

**RESOLUTION AUTHORIZING ISSUANCE OF NOTES
IN ANTICIPATION OF TAXES -
CURRENT FISCAL YEAR**

Muskegon Heights Public Schools, Muskegon County, Michigan (the "Issuer")

A regular meeting of the board of education of the Issuer (the "Board") was held in the Board of Education, within the boundaries of the Issuer, on the 2nd day of October, 2017, at 6 o'clock in the p.m.

The meeting was called to order by Trinell Scott, President.

Present: Members Trinell Scott, Peggy Selmon, Marjorie Cook and Mark Glover

Absent: Members Franklin Brewer, Marianne Darnell and Estelita Rankin

The following preamble and resolution were offered by Member Mark Glover and supported by Member Marjorie Cook:

WHEREAS, it is hereby determined that it is necessary to borrow a sum not to exceed the amount shown in paragraph 1 of Exhibit A in anticipation of the collection of the operating taxes for the current fiscal year beginning July 1, 2017 (the "Current Fiscal Year"), which taxes are described in paragraph 2 of Exhibit A (the "Pledged Taxes"), for the purpose of obtaining funds to meet operating expenses and payroll, as authorized by Act No. 34, Public Acts of Michigan of 2001, as amended (the "Act"); and

WHEREAS, the Act authorizes the borrowing of money in anticipation of the collection of the Pledged Taxes for the Current Fiscal Year after the Pledged Taxes have become due and payable in an amount not to exceed 75% of the Pledged Taxes which remain to be collected or for the Current Fiscal Year before the Pledged Taxes become due and payable in the amount not to exceed 50% of the operating tax levy for the preceding fiscal year; and

WHEREAS, the Pledged Taxes for the Current Fiscal Year are not due and payable, and the amount of the tax levy of the Issuer for operating expenditures for the preceding fiscal year ending June 30, 2017 is as shown in paragraph 3 of Exhibit A; and

WHEREAS, the Issuer has issued notes in anticipation of the Pledged Taxes for the Current Fiscal Year in the amount shown in paragraph 8 of Exhibit A; and

WHEREAS, it is necessary to obtain either qualified status or prior approval of the issuance of the Notes from the Michigan Department of Treasury (the "Department"); and

WHEREAS, the process of soliciting bids by publishing a notice of sale as specified in Section 309(2) of the Act, is prohibitively more expensive than obtaining bids through the distribution of a solicitation for bids.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Based upon expense considerations associated with publishing a notice of sale, as specified in Section 309(2) of the Act, the Board authorizes the distribution of a solicitation for bids, without publication, to obtain bids under the terms specified herein.

2. The Issuer shall borrow for the above purposes a sum not to exceed the amount shown in paragraph 1 of Exhibit A, the final amount to be determined by the officer designated in paragraph 4 of Exhibit A or designee who shall be a member of the administrative staff or board of education of the Issuer (the "Authorized Officer") prior to the sale of the notes (the "Notes"), or such part thereof as the Department may approve, if prior approval is necessary, and issue the general obligation Notes of the Issuer therefor in anticipation of the collection of Pledged Taxes for the Current Fiscal Year.

3. The Notes shall bear interest from their dated date until paid at a rate not exceeding six percent (6%) per annum, shall be dated as set forth in paragraph 5 of Exhibit A, and shall be due and payable on the date shown in paragraph 6 of Exhibit A, which is the estimated time of collection of a sufficient amount of the Pledged Taxes for the Current Fiscal Year to pay the Notes in full. The Notes shall be payable in lawful money of the United States of America at or by a bank or trust company in the State of Michigan qualified to act as paying agent as shall be designated by the original purchaser of the Notes. The original purchaser of the Notes may also designate a co-paying agent or agents, which may be located outside of Michigan. The Notes shall be in such denominations as the purchaser shall specify, unless otherwise specified in the Solicitation for Bids. The Notes shall not be subject to redemption prior to maturity.

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

5. The Issuer hereby irrevocably covenants to levy a tax for operating purposes in the Current Fiscal Year, so that the Pledged Taxes will be in an amount not less than the amount set forth in paragraph 11 of Exhibit A, and hereby appropriates a sufficient amount of the Pledged Taxes to repay the principal and interest on the Notes. From the first collections of the Pledged Taxes, there shall be set aside in a separate depository account a portion of each dollar collected which is not less than 125% of the percentage that the principal amount of the Notes bears to the Pledged Taxes until the amount set aside is sufficient for such payment. The Issuer reserves the right to issue additional notes of equal standing with the Notes as to the Pledged Taxes, subject to the limitations provided by law.

6. The full faith and credit of the Issuer is hereby irrevocably pledged for payment of principal and interest on the Notes and in case of the insufficiency of the Pledged Taxes, the Issuer shall pay the Notes from any funds legally available therefor, and, if necessary, levy sufficient taxes on all taxable property within the Issuer's geographic boundaries for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

7. The President and Secretary of the Board of Education shall execute the Notes on behalf of the Issuer and the executed Notes shall be delivered to the Treasurer who shall cause the Notes to be delivered to the purchaser thereof 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 original purchaser.

8. The Notes shall be sold by a bid opening following the distribution of a Solicitation for Bids as described below. The Authorized Officer or designee shall determine the minimum purchase price for the Notes which shall be not less than the price specified in paragraph 7 of Exhibit A, shall fix the date of such sale, and shall cause the distribution of the solicitation for bids, which shall be substantially in the form set forth in Exhibit C. The Authorized Officer or designee 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 7 of Exhibit A of the principal amount of the Notes, and other terms and conditions relating to the Notes and the sale thereof, provided that when more than one bid is received in response to the solicitation, such Note or Notes shall be awarded to the lowest responsible bidder. The Authorized Officer or designee is directed to execute a certificate accepting the interest rate and purchase price of the Notes on behalf of the Issuer.

9. The Issuer hereby covenants for the benefit of all holders of the Notes to comply with all requirements of the Internal Revenue Code of 1986, as amended (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 monies deemed to be Note proceeds. The Authorized Officer or designee shall designate the Notes as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the Code, if applicable.

10. If the Issuer has not achieved qualified status under the Act, the Authorized Officer or designee is hereby authorized to make application to the Department for and on behalf of the Issuer for an order approving the issuance of the Notes, if applicable, and to pay any applicable fee therefor.

11. The President, Vice President, Superintendent and Authorized Officer or designee 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.

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


13. The financial consulting firm of Robert W. Baird & Co., is hereby appointed as financial consultants to the Issuer with reference to the issuance of the Notes herein authorized.

14. 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 4

Nays: Members 0

Resolution declared adopted.


Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at a regular meeting held on October 2, 2017, 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

CJI/ttt



EXHIBIT A

1. Amount of borrowing not to exceed: \$250,000
2. Pledged Taxes due and payable: December 1, 2017
3. Taxes levied for the preceding fiscal year ending June 30, 2017 :

Due July 1, 2016 : \$ 522,462

Due December 1, 2016: \$ 522,462
4. Authorized Officer: Superintendent, President or Vice President of the Board of Education, Assistant Superintendent or individual acting in the capacity of the school business official.
5. Date of Notes: November 1, 2017, or date of delivery
6. Notes due and payable: April 2, 2018, or such other date as shall be determined by the Authorized Officer.
7. Purchase Price: Not less than 100% of the principal amount of the Notes.
8. Amount of Notes, NOT including this borrowing, issued in anticipation of the Pledged Taxes: \$ NONE.
9. Total amount of tax-exempt obligations NOT including this borrowing issued or to be issued in this calendar year: \$ 0.
10. Five percent (5%) of estimated fiscal year 2016-2017 operating expenses: \$ 92,797.
11. Pledged Taxes shall be levied in an amount not less than 200% of the amount of the Notes together with the principal of other notes issued in anticipation of the Pledged Taxes for the Next Succeeding Fiscal Year.

EXHIBIT B

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF MUSKEGON
MUSKEGON HEIGHTS PUBLIC SCHOOLS
TAX ANTICIPATION NOTE
(GENERAL OBLIGATION - LIMITED TAX)**

Rate

Maturity Date
January 1, 2017

Date of Original Issue

**REGISTERED OWNER:
PRINCIPAL AMOUNT:**

Muskegon Heights Public Schools, County of Muskegon, State of Michigan (the "Issuer"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, with interest thereon from the date hereof until paid at the Rate specified above based on a 360-day year, 30-day month, on presentation and surrender of this note (the "Note") at _____, Michigan (the "Paying Agent").

This Note is not subject to redemption prior to maturity.

This Note is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended, in anticipation of the collection of operating taxes for the fiscal year beginning July 1, 2017, which are due and payable on December 1, 2017, and an irrevocable appropriation of a sufficient amount of such taxes has been made for the payment of this Note, together with the interest thereon.

The Issuer has designated this Note as a "Qualified Tax-Exempt Obligation" for the purpose of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended.

It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this Note, have been done, exist and have happened in regular and due time and form as required by law, and that the total indebtedness of the Issuer, including this Note, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, Muskegon Heights Public Schools, County of Muskegon, State of Michigan, by its Board of Education, has caused this Note to be signed in the name of the Issuer by its President and Secretary, as of January 1, 2017.

Muskegon Heights Public Schools
County of Muskegon
State of Michigan

By Form Only - Not for Execution
President

And Form Only - Not for Execution
Secretary

EXHIBIT C

SOLICITATION FOR BIDS

\$250,000

**MUSKEGON HEIGHTS PUBLIC SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN**

**TAX ANTICIPATION NOTES
(GENERAL OBLIGATION - LIMITED TAX)**

Unconditional and firm bids for the purchase of the above Tax Anticipation Notes (the "Notes") will be received by Muskegon Heights Public Schools, Muskegon County, Michigan (the "Issuer"), at the administrative offices of the Issuer, 2603 Leahy Street, Muskegon Heights, Michigan 49444-2121, on ___ day of _____, 20___, until ___ o'clock in the ___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 on that date.

FAXED BIDS: Bidders may submit signed bids via facsimile transmission to the Issuer at (231) 830-3560 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 (231) 830-3221.

NOTE DETAILS; INTEREST RATE; PAYING AGENT AND PAYING AGENT FEES; AND DENOMINATION: The Notes will be dated November 1, 2017, or date of delivery, will mature April 2, 2018, and will bear interest at a rate not exceeding six percent (6%) per annum. Interest upon the Notes will be calculated on a 360-day year, 30-day month. Both principal and interest will be payable at a bank or trust company located in the State of Michigan to 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. The purchaser may also designate a co-paying agent or agents, similarly qualified, which may be located outside of Michigan. Paying agent fees, if any, are to be paid by the purchaser of the Notes. The Notes shall be issued in denominations as designated at the option of the purchaser.

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

AWARD OF NOTES: For the purpose of awarding the Notes, the interest cost of each unconditional and firm bid will be computed on a 360-day year, 30-day month basis by determining, at the rate specified therein, the total dollar value of all interest on the Notes from _____, 20___, to their maturity and deducting therefrom any premium. Any net premium bid on the Notes shall not result in a purchase price in excess of ___% of the par value of the Notes. 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.

PURPOSE AND SECURITY: The Notes are issued in anticipation of the receipt of operating taxes due and payable on December 1, 2017. The Board of Education has voted and pledged as security for the tax note borrowing to levy taxes on December 1, 2017 for operating purposes in an amount not less than 200% of the amount of this tax note borrowing. The Issuer is required to set aside in a separate depository account a portion of each dollar of said operating taxes collected, which is not less than 125% of the percentage that the principal amount of the Notes bears to the amount of the operating taxes for the fiscal year ending June 30, 2017. In case of the insufficiency of the taxes pledged for the payment thereof, the Issuer is required to pay the Notes from any funds legally available therefor including subsequent tax levies of the Issuer. The Issuer does not have the power to levy taxes for the payment of the Notes in excess of its constitutional and statutory tax rate limits.

The rights or remedies of noteholders may be affected by bankruptcy laws or other creditors' rights legislation now existing or hereafter enacted.

ADDITIONAL BORROWING: The Issuer reserves the right to borrow additional monies to meet operating expenses and payroll. Any future borrowing against operating taxes will be secured by a lien equal in standing to the lien herein created against such operating taxes.

LEGAL OPINION: Bids shall be conditioned upon the unqualified opinion of Thrun Law Firm, P.C., attorneys of East Lansing, Michigan, note counsel, 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.

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.

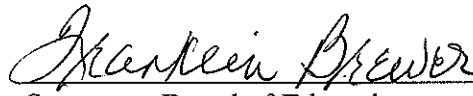
DELIVERY OF NOTES: The Issuer shall furnish notes ready for execution at its expense. Notes will be delivered without expense to the purchaser at a place located within the State of Michigan to be mutually agreed upon between the purchaser and the Issuer. Delivery can also be made outside the State of Michigan, 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 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 made in Federal Reserve Funds.

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 Robert W. Baird & Co., Lansing, Michigan, _____, _____, _____, telephone: _____.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

The bids should be plainly marked "Proposal for Muskegon Heights Public Schools Tax Anticipation Notes".


Secretary, Board of Education

