as of August 20, 2018, or the date of delivery, shall bear interest from the date thereof until paid at a rate not exceeding three percent (3%) per annum on the balance from

time to time remaining unpaid, shall be in such denominations as the purchaser shall specify, 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 August 20, 2019. 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”.

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

E. 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(A) of this resolution, an Authorized Officer 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.

F. The form of solicitation for bids shall be in substantially the form set forth and attached hereto as Exhibit D.

G. Book Entry. Unless otherwise requested by the purchaser, 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.

H. If the Issuer has not achieved qualified status under Act 34, Public Acts of Michigan, 2001, as amended, an Authorized Officer 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.

I. The Board hereby designates the Notes of this issue as “Qualified Tax-Exempt Obligations” for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended. 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.

J. An Authorized Officer is further authorized to approve the specific interest rate to be borne by the Notes, not exceeding the maximum rate authorized herein, the purchase price of the Notes, not less than the price specified in paragraph 6 of Exhibit A, and other terms and conditions relating to the Notes and the sale thereof. An Authorized Officer is directed to execute a certificate accepting the interest rate and purchase price of the Notes on behalf of the Issuer.

3. 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.

4. An Authorized Officer is further authorized to execute any documents or certificates necessary to complete the transaction and may designate, in writing, an individual to act in their place with respect to the powers conveyed in this paragraph.

5. The Authority has appointed Thrun Law Firm, P.C. to act as counsel to the underwriter and the structuring agent for the August 2018 state aid note program. The School District consents to Thrun Law Firm, P.C. representing this School District and acting as counsel to the underwriter and the structuring agent for the Authority's August 2018 state aid note program.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are 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 a regular meeting held on June 11, 2018, 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/baf

EXHIBIT A

1. Estimated 2018/2019 State Aid allocated or to be allocated for fiscal year ending June 30, 2019: \$22,354,000 (total amount estimated to be received from October 1, 2018 through August 31, 2019)
2. Amount of borrowing not to exceed: \$750,000
3. Principal amount of notes, bonds or other obligations, including but not limited to federally tax-exempt and/or tax-advantaged bonds, not including this borrowing, that have been issued or are expected to be issued during the 2018 calendar year: \$4,185,000 (include plans for voted or non-voted bonds, refunding bonds, additional state aid notes, tax anticipation notes, installment purchase agreements, lines of credit, and lease-purchase agreements)
4. Authorized Officer: President, Vice President, Secretary or Treasurer of the Board of Education, Superintendent, Assistant/Associate Superintendent or individual acting in the capacity of the school business official, or a designee thereof
5. The Notes shall be dated August 20, 2018 and shall mature on March 20, 2019, July 22, 2019, August 20, 2019, or such other date as determined by any Authorized Officer
6. Purchase price: Not less than 97% of the principal amount of the Notes
7. Five percent (5%) of estimated fiscal year 2017/2018 operating expenses: \$1,345,000

EXHIBIT B

FORM OF PURCHASE CONTRACT

[Insert Name of School District Here]

The Michigan Finance Authority (the "Authority"), a public body corporate, separate and distinct from the State of Michigan, hereby offers to enter into this Purchase Contract with the Issuer named below (the "Issuer") which, upon the acceptance of this offer by the Issuer, will be binding upon the Authority and the Issuer. This offer is made subject to acceptance on or before the date set forth below. The Issuer accepts the electronic or digital signature of the Authority's Executive Director (or other authorized officer of the Authority) if set forth below and acknowledges that it has the same legal effect and enforceability as a manual signature.

Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, including those set forth on Schedule I hereto, the Authority hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Authority, notes (the "Notes") in the principal amount and with the interest rate as shown on Schedule I. The purchase price for the Notes shall be as set forth on Schedule I.

[The Issuer acknowledges that the Authority will purchase the Notes with proceeds from certain State Aid Revenue Notes to be issued by the Authority (the "Authority's Notes").] The Issuer represents and warrants to, and agrees with, the Authority that (A) the Issuer has, and on the Closing Date (specified below) will have, full legal right, power and authority (1) to enter into this Purchase Contract, and (2) to sell and deliver the Notes to the Authority and pledge and assign to the Authority the moneys to be received by the Issuer pursuant to the State School Aid Act of 1979, as amended (the "State School Aid") as provided herein and in the resolution authorizing the Notes and the Issuer has duly authorized and approved the execution and delivery of and the performance by the Issuer of its obligations contained in this Purchase Contract including those set forth in Schedule I; and (B) the Issuer shall promptly pay its pro rata share of the Costs of Issuance upon notification by the Authority. The term "Costs of Issuance" shall mean and include printing charges, rating agency charges, trustee fees, note counsel fees, fees and expenses of a purchaser (the "Purchaser") of all or a portion of the Authority's Notes [(as defined below)], and other counsel fees and issuance fees of the Authority and the Purchaser related to the Authority's Notes; provided, however, that the Issuer's pro rata share of such Costs of Issuance shall not exceed the amount shown on Schedule I. The terms "Purchaser", "Holder" and "Holders' Representative" shall have the same meanings as defined in the Note Purchase Agreement(s) dated _____, 2018 between the Authority and _____ (the "Note Purchase Agreement").

IF THREE, FIVE OR SEVEN SET-ASIDES ARE APPLICABLE, THE FOLLOWING LANGUAGE SHALL BE INCLUDED IN THE PURCHASE CONTRACT:

[The Issuer pledges to pay the principal and interest on the Notes from its State School Aid appropriations allocated or to be allocated to it for the fiscal year ending June 30, 2019 and to be paid during October 2018 through August 2019, inclusive (the "Pledged State Aid"). Moneys to pay the principal and interest on the Notes when due shall be set aside in a separate fund with the Depository (as defined in Schedule I) as hereinafter described in 3, 5 or 7 installments (the "Installment" or "Installments") as specified in Schedule I, commencing (i) in the case of 3 installments, on May 20, 2019, (ii) in the case of 5 installments, on March 20, 2019, and (iii) in the case of 7 installments, on January 22, 2019, and thereafter on the 20th day of each month (or in the case of April, the 22nd) to and in each case ending on [July 22],



2019, or such other State School Aid payment date as may be provided for under state law (the “Payment Date”). If a Payment Date falls on a Saturday, Sunday or legal holiday, the Installment shall be due on the next business day. The payment to the Depository shall be made first from the Pledged State Aid received during the month of the Installment. Notwithstanding the foregoing, the Issuer hereby irrevocably directs the State of Michigan to directly transfer to the Depository payment of the Issuer’s current month’s Installment from the Pledged State Aid received during the month of the Installment on the Payment Date. If, for any reason, the Pledged State Aid received during the month of the Installment is insufficient to pay the Installment, then in that event the Issuer pledges to use any and all other available funds to pay the Installment obligation. If the Issuer fails to set aside any portion of an Installment (the “Installment Shortfall”), pursuant to Section 17a(3) of the State School Aid Act of 1979, as amended (the “Act”), the Authority is authorized to intercept 100% of the Pledged State Aid to be distributed to the Issuer. Beginning with the month following the Installment Shortfall, the Authority shall intercept 100% of the Pledged State Aid to be distributed to the Issuer and apply the intercepted amount on the following priority basis: (A) the Installment Shortfall; (B) the current month’s Installment; and (C) any amounts remaining to be immediately distributed to the Issuer. The intercept process set forth above shall continue each month following the Installment Shortfall until sufficient funds are deposited with the Depository to pay the principal of and interest on the Notes. The Authority shall promptly notify the Issuer that it will immediately commence to intercept the Pledged State Aid.

Each Installment shall be treated as a mandatory redemption of a portion of the principal of the Notes and also payment of accrued interest thereon to the date of the Installment, which together shall be equal to the amount of such Installment.

If the Issuer has failed to deposit all or a portion of an Installment by the last business day of the month of the Installment, the Depository is authorized and directed to give written notice to the Authority, the State Treasurer and the Issuer on the first business day following the last business day of the month of the failure to deposit all or a portion of the Installment. Upon receipt of written notice from the Depository, the Authority shall promptly notify the Issuer that it will immediately commence to intercept 100% of the Pledged State Aid.

If on the date of the final Installment as specified in Schedule I, the funds on deposit with the Depository are insufficient to pay the principal of and interest on the Notes when due, and any and all other amounts owed by the Issuer as set forth in Schedule I (the “Payment Obligations”) the Issuer, pursuant to Section 17a(3) of the Act, to the extent necessary to meet the Payment Obligations assigns to the Authority and authorizes and directs the State Treasurer to advance all or part of any payment which is dedicated for distribution or for which the appropriation authorizing payment has been made under the Act.

If at any time and from time to time prior to the maturity date of the Notes the Authority has reason to believe that the Issuer will be unable to pay in full the principal and interest on the Notes when due, the Authority, in its sole discretion, may by phone or email:

- (i) request from the Issuer a written confirmation of both its ability to pay the Notes when due and a description of the source(s) of funds for the repayment of the Notes. If the Issuer fails within ten (10) days to provide such confirmation to the satisfaction of the Authority, the Issuer hereby authorizes the intercept of any Pledged State Aid to be distributed to the Issuer earlier than August 2019 in such amount as determined by the Authority to be appropriate and further authorizes the Authority to give notice to the State Treasurer to intercept that amount of any Pledged State Aid which has not already been transferred to the Issuer. Any Pledged State Aid which is thus intercepted shall be transferred to the Depository and shall, after the Authority’s Notes are paid, be applied on the following priority basis: (1) to the Purchaser, all other amounts due and owing to the

Purchaser under its Note Purchase Agreement with the Authority and the Depository relating to the 2018A-__ Notes, and (2) any amount remaining to be immediately distributed to the Issuer]; and/or

(ii) give notice to the Issuer requiring the Issuer to enter into one or more Tax Intercept Agreements (each a "TIA") to provide additional security for the payment of the Notes. Each TIA shall be in a form prescribed by the Authority, with such additions, deletions or substitutions reasonably required by any local taxing unit that collects operating taxes revenues collected for the Issuer, and the delinquencies thereon, on behalf of the Issuer, as the Authority and any Authorized Officer shall deem necessary and appropriate.]

IF NO SET-ASIDE INSTALLMENTS ARE APPLICABLE, THE FOLLOWING LANGUAGE SHALL BE INCLUDED IN THE PURCHASE CONTRACT:

[The Issuer acknowledges that: (i) the Authority will purchase the Notes with proceeds from the State Aid Revenue Notes, Series 2018A-__, Series 2018A-__, and Series 2018A-__, to be issued by the Authority (the "Authority's Notes"); (ii) the Authority's Notes of Series 2018A-__ (the "2018A-__ Notes") will be directly purchased from the Authority by _____, unsecured by any letter of credit; (iii) the Authority's Notes of Series 2018A-__ (the "2018A-__ Notes") will be directly purchased from the Authority by _____, unsecured by any letter of credit and (iv) the Authority's Notes of Series 2018A-__ (the "2018A-__ Notes") will be directly purchased from the Authority by _____, unsecured by any letter of credit.

The Issuer [(i) irrevocably directs the State of Michigan to directly transfer to the Depository the mandatory payment (the "Mandatory Payment") from the current month's installment of the Pledged State Aid in the amounts and on the payment dates (the "Payment Dates") as set forth in Schedule I attached hereto; and (ii)] agrees that it will deposit[, including in accordance with any Mandatory Payment schedule in Schedule I,] with the Depository (as defined in Schedule I) payment of the principal of and interest on the Notes in immediately available funds, the full amount of such principal and interest on the Notes to be received by the Depository by 11:00 a.m. on the maturity date of the Notes. The Issuer pledges to pay the principal and interest on its Notes from the 2018/2019 State School Aid to be allocated to it and to be paid during October 2018 through August 2019, inclusive (the "Pledged State Aid").

Not later than [March __, 2019][August __, 2019], the Issuer shall determine whether there will be sufficient funds on deposit with the Depository on [March 20, 2019][August 20, 2019] (the maturity date of the Notes) to pay the principal of and interest on the Notes when due on that maturity date. If the Issuer determines that there will be insufficient funds on deposit with the Depository on [March 20, 2019][August 20, 2019] to pay the principal of and interest on the Notes on the maturity date of the Notes, the Issuer will so notify the Authority by telephone and email not later than [March __, 2019][August __, 2019] (email to: TreasMFA-StateAidNote@michigan.gov; and telephone the Executive Director, 517-335-0994).

If on the maturity date of the Notes there are insufficient funds on deposit with the Depository to pay the principal of and interest on the Notes when due, the Issuer, pursuant to Section 17a(3) of the Act, to the extent necessary to pay the principal of and interest on the Notes when due, and any and all other amounts owed by the Issuer as set forth in Schedule I (the "Payment Obligations"), assigns to the Authority, pledges to the payment of the Payment Obligations, and authorizes and directs the State Treasurer to intercept or advance all or part of any State School Aid payment which is dedicated for distribution to the Issuer or for which the appropriation authorizing the payment has been made under the Act. The Issuer acknowledges that a State Aid Agreement will be executed among the Authority, the State Treasurer, the

Depository, and the Trustee for the Authority whereby the State Treasurer agrees to intercept and/or advance all or part of any State School Aid as described under this Purchase Contract. The Authority in its sole discretion may determine the amount of any State School Aid payment to be intercepted and the dates for such collection and application. The Authority and the Issuer may also agree to the collection and application of other Issuer revenues to any unpaid Payment Obligations. State School Aid payments shall continue to be intercepted until all Payment Obligations have been paid in full. Notwithstanding the foregoing:

(A) the Issuer hereby irrevocably directs the State of Michigan to pay to the Depository 100% of the Pledged State Aid to be distributed to the Issuer on the [March 2019][August 2019] payment date, or the balance thereof to the extent all or a portion of it, prior to the [March 2019][August 2019] payment date, has been advanced to satisfy any amounts owed by the Issuer for payment of the Authority's State Aid Revenue Notes, Series 2018A-__, and the Depository shall apply the [March 2019][August 2019] State School Aid payment on the following priority basis: (1) first, if the Issuer has outstanding Notes maturing March 20, 2019, to pay to the Holder(s) of such Notes the principal and interest due on March 20, 2019 on such Notes; (2) second, if the Issuer has outstanding Notes maturing August 20, 2019, to pay to the Holder(s) of such Notes the principal and interest due on the Notes on August 20, 2019; (3) third, to pay to each Holders' Representative all other amounts due and owing under its respective Note Purchase Agreement with the Authority relating to the 2018A-__ Notes, the 2018A-__ Notes or the 2018A-__ Notes and (4) fourth, any amount remaining to be immediately distributed to the Issuer; and

(B) if (1) the Issuer's remaining Pledged State Aid to be received prior to [March 2019] [August 2019] will be less than the principal and interest on the Notes and any other notes issued by the Authority payable therefrom and (2) the Issuer will pay any of the remaining amount due from any source other than proceeds from its borrowing in the Authority's August 2019 state aid note pool, the Issuer shall give written notice not later than [March __, 2019][August __, 2019] to the Authority and the Depository specifying each such source and amount (e.g., \$ _____ will be wired to the Depository from [bank name]); and

(C) if at any time and from time to time prior to the maturity date of the Notes the Authority has reason to believe that the Issuer will be unable to pay in full the principal and interest on the Notes when due, the Authority, in its sole discretion, may by phone or email:

(i) request from the Issuer a written confirmation of both its ability to pay the Notes when due and a description of the source(s) of funds for the repayment of the Notes. If the Issuer fails within ten (10) days to provide such confirmation to the satisfaction of the Authority, the Issuer hereby authorizes the intercept of any Pledged State Aid to be distributed to the Issuer earlier than [March 2019][August 2019] in such amount as determined by the Authority to be appropriate and further authorizes the Authority to give notice to the State Treasurer to intercept that amount of any Pledged State Aid which has not already been transferred to the Issuer. Any Pledged State Aid which is thus intercepted shall be transferred to the Depository and shall be applied after the Authority's Notes are paid in the same manner as provided in paragraph (A) above; and/or

(ii) give notice to the Issuer requiring the Issuer to enter into one or more Tax Intercept Agreements (each a "TIA") to provide additional security for the payment of the Notes and the Issuer shall take the actions necessary to enter into the TIA(s). Each TIA shall be in a form prescribed by the Authority, with such additions, deletions or substitutions reasonably required by any local taxing unit that collects

operating taxes revenues collected for the Issuer, and the delinquencies thereon, on behalf of the Issuer, as the Authority and any Authorized Officer shall deem necessary and appropriate.

(D) failure to pay all or a portion of the Payment Obligations to the Authority not later than [March 20, 2019][August 20, 2019] shall constitute an event of default (“Default”) under this Purchase Contract and the Authority’s, the Holders’ and the Holders’ Representatives’ rights and remedies upon such Default shall be as set forth in this Purchase Contract and Schedule I and in applicable law.]

The Issuer consents to the Authority’s pledge and assignment of and grant of a security interest in the Authority’s rights and interest (subject to certain rights of indemnification) in the Notes and this Purchase Contract as security for the Authority’s Notes and a Trust Indenture dated as of August 1, 2018, issued by the Authority pursuant to its Note Authorizing Resolution adopted May 17, 2018, and for the Authority’s obligations under a Note Purchase Agreement between it and any Holder of the Authority’s Notes.

The Issuer acknowledges that Section 15 of the Authority’s enabling statute, the Shared Credit Rating Act, as amended, provides for a statutory lien on the Authority’s pledge of the Pledged State Aid which is paramount and superior to all other liens for the sole purpose of paying the principal of, and interest on, the Authority’s Notes.

The Issuer further acknowledges that Section 17a(3) of the Act does not require the State to make an appropriation to any school district or intermediate school district and shall not be construed as creating an indebtedness of the State.

With respect to any payment not received from the Issuer by the Depository by the time and date due under this Purchase Contract, the Issuer agrees to pay the Authority an amount as invoiced by the Authority to recover its administrative costs attributable to the late payment. The Issuer further agrees to reimburse the Authority (A) for any and all amounts which the Authority may have to rebate to the federal government due to investment income which the Issuer may earn in connection with the issuance or repayment of its Notes and (B) for the Issuer’s pro rata share of the Costs of Issuance that were paid by the Authority in the event that the Authority is required to rebate investment earnings to the federal government regardless, in either case, whether the Issuer is subject to such rebate or not. In the event the Issuer does not meet any arbitrage rebate exception pursuant to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, relative to the Notes, the Issuer will make any required rebate payment to the federal government when due.

The Issuer shall make the Notes and its Closing Documents (defined below) available for inspection by the Authority on August ___, 2018, at the offices of the Thrun Law Firm, P.C., East Lansing, Michigan. At 9:00 a.m., prevailing Eastern time, on August 20, 2018 (“Closing Date”), the Issuer shall deliver the Notes to the Authority at the offices of Dykema Gossett PLLC, Lansing, Michigan, together with such other documents, certificates and closing opinions as the Authority shall require (the “Closing Documents”) and the Authority shall accept delivery of the Notes and the Closing Documents and pay the purchase price for the Notes.

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The Authority shall have the right in its sole discretion to terminate the Authority's obligations under this Purchase Contract to purchase, accept delivery of and pay for the Notes if the Authority is unable for any reason to sell and deliver the Authority's Notes on or prior to the Closing Date.

Michigan Finance Authority

By _____
Its Authorized Officer

Accepted and Agreed to this
_____ day of _____, 2018
_____ ("Issuer")
By _____
Title: _____

(Signature page to Purchase Contract)

Schedule I

[INSTALLMENT PAYMENT SCHEDULE]

All capitalized terms used and not expressly defined in this Schedule I shall have the meanings given to them in the Purchase Contract to which this Schedule I is attached (the "Purchase Contract").

1. The Issuer hereby covenants that it will deposit all Installment payments as set forth in paragraph 9 below with U.S. Bank National Association, or its successor (the "Depository") at its designated corporate trust office located in Lansing, Michigan. [The Issuer directs the Depository to use the proceeds of the Installment payments to acquire U.S. Treasury Obligations state and local government series (SLGS) and/or such other U.S. Treasury notes, bonds, bills and securities as authorized and directed by the Authority and as permitted by law, or, if authorized and directed by the Authority to enter into an investment contract with a financial institution on behalf of the Issuer for the investment of the Installment payments.] In the event the Depository resigns, or is removed, the Issuer hereby accepts and appoints a successor depository appointed by the Authority as depository for the Notes.

2. The number of Installments shall be as set forth in paragraph 9 below. The Issuer hereby agrees to deposit funds with the Depository in accordance with the Purchase Contract and its resolution authorizing the Notes.

3. The Issuer covenants that it will deliver from time to time such additional information regarding the financial condition of the Issuer as the Authority may reasonably request.

4. The Issuer covenants that the principal amount of the Notes, together with any additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid, will not exceed 75% of the amount of State School Aid to be received by the Issuer during the period from October 1, 2018, through August 31, 2019.

5. The principal amount and the initial interest rate on the Notes shall not exceed \$_____ and _____% per annum, respectively.

6. The Issuer's pro rata share of the Costs of Issuance shall not exceed: (A) \$_____, plus (B) the Issuer's pro rata share of related charges pursuant to the Note Purchase Agreement between the Authority and the Purchaser, including, without limitation, all other amounts owing to the Holders under the Note Purchase Agreement.

7. The Notes shall be dated August 20, 2018 and shall mature on [July 22], 2019.

8. The purchase price of the Notes shall be \$_____ (par of \$_____ [less net discount of \$_____] [plus net premium of \$_____]).

9. The amounts of the Installments/Mandatory Redemptions on the Payment Dates are:

Payment Date

Installment/Mandatory Redemption

10. In the event that the Issuer fails to pay all or a portion of the Payment Obligations to the Authority on any Payment Date or at maturity, the unpaid principal amount shall bear a default interest rate per annum beginning on the applicable Payment Date or maturity date, payable each day such principal amount remains unpaid, in an amount calculated by multiplying such unpaid principal by a percentage equal to the Base Rate plus _____% per annum or such lower interest rate as may be established by the Authority pursuant to an agreement between the Authority and the Holders' Representative. Interest at such default interest rate shall be payable on demand on any Business Day.

“Adjusted One Month LIBOR Rate” means for any date an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the sum of (i) ____% per annum plus (ii) the quotient of (a) the interest rate determined by the Holders’ Representative by reference to the Reuters Screen LIBOR01 Page (or on any successor or substitute page) to be the rate at approximately 11:00 a.m. London time, on such date or, if such date is not a Business Day, on the immediately preceding Business Day, for dollar deposits with a maturity equal to one (1) month divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to dollar deposits in the London interbank market with a maturity equal to one (1) month, provided that if the rate for any date so determined shall be less than zero, such rate shall be zero for purposes of this calculation.

“Base Rate” means, for any day, the highest of (a) the Prime Rate, (b) the Adjusted One Month LIBOR Rate and (c) _____ percent (____%) per annum.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in the States of Michigan, Illinois or New York are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

“Prime Rate” means, for any day, the rate of interest announced by JPMorgan Chase Bank, N.A. from time to time as its prime commercial rate for U.S. dollar loans, or equivalent, as in effect on such day, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

“Reserve Requirement” means a percentage equal to the daily average during the most recently completed interest period of the aggregate maximum reserve requirements (including all basic, supplemental, marginal and other reserves), as specified under Regulation D of the Federal Reserve Board, or any other applicable regulation that prescribes reserve requirements applicable to Eurocurrency liabilities (as presently defined in Regulation D) or applicable to extensions of credit by the Purchaser the rate of interest on which is determined with regard to rates applicable to Eurocurrency liabilities. Without limiting the generality of the foregoing, the Reserve Requirement shall reflect any reserves required to be maintained by the Purchaser against any category of liabilities that includes deposits by reference to which the Adjusted One Month LIBOR Rate is to be determined.

11. As long as the Notes are outstanding, the Issuer shall neither pledge nor make any request for an advancement pursuant to Section 17b of the State School Aid Act of 1979, as amended, of any portion of its Pledged State Aid, October 2019 State School Aid, or State School Aid payable thereafter without the prior written consent of the Authority, by its Executive Director, which consent shall not be unreasonably withheld. The Issuer shall not, at any time prior to the maturity of the Notes, issue any other obligations pledging the Pledged State Aid (“Other Obligations”) unless: (i) the Issuer shall have given prior written notice to the Authority of the Issuer’s intent to issue any Other Obligations promptly after forming such intent; (ii) any Other Obligations shall mature after August 20, 2019; and (iii) any pledge of the Pledged State Aid as security for the payment of any Other Obligations shall be: (A) expressly subject to the prior right of interception set forth in this Purchase Contract; and (B) expressly subordinate, under written subordination terms satisfactory to the Authority and its counsel, to the Issuer’s prior pledge of Pledged State Aid as security for the Notes. “Other Obligations” defined in this paragraph shall not include state aid notes, if any, issued by the Issuer as a separate series on August 20, 2018 and purchased by the Authority with proceeds from its State Aid Revenue Notes, Series 2018A-__ and Series 2018A-__, to be issued by the Authority pursuant to the Trust Indenture dated as of August 1, 2018. Any one or more of the foregoing restrictions set forth in this paragraph may be waived in writing by the Authority, by its Authorized Officer, in his or her sole and absolute discretion.

[Note: If a Purchaser of the Authority’s State Aid Revenue Notes, Series 2018A-__, requires particular provisions for determining the interest rate on the Notes or a default interest rate, such provisions will be added to this Schedule I, as appropriate.]

Schedule I

[NO INSTALLMENTS]

All capitalized terms used and not expressly defined in this Schedule I shall have the meanings given to them in the Purchase Contract to which this Schedule I is attached (the "Purchase Contract").

1. The Issuer hereby agrees to deposit or cause to be deposited funds to pay principal of and interest on the Notes with U.S. Bank National Association, or its successor (the "Depository") at its designated corporate trust office located in Lansing, Michigan, in accordance with the Purchase Contract and resolution authorizing the Notes. In the event the Depository resigns, or is removed, the Issuer hereby accepts and appoints a successor depository appointed by the Authority as depository for the Notes.
2. The Issuer covenants that it will deliver from time to time such additional information regarding the financial condition of the Issuer as the Authority may reasonably request.
3. The Issuer covenants that the principal amount of the Notes, together with any additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid, will not exceed 75% of the amount of State School Aid to be received by the Issuer during the period from October 1, 2018, through August 31, 2019.
4. The principal amount and the initial interest rate on the Notes shall not exceed \$ _____ and _____% per annum, respectively.
5. The Issuer's pro rata share of the Costs of Issuance shall not exceed: (A) \$ _____, plus (B) the Issuer's pro rata share of related charges pursuant to the Note Purchase Agreement[s] among the Authority, [the/each] Purchaser and the Depository (including, without limitation, all other amounts owing to the Holders under the Note Purchase Agreement).
6. The Notes shall be dated August 20, 2018 and shall mature on [March 20, 2019][August 20, 2019].
7. The purchase price of the Notes shall be \$ _____ (par of \$ _____ [less net discount of \$ _____] [plus net premium of \$ _____]).
8. The amounts of the Installments/Mandatory Payments on the Payment Dates are:

<u>Payment Date</u>	<u>Installment/Mandatory Redemption</u>
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9. In the event that the Issuer fails to pay all or a portion of the Payment Obligations to the Authority on [March 20, 2019][August 20, 2019], the Notes shall bear a default interest rate per annum beginning [March 20, 2019][August 20, 2019], payable each day such principal amount remains unpaid, in an amount calculated by multiplying such unpaid principal by a percentage equal to the Base Rate plus ____% per annum or such lower interest rate as may be established by the Authority pursuant to an agreement between the Authority and the Holders' Representative. Interest at such default interest rate shall be payable on demand on any Business Day and shall also be payable during the continuance of any event of default.

"Adjusted One Month LIBOR Rate" means for any date an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the sum of (i) ____% per annum plus (ii) the quotient of (a) the interest rate determined by the Holders' Representative by reference to the Reuters Screen LIBOR01 Page (or on any successor or substitute page) to be the rate at approximately 11:00 a.m. London time, on such date or, if such date is not a Business Day, on the immediately preceding Business Day, for

dollar deposits with a maturity equal to one (1) month divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to dollar deposits in the London interbank market with a maturity equal to one (1) month, provided that if the rate for any date so determined shall be less than zero, such rate shall be zero for purposes of this calculation.

“Base Rate” means, for any day, the highest of (a) the Prime Rate, (b) the Adjusted One Month LIBOR Rate and (c) _____ percent (____%) per annum.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in the States of Michigan, Illinois or New York are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

“Prime Rate” means, for any day, the rate of interest announced by JPMorgan Chase Bank, N.A. from time to time as its prime commercial rate for U.S. dollar loans, or equivalent, as in effect on such day, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

“Reserve Requirement” means a percentage equal to the daily average during the most recently completed interest period of the aggregate maximum reserve requirements (including all basic, supplemental, marginal and other reserves), as specified under Regulation D of the Federal Reserve Board, or any other applicable regulation that prescribes reserve requirements applicable to Eurocurrency liabilities (as presently defined in Regulation D) or applicable to extensions of credit by the Purchaser the rate of interest on which is determined with regard to rates applicable to Eurocurrency liabilities. Without limiting the generality of the foregoing, the Reserve Requirement shall reflect any reserves required to be maintained by the Purchaser against any category of liabilities that includes deposits by reference to which the Adjusted One Month LIBOR Rate is to be determined.

10. So long as the Notes are outstanding or any amounts are due and owing to the Authority under this Purchase Contract, the Issuer shall neither pledge nor make any request for an advancement pursuant to Section 17b of the State School Aid Act of 1979, as amended, of any portion of its Pledged State Aid, October 2019 State School Aid, or State School Aid payable thereafter without the prior written consent of the Authority, by its Executive Director, which consent shall not be unreasonably withheld. The Issuer shall not, at any time prior to the maturity of the Notes, issue any other obligations pledging the Pledged State Aid (“Other Obligations”) unless: (i) the Issuer shall have given prior written notice to the Authority of the Issuer’s intent to issue any Other Obligations promptly after forming such intent; (ii) any Other Obligations shall mature after [March 20, 2019][August 20, 2019], and (iii) any pledge of the Pledged State Aid as security for the payment of any Other Obligations shall be: (A) expressly subject to the prior right of interception set forth in this Purchase Contract; and (B) expressly subordinate, under written subordination terms satisfactory to the Authority and its counsel, to the Issuer’s prior pledge of Pledged State Aid as security for the payment of the Notes. “Other Obligations” defined in this paragraph shall not include state aid notes, if any, issued by the Issuer as a separate series on August 20, 2018 and purchased by the Authority with proceeds from the State Aid Revenue Notes, Series 2018A-__ or Series 2018A-__, to be issued by the Authority pursuant to the Trust Indenture dated as of August 1, 2018. Any one or more of the foregoing restrictions set forth in this paragraph may be waived in writing by the Authority, by its Authorized Officer, in his or her sole and absolute discretion.

[Note: If a Purchaser of the Authority’s State Aid Revenue Notes, Series 2018A-__ or Series 2018A-__, requires particular provisions for determining the interest rate on the Notes or a default interest rate, such provisions will be modified, or added to, this Schedule I, as appropriate.]

Issuer by its President and Secretary, as of August 20, 2018, and to be manually signed by the authorized signatory of the Paying Agent as of the date set forth below.

Vicksburg Community Schools
Counties of Kalamazoo and St. Joseph
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



EXHIBIT D

SOLICITATION FOR BIDS

**VICKSBURG COMMUNITY SCHOOLS
COUNTIES OF KALAMAZOO AND ST. JOSEPH
STATE OF MICHIGAN
\$750,000
STATE AID NOTES**

Unconditional and firm bids for the purchase of not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) of State Aid Notes (the "Note" or "Notes") will be received by Vicksburg Community Schools, Kalamazoo and St. Joseph Counties, Michigan (the "Issuer"), at the administrative offices of the Issuer, 301 South Kalamazoo Avenue, Vicksburg, Michigan 49097, on Thursday, the 26th day of July, 2018, until 11:00 o'clock in the a.m., prevailing Eastern Time, at which time and place said bids will be publicly opened and read. Award of Notes will be made on behalf of the Issuer by an authorized officer of the Issuer no later than 5:00 o'clock, p.m., on that date.

FAXED BIDS: Bidders may submit signed bids via facsimile transmission to the Issuer at (269) 321-1078 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.

NOTE DETAILS; INTEREST RATE; PAYING AGENT; AND DENOMINATION: The Notes will be dated August 20, 2018, or date of delivery, due on August 20, 2019, and will bear interest at a rate not exceeding three percent (3%) per annum. Both principal and interest will be payable at a bank or trust company located in the State of Michigan; New York, New York; or Chicago, Illinois, to be designated by the original purchaser of the Notes, which paying agent qualifies as such under the statutes of the state in which it is located or of the United States, with paying agent fees, if any, to be paid by the purchaser of the Notes. Denomination of the Notes to be at the option of the purchaser. If more than one Note is issued, the Notes shall be numbered serially from one upwards.

DTC BOOK-ENTRY: If requested by the purchaser, the Notes may be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC") under DTC's Book-Entry-Only system of registration. Purchasers of interests in the Notes (the "Beneficial Owners") will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Notes will be evidenced by book-entry-only. As long as Cede & Co. is the registered owner of the Notes as nominee of DTC, payments of principal and interest payments will be made directly to such registered owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

PRIOR REDEMPTION: The Notes are not subject to redemption prior to maturity.

AWARD OF NOTES: For the purpose of awarding the sale of the Notes, the interest cost of each unconditional and firm bid will be computed on a 360-day year, 30-day month, by determining, at the rate specified therein, the total dollar value of all interest on the Notes from August 20, 2018, to maturity and deducting therefrom any premium. The Notes will be awarded to the bidder whose unconditional and firm bid on the above computation produces the lowest dollar interest cost to the Issuer. No proposal for the purchase of less than all the Notes or at a price less than their par value will be considered. Any and all fees or charges of the bidder must be incorporated into the rate.

SECURITY: The Notes are issued under the provisions of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, for the purpose of providing money for school operations for the fiscal year ending June 30, 2019. The Issuer has pledged for the payment of the Notes, monies to be received by it from state school aid.

As additional security the Issuer has pledged the full faith, credit and resources of the Issuer and, in the event of the unavailability or insufficiency of state school aid for any reason, the Notes are payable from tax levies within its constitutional and statutory limitations or from unencumbered funds of the Issuer. 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.

LEGAL OPINION: Bids shall be conditioned upon the unqualified opinion of Thrun Law Firm, P.C., attorneys of East Lansing, Michigan, which opinion will be furnished without expense to the purchaser prior to the delivery thereof, approving the legality of the Notes.

TAX MATTERS: In the opinion of note counsel, assuming continued compliance by the Issuer with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excluded from gross income for federal income tax purposes, as described in the opinion, and the Notes and interest thereon are excluded from taxable income for State of Michigan income tax purposes. Further, the Note and the interest thereon are subject to inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The Issuer has designated the Notes as "**QUALIFIED TAX-EXEMPT OBLIGATIONS**" within the meaning of the Code and has covenanted to comply with those requirements of the Code necessary to continue the exclusion of interest on the Notes from gross income for federal income tax purposes.

CERTIFICATE REGARDING "ISSUE PRICE": The successful bidder will be required to furnish, prior to the delivery of the Notes, a certificate in a form acceptable to note counsel as to the "issue price" of the Notes within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. By submitting a bid, the bidder represents to the Issuer that it intends to hold the Notes for its own account with no present intention to reoffer the Notes unless the bidder has notified Note counsel, in writing, at least 72 hours before the bid deadline that the bidder intends to reoffer the Notes.

CUSIP NUMBERS: If the Purchaser requires CUSIP numbers on the Notes, the Purchaser shall request assignment of CUSIP numbers for the Notes and provide the numbers to H.J. Umbaugh & Associates, Certified Public Accountants, LLP, and Thrun Law Firm, P.C., within forty-eight (48) hours of the note sale. CUSIP numbers will be imprinted on the Notes at the expense of the Issuer. An improperly imprinted number or failure to print CUSIP numbers shall not constitute basis for the purchaser to refuse to accept delivery of the Notes. The Purchaser shall be responsible for the payment of any charges for the assignment of numbers.

CLOSING DOCUMENTS: Drafts of all closing documents, including the form of Note and note counsel's 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.

DELIVERY OF NOTES: The Issuer shall furnish Notes ready for execution at its expense. Notes will be delivered without expense to the purchaser at a place located in the STATE OF MICHIGAN, to be mutually agreed upon between the purchaser and the Issuer. Delivery can also be made in Chicago, Illinois or New York, New York, but at the EXPENSE of the PURCHASER. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Notes, will be delivered at

the time of the delivery of the Notes. Accrued interest to the date of delivery of the Notes, if any, shall be paid by the purchaser at the time of delivery.

Payment for the Notes shall be in such manner as to assure receipt of funds by the Issuer on the day of delivery of the Notes.

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.

FURTHER INFORMATION may be obtained from H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 2150 Association Drive, Suite 100, Okemos, Michigan 48864, telephone: (517) 321-0110.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

The bids should be plainly marked "Proposal for Vicksburg Community Schools State Aid Notes".

Form Only - Not for Execution
Superintendent
Vicksburg Community Schools