

**RESOLUTION AUTHORIZING THE ISSUANCE AND DELEGATING THE SALE OF  
VICKSBURG COMMUNITY SCHOOLS  
2015 REFUNDING BONDS**

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

A regular meeting of the board of education of the Issuer (the "Board") was held in the \_\_\_\_\_, within the boundaries of the Issuer, on the 10th day of November, 2014, at \_\_\_\_\_ o'clock in the \_\_\_\_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:**

1.       Part VI of Act 34, Public Acts of Michigan, 2001, as amended, the Revised Municipal Finance Act (the "Act"), permits the Issuer to refund all or part of its bonded indebtedness; and

2.       The Issuer has received a proposal from its financial consultant to refund all or part of that portion of the Issuer's outstanding 2005 School Athletic Facility Improvement Bonds (General Obligation – Limited Tax) dated December 1, 2005, in the original amount of \$4,500,000, which are callable May 1, 2015, and are due and payable May 1, 2017, May 1, 2019 and May 1, 2021 (the "Prior Bonds"); and

3.       The Board determines that it is in the best interest of the Issuer to consider refunding the Prior Bonds; and

4.       Prior to the issuance of bonds, the Issuer achieved qualified status from the Michigan Department of Treasury (the "Department") pursuant to the Act.

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

1.       Bonds of the Issuer designated 2015 Refunding Bonds (General Obligation - Limited Tax) (the "Bonds") be issued in the aggregate principal amount of not to exceed \$1,450,000, as finally determined upon sale thereof, for the purpose of refunding all or a portion of the Prior Bonds. The Bonds shall be dated the date of delivery, or such other date as established at the time of sale; shall be numbered in the direct order of their maturities from 1 upwards; shall be fully registered Bonds as to principal and interest; shall bear interest at a rate or rates to be hereafter determined upon sale, payable on November 1, 2015, or such other date as may be established at the time of sale, and semiannually thereafter on May 1 and November 1 in each year; and shall mature on May 1 in each year to be subsequently determined by the Superintendent or Assistant Superintendent of the Issuer,

in the final principal amounts determined upon sale and shall be subject to redemption in the amounts, times, in the manner and at the prices determined upon sale of the Bonds.

2. The Bonds may consist of serial or term Bonds or any combination thereof which may be issued in one or more series, all of which shall be determined upon sale of the Bonds.

3. The Bonds shall be in denominations of \$5,000 or any whole multiple thereof.

4. The principal of the Bonds and the interest thereon shall be payable in lawful money of the United States of America at or by a bank or trust company to be designated by the Superintendent or Assistant Superintendent at the time of sale (herein called the "Paying Agent"), which shall act as the paying agent and bond registrar or such successor paying agent-bond registrar as may be approved by the Issuer, on each semiannual interest payment date and the date of each principal maturity.

5. Book Entry. At the request of an Underwriter, Placement Agent or other purchaser, the ownership of one fully registered bond 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 Bonds 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 bond 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 Bonds, or the Issuer, the Issuer will notify the Paying Agent, whereupon the Paying Agent will notify DTC of the availability through DTC of the bond certificates. In such event, the Issuer shall issue and the Paying Agent shall transfer and exchange Bonds 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 Bonds, as provided herein.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemptions, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

6. In the event the Bonds are no longer in book entry form only, the following provisions would apply to the Bonds:

The Paying Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times during normal business hours be open to inspection by the Issuer; and, upon presentation and surrender for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred on said books, Bonds as herein provided.

Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by a duly authorized agent, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall furnish or cause to be furnished a sufficient number of manual or facsimile executed Bonds and the Paying Agent shall authenticate and deliver a new Bond or Bonds for like aggregate principal amount. The Paying Agent shall require the payment of any tax or other governmental charge required to be paid with respect to the transfer to be made by the bondholder requesting the transfer.

7. If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bonds, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution of the mutilated Bond, upon surrender to the Paying Agent of the mutilated Bond. If any Bond issued under this resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the Paying Agent, and if satisfactory to the Paying Agent and the Issuer, the Issuer at the expense of the owner, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver a new Bond of like tenor and bearing the statement required by Act 354, Public Acts of Michigan, 1972, as amended, being sections 129.131 to 129.134, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted, in lieu of and in substitution of the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof.

8. The President and Secretary are hereby authorized to provide the Bonds in conformity with the specifications of this resolution by causing their manual or facsimile signatures to be affixed thereto, and upon the manual execution by the authorized signatory of the Paying Agent, the Treasurer is hereby authorized and directed to cause said Bonds to be delivered to the purchaser upon receipt of the purchase price and accrued interest, if any.

Blank bonds with the manual or facsimile signatures of the President and Secretary of the Board affixed thereto, shall, upon issuance and delivery and from time to time thereafter as necessary, be delivered to the Paying Agent for safekeeping to be used for registration and transfer of ownership.

9. There is hereby created a separate depository account to be kept with a bank located in the State of Michigan and insured by the Federal Deposit Insurance Corporation, previously approved as an authorized depository of funds of the Issuer, to be designated 2015 REFUNDING BOND DEBT RETIREMENT FUND (hereinafter referred to as the "DEBT RETIREMENT FUND"), all proceeds from taxes levied for the fund to be used for the purpose of paying the principal and interest on the Bonds authorized herein as they mature or are redeemed. DEBT RETIREMENT FUND moneys may be invested as authorized by law.

The Issuer hereby irrevocably pledges to make the annual principal and interest payments on the Bonds beginning with the fiscal year 2014-2015 and during each fiscal year for which a budget is adopted, the first budget obligation within its authorized millage and other available funds until such time as the principal and interest on the Bonds have been paid in full.

There shall be levied upon the tax rolls of the Issuer in each year, commencing with the tax year 2014, for the purpose of the DEBT RETIREMENT FUND a sum not less than the amount estimated to be sufficient to pay the principal and interest on the Bonds as such principal and

interest fall due, the probable delinquency in collections being taken into consideration in arriving at the estimate. The Issuer hereby pledges its limited tax full faith and credit for the payment of the principal and interest on the Bonds, payable from ad valorem taxes which will be levied within the authorized constitutional and statutory tax limitations of the Issuer for such purposes and an irrevocable appropriation of a sufficient amount of taxes will be made each year from said millage rate for the payment of principal and interest on the Bonds as due, subordinate only to any first liens on said funds pledged for the payment of state aid notes, lines of credit or tax anticipation notes heretofore or hereafter issued.

The Issuer not having the power to levy taxes for the payment of the Bonds in excess of its constitutional or statutory tax rate limitation, the Bonds will be limited tax general obligations of the Issuer, and, if tax collections are insufficient to pay the principal of or interest on the Bonds when due, the Issuer pledges to use any and all other resources available for the payment of the Bonds.

10. The proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds and to secure payment of those Prior Bonds set forth in the Bond Purchase Agreement. Upon receipt of the proceeds of sale of the Bonds, the accrued interest, if any, shall be deposited in the DEBT RETIREMENT FUND for the Bonds. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2015 BOND ISSUANCE FUND. Moneys in the 2015 BOND ISSUANCE FUND shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the 2015 BOND ISSUANCE FUND after payment of issuance expenses shall be transferred to the DEBT RETIREMENT FUND for the Bonds.

11. The balance of the proceeds of the Bonds, together with any moneys transferred at the time of closing of the Bonds from the debt retirement fund for the Prior Bonds, shall be invested in direct obligations of the United States of America, or obligations, the principal and interest of which are unconditionally guaranteed by the United States of America; or other obligations the principal and interest of which are fully secured by the foregoing (the "Escrow Funds"), and used to pay principal, interest and redemption premiums on the Prior Bonds. The Escrow Funds shall be held by an escrow agent (the "Escrow Agent") in trust pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Agent to take all necessary steps to call any Prior Bonds specified by the Superintendent or Assistant Superintendent upon sale of the Bonds for redemption, including publication and mailing of redemption notices, on the earliest date specified by the Superintendent or Assistant Superintendent that the respective series of Prior Bonds may be called for redemption. The investment held in the Escrow Funds shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal, interest and redemption premiums on the Prior Bonds as they become due pursuant to maturity or the call for redemption required by this paragraph. Following establishment of the Escrow Funds, any amounts remaining in the debt retirement fund for the Prior Bonds shall be transferred to the DEBT RETIREMENT FUND for the Bonds.

12. The Superintendent or Assistant Superintendent is authorized to select an Escrow Agent to serve under the Escrow Agreement.

13. The Bonds shall be in substantially the form attached hereto and incorporated herein as Exhibit A.

14. The Superintendent or Assistant Superintendent is hereby authorized to select an Underwriter, Placement Agent or bank or financial institution for the Bonds, and further, that the Superintendent, Assistant Superintendent or designee is authorized to negotiate a direct placement of the Bonds pursuant to a sale to a bank or financial institution, negotiate and execute a Bond Purchase Agreement or a Placement Agreement with an Underwriter or a Placement Agent, subject to the requirements of paragraph 17 below. Based upon information provided by the Issuer's financial consulting firm, a negotiated sale allows flexibility in the timing, sale and structure of the Bonds in response to changing market conditions and flexibility in sizing the defeasance escrow necessary to accomplish the refunding of the Prior Bonds. The Superintendent and/or Assistant Superintendent is authorized to negotiate the direct sale/placement of the Bonds to a bank or financial institution.

15. If necessary, the Superintendent or Assistant Superintendent is authorized to approve circulation of a Preliminary Official Statement describing the Bonds.

16. The Superintendent, Assistant Superintendent or designee if permitted by law, is hereby authorized to:

- a. File with the Department of Treasury (the "Department") an application for approval to issue the Bonds, if required, and to pay any applicable fee therefor and, further, within fifteen (15) business days after issuance of the Bonds, file any and all documentation required subsequent to the issuance of the Bonds, together with any statutorily required fee.
- b. If deemed advisable by the Issuer's financial consultant, request a waiver of the maturity limitations as set forth in the Application for Waiver.
- c. If necessary, execute and deliver a Continuing Disclosure Agreement (the "Agreement") in substantially the same form as set forth in Exhibit B attached hereto, or with such changes therein as the individual executing the Agreement on behalf of the Issuer shall approve, his/her execution thereof to constitute conclusive evidence of his/her approval of such changes. When the Agreement is executed and delivered on behalf of the Issuer as herein provided, the Agreement will be binding on the Issuer and the officers, employees and agents of the Issuer, and the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed, and the Agreement shall constitute, and hereby is made, a part of this resolution, and copies of the Agreement shall be placed in the official records of the Issuer, and shall be available for public inspection at the office of the Issuer. Notwithstanding any other provision of this resolution, the sole remedies for failure to comply with the Agreement shall be the ability of any Bondholder or beneficial owner to take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Agreement.

17. The Superintendent's authorization to accept and execute a Bond Purchase Agreement with an Underwriter, a Placement Agreement or an offer to purchase the Bonds from a bank or financial institution, is subject to the following parameters:

- a. the Underwriter spread/Placement Agent fee/discount shall not exceed \$10.00 per \$1,000 (1%);
- b. the average true interest rate on the Bonds shall not exceed 5%;
- c. the present value savings from the refunding shall not be less than 2.5% of the par of the Prior Bonds; and
- d. the receipt of express written recommendation of the Issuer's financial consulting firm identified below to accept the terms of the Bond Purchase Agreement.

18. The Superintendent or Assistant Superintendent is further authorized and directed to (i) execute any and all other necessary documents required to complete the approval and sale of the Bonds to an Underwriter in accordance with the terms of an offer to purchase from a bank or financial institution, a Bond Purchase Agreement or Placement Agreement; (ii) appoint a paying agent for the Bonds; (iii) select a bond insurer, accept a commitment therefore and authorize payment of a bond insurance premium to insure any or all of the Bonds if recommended in writing by the Financial Advisor; (iv) if necessary, deem the Preliminary Official Statement for the Bonds final for purposes of SEC Rule 15c2-12(b)(1); and (v) if necessary, execute and deliver the final Official Statement on behalf of the Issuer.

19. The President or Vice President, the Secretary, the Treasurer, the Superintendent, the Assistant Superintendent and/or all other officers, agents and representatives of the Issuer and each of them shall execute, issue and deliver any certificates, statements, warranties, representations, or documents necessary to effect the purposes of this resolution, the Bonds or the Bond Purchase Agreement/Placement Agreement.

20. The officers, agents and employees of the Issuer are authorized to take all other actions necessary and convenient to facilitate the sale and delivery of the Bonds.

21. Thrun Law Firm, P.C., is hereby appointed as bond counsel for the Issuer with reference to the issuance of the Bonds authorized by this resolution. Further, Thrun Law Firm, P.C., has informed this Board that it represents no other party in the issuance of the Bonds.

22. The financial consulting firm of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, is hereby appointed as financial consultants to the Issuer with reference to the issuance of the Bonds herein authorized.

23. The Superintendent or Assistant Superintendent may designate the Bonds 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, if, in making said designation, the Superintendent or Assistant Superintendent determines that the reasonably anticipated amount of tax-exempt obligations which will be issued by the Issuer or entities which issue obligations on behalf of the Issuer during calendar year 2015 will not exceed \$10,000,000, excluding only those tax-exempt obligations as permitted by Section 265(b)(3)(C)(ii) of the Code; provided, however, that to the extent the Prior Bonds were designated by the Issuer as a "qualified tax-exempt obligation," then only that portion of the par amount of the Bonds that exceeds the par amount of the Prior Bonds may be designated by the Superintendent or Assistant Superintendent as "qualified tax-exempt obligations" under this paragraph and the remaining portion of the Bonds are deemed designated as "qualified tax-exempt obligations".

24. The Board covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended, necessary to maintain the exclusion of interest on the Bonds from gross income.

25. 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.

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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 November 10, 2014, 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).

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Secretary, Board of Education

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