

MONROE PUBLIC SCHOOLS
MONROE COUNTY, MICHIGAN

A regular meeting of the Board of Education (the “Board”) of Monroe Public Schools, County of Monroe, State of Michigan (the “District”) was held on October 28, 2025, at 7:00 p.m., Local Time.

PRESENT: Members: _____

ABSENT: Members: _____

RESOLUTION AUTHORIZING ISSUANCE OF NOTE IN ANTICIPATION OF STATE SCHOOL AID

The following preamble and resolution were offered by _____ and supported by _____.

WHEREAS, under the terms of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended (“Act 451”), a school district is authorized to borrow money for school operations or to pay previous loans obtained for school operations and issue its note therefor, pledging for the payment thereon monies to be received by it pursuant to the State School Aid Act, Act 94, Public Acts of Michigan, 1979, as amended (the “State Aid Act”), which note shall be a full faith and credit obligation of the District; and

WHEREAS, the estimated amount of State School Aid appropriations to be allocated to the District pursuant to Section 20 of the State Aid Act for the fiscal year ending June 30, 2026 (from October 2025 through August 2026), is approximately \$47,539,945 (the “2025/2026 State School Aid”); and

WHEREAS, the District has determined it is in its best interest to borrow an amount not to exceed \$3,000,000 and issue a general obligation note therefore; and

WHEREAS, the District must either be qualified or obtain prior approval for the issuance of the note from the Department of Treasury of the State of Michigan (the “Treasury”); and

WHEREAS, the District also deems it advisable to authorize an Authorized Officer (as defined below) to accept an offer to purchase the Note from the Purchaser (as defined below) and negotiate and approve terms, and execute documents in connection with the sale and delivery of the Note to the Purchaser.

THEREFORE, IT IS RESOLVED BY THE BOARD OF MONROE PUBLIC SCHOOLS THAT:

1. Designation of Authorized Officers. The President, Secretary and Treasurer of the Board or the Superintendent or designee are each individually authorized and directed to take certain actions on behalf of the District as described below (each an “Authorized Officer”).

2. Borrowing Authorized. Pursuant to Section 1225 of Act 451, the District shall borrow an amount not to exceed \$3,000,000 for school operating purposes and/or to pay previous loans obtained for school operating purposes. The District shall issue a general obligation note for this purpose in anticipation of the 2025/2026 State School Aid (the “Note”). The final amount shall be determined by an Authorized Officer prior to the sale of the Note. As determined in consultation with Note Counsel (as defined below), the amount of the Note shall not exceed 70% of the difference between the total 2025/2026 State School Aid apportioned to the District and the portion of 2025/2026 State School Aid already received or pledged.

3. Terms and Conditions. The Note shall bear interest at the rate or rates determined by an Authorized Officer. The rate or rates shall not exceed the maximum rate permitted by law at the time of sale. The Note shall be dated and shall be due and payable on the date designated by an Authorized Officer. The Note shall not be outstanding for a period exceeding 372 days. The Note shall be payable in lawful money of the United States of America. The Note may or may not be subject to optional redemption prior to maturity.

4. Pledge of State School Aid. The District irrevocably pledges a portion of its 2025/2026 State School Aid equal to the outstanding balance of the Note including accrued interest thereon as security for repayment of the Note (the “Pledged State School Aid”). The District shall appropriate a sufficient amount of the Pledged State School Aid to repay the principal of and interest on the Note. In addition, the District irrevocably pledges its full faith and credit for payment of principal of and interest on the Note. In case of the insufficiency of the Pledged State School Aid, the District shall pay the Note as a first budget obligation from any funds legally available for such purposes.

5. Negotiated Sale, Approval of Sale and Execution of Note. The Note shall be sold pursuant to a negotiated sale. The Authorized Officer is authorized to accept an offer to purchase the Note from a bank, underwriter, or other purchaser (the “Purchaser”), execute the Note and deliver the Note to the Purchaser upon receipt of the purchase price for the Note. The Authorized Officer is further authorized to negotiate, approve and execute required documents in connection with the sale and delivery of the Note to the Purchaser. A negotiated sale was chosen by the District instead of a competitive sale. The negotiated sale was chosen because it allows flexibility in timing the sale and structure of the Note in response to changing market conditions.

6. No Impermissible Uses of Note Proceeds. The District covenants, warrants and represents that none of the proceeds of the Note will be used to finance the purchase, construction, lease, or renovation of property owned, directly or indirectly, by any officer, board member or employee of the District.

7. Department of Treasury. An Authorized Officer is hereby authorized and directed to make application to Treasury for and on behalf of the District for qualified status or for an order

approving the issuance of the Note, if applicable, and to pay any applicable fee, and to further do all things necessary on behalf of the District to obtain such Qualified Status or Order approving the issuance of the Note.

8. Retention of Note Counsel. The law firm of Collins & Blaha, P.C., is hereby appointed as note counsel for the District with reference to the issuance of the Note authorized by this Resolution (“Note Counsel”). The representation of the District by Collins & Blaha, P.C. as note counsel is hereby approved.

9. Tax Matters. If the Note is issued on a tax-exempt basis, the Board covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Note in order that the interest on the Note 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 money deemed to be Note proceeds. The Note is not a “qualified tax exempt obligation” for purposes of the deduction of interest expense by financial institutions pursuant to Section 265(b)(3) of the Code.

[Remainder of Page Intentionally Left Blank]

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

Ayes: _____

Nays: _____

RESOLUTION DECLARED ADOPTED.

Stacey Terrasi
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Monroe Public Schools hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on October 28, 2025, the original of which is a part of the Board's minutes and 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.

Stacey Terrasi
Secretary, Board of Education