

Vicksburg Community Schools, Kalamazoo and St. Joseph Counties, Michigan (the "District").

A regular meeting of the board of education (the "Board") of the District was held in the _____, in the District on the 13th day of May, 2013, at _____ o'clock in the _____m.

Present: Members

Absent: Members

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 by an installment purchase contract; and
2. The Board intends to purchase eight (8) 77-passenger and one (1) 71-passenger school buses (the "Property") from Holland Bus Company, Holland, Michigan (the "Vendor"), in an amount not to exceed Seven Hundred Seventy-One Thousand Nine Hundred Fifty-Five Dollars (\$771,955), 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 District purchases of lands, property or equipment for public purposes, to be paid for in installments (i.e., installment purchase agreements, land contracts, leases, etc.), including purchases made pursuant to this Resolution, exclusive of interest, is \$_____; and
4. The taxable value of the real and personal property within the District as of the date hereof is \$_____; and
5. This Board desires to solicit bids from financial institutions to finance 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 District to accept the bid of the Vendor.

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

3. The Board determines that it is in the best interest of the District to solicit bids from financial institutions to finance the Property through an Installment Purchase Agreement among the District, the Bank and the Vendor for a total amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) at an interest rate of not to exceed five percent (5%) per annum over a period not to exceed three (3) years with equal annual principal and interest payments beginning June 25, 2014, with annual interest thereon, based upon a 360-day year, 30-day month.

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

5. The Installment Purchase Agreement may be prepaid in whole or in part at any time without penalty, with funds withdrawn from the District's cash reserves. A prepayment penalty will be required if the outstanding balance is prepaid with funds borrowed from another financial institution or a publicly or privately placed debt obligation.

6. The District hereby irrevocably pledges to make the principal installments and interest payments on the Installment Purchase Agreement beginning with the fiscal year 2013-2014 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 District 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 District 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 District, and if tax collections are insufficient to pay the principal of or interest on the borrowing when due, the District pledges to use any and all other resources available for the payment of principal and interest on the Installment Purchase Agreement. As further security, the District may grant the Bank a security interest in the Property.

8. The President, Vice President, Secretary, Treasurer, Superintendent and Business Manager 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 District hereby covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, 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 8038-G or 8038-GC with the Internal Revenue Service.

11. The District hereby designates the Installment Purchase Agreement as a "qualified tax-exempt obligation" for purposes of deduction of interest expense by financial institutions under the Internal Revenue Code of 1986, as amended. In making said designation, the Board determines that the reasonably anticipated amount of tax-exempt obligations which will be issued by the District or entities which issue obligations on behalf of the District during calendar year 2013 will not exceed \$10,000,000.

12. The outstanding balance of all of the District'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 District.

13. 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 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 said Board at a regular meeting held on May 13, 2013, 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, PA 1976, as amended).

Secretary, Board of Education

JJS/bk

EXHIBIT A

SOLICITATION FOR BIDS

\$750,000

**VICKSBURG COMMUNITY SCHOOLS
COUNTIES OF KALAMAZOO AND ST. JOSEPH
STATE OF MICHIGAN
INSTALLMENT PURCHASE AGREEMENT
(GENERAL OBLIGATION - LIMITED TAX)**

Unconditional and firm bids for the above Installment Purchase Agreement will be received by Vicksburg Community Schools, Kalamazoo and St. Joseph Counties, Michigan (the "District"), at the Administrative Offices, 301 S. Kalamazoo Avenue, Vicksburg, Michigan 49097, on Wednesday, the 29th day of May, 2013, 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 the bids will be considered by the Administration on that date.

FAXED BIDS: Bidders may submit signed bids via facsimile transmission to the District 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 District at 269-321-1000.

INSTALLMENT PURCHASE AGREEMENT DETAILS; INTEREST RATE; PAYING AGENT: The Installment Purchase Agreement will be in the form of an agreement among Holland Bus Company, Holland, Michigan (the "Vendor"), the District, and the Bank, dated the date of delivery. Equal annual installments of principal and interest for a period of three (3) years will be due beginning June 25, 2014, 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 purchaser requires the use of a paying agent for this issue, the paying agent fees, if any, are to be paid by the purchaser of the Installment Purchase Agreement.

REDEMPTION: The Installment Purchase Agreement may be prepaid in whole or in part at any time without penalty, with funds withdrawn from the District's cash reserves. A prepayment penalty will be required if the outstanding balance is prepaid with funds borrowed from another financial institution or a publicly or privately placed debt obligation.

PURPOSE AND SECURITY: The Installment Purchase Agreement is issued for the purpose of purchasing eight (8) 77-passenger and one (1) 71-passenger school buses. The Installment Purchase Agreement is issued under the provisions of Act 99, Public Acts of Michigan, 1933, as amended. The District has pledged the limited tax full faith and credit of the District for the payment of principal and interest on the Installment Purchase Agreement. The District 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 District, said levy must be subject to constitutional

and statutory tax rate limitations. The District 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 bidder whose bid produces the lowest interest rate. When the delivery date is established, the Bank will provide a payment schedule consistent with the above-referenced details.

TAX MATTERS: The District 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 District has designated the Installment Purchase Agreement as a "QUALIFIED TAX-EXEMPT 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 purchaser of the Installment Purchase Agreement at the delivery thereof.

CERTIFICATE REGARDING "ISSUE PRICE": The successful bidder will be required to furnish, prior to delivery of the Installment Purchase Agreement, a certificate in a form acceptable to District's counsel as to the "issue price" of the Installment Purchase Agreement within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended.

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 B

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 Exhibit 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 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 be prepaid in whole or in part at any time without penalty, with funds withdrawn from the OBLIGOR'S cash reserves. A prepayment penalty will be required if the outstanding balance is prepaid with funds borrowed from another financial institution or a publicly or privately placed debt obligation.

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. Events of Default. Upon the occurrence of any of the following events of default, all or part of the unpaid balance of the amount financed, together with accrued interest charges shall, at the option of the BANK, become immediately due and payable without notice or demand:

a. If the OBLIGOR shall default in the payment when due of (i) any Principal Installment of the amount financed or the interest on the unpaid Principal balance or other amount required to be paid by the OBLIGOR hereunder or (ii) any other indebtedness now or hereafter owing to the BANK, or if the OBLIGOR shall default in the performance of any other obligation of the OBLIGOR hereunder;

b. If any warranty or representation made by the OBLIGOR in this Installment Purchase Agreement or in any financial statement, certificate or other agreement, or document at any time furnished to the VENDOR or the BANK shall be false or inaccurate in any material respect;

c. If the OBLIGOR shall dissolve, become insolvent or make an assignment for the benefit of its creditors;

d. If the BANK at any time in good faith believes that the prospect of payment of any indebtedness is impaired.

If a voluntary or involuntary case in bankruptcy, receivership or insolvency shall at any time be commenced by or against the OBLIGOR, then the entire unpaid balance of the amount financed, together with all accrued finance charges, shall automatically become immediately due and payable, without notice or demand. All or part of the amount financed and accrued finance charges also may become the terms of any other agreement heretofore or hereafter entered into between the OBLIGOR and the BANK.

4. 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.

5. 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 4, 7 and 9 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. With respect to the BANK, the OBLIGOR hereby waives any defenses based upon warranty, failure or inability of the VENDOR to perform its non-assignable obligations or the failure of the Property to perform its intended function. 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, marshalling 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.

6. 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 herein, when due.

7. 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.

8. 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.

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

10. Entire Agreement. Except for closing documents delivered in connection with the Installment Purchase Agreement or to the BANK, this Installment Purchase Agreement (including the provisions of the Purchase Agreement incorporated by reference in section 4 above) constitutes the entire agreement of the parties. All other prior or contemporaneous agreements, understandings, representations and statements, oral or written, are hereby terminated.

11. 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.

12. 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: _____

By: _____

Its: _____

Its: _____

Approved:

BANK:

(NAME OF BANK)

By: _____

Its: _____



ATTACHMENT A

MATURITY SCHEDULE

MATURITY DATE	PRINCIPAL INSTALLMENT	INTEREST PAYMENT	TOTAL
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TOTAL