



NOW, THEREFORE, BE IT RESOLVED THAT:

1. The district approves the estimated amount to be borrowed from the School Bond Loan Fund and certifies the amount of qualified debt millage to be levied in accordance with following:

Qualified Bond Debt Millage (Tax Year 2004)		
Beginning Balance Owed to the SBL Fund (7/01/04)		
Estimated Amount To Borrow From SBL Fund		
Estimated Accrued Interest		
Estimated Ending Balance Owed the SBL Fund (6/30/05)		

2. The district agrees to levy the debt millage tax as indicated in Exhibit B in the current tax year and to levy the debt millage tax required by law on the taxable valuation of the district for each subsequent year until all loans are repaid in full to the State of Michigan.

3. The district agrees to take actions and to refrain from taking any actions as necessary to maintain the tax exempt status of bonds or notes issued by the State for the purpose of financing loans to school districts and the district agrees to the representations and covenants as contained in Exhibit A.

4. The district agrees to file a final loan application with the State Treasurer not less than 30 days prior to the time when proceeds of the loan will be necessary in order to pay maturing principal or interest or both and to provide any other pertinent facts which may be required to be included in the application.

5. The (title of authorized officer) \_\_\_\_\_ is authorized and directed to file with the Department of Treasury the Preliminary Loan Application and any necessary final loan application documents necessary for obtaining a loan. This officer is authorized to file the *State School Bond Loan Receipt and Agreement to Repay Loan* which will be provided after receipt of the loan.

6. In the event that the district fails to perform any actions as identified in this application or required by law, the district will submit to the State Treasurer a board approved resolution which indicates the actions taken and procedures implemented to assure future compliance.

7. The district board members have read this application, approved all statements and representations contained herein as true to the best knowledge and belief of said board, and authorized the Secretary of the Board of Education to sign this Final Application and submit same to the State Treasurer for his review and approval.

Ayes: Members

---

Nays: Members

---

## EXHIBIT A - REPRESENTATIONS AND COVENANTS

For the purpose of assisting the State of Michigan in making its determination that bonds issued by it to fund the School Bond Loan Fund will be tax-exempt bonds, the Board of Education makes the following representations and covenants with respect to each of the bond issues identified in this application for which a loan is obtained by the School District from the School Bond Loan Fund (the "School District Bonds") and each of the projects financed or refinanced by the School District Bonds (the "Projects"):

- (1) Neither the School District nor any related party will purchase bonds of the State of Michigan issued pursuant to the Michigan Constitution, Article 9 Section 16, in an amount related to the amount of the loan by the State of Michigan to the School District under the School Bond Loan Program.
- (2) No more than 10 percent of the proceeds of any issue of the School District Bonds or any Project has been or will be used directly or indirectly in a trade or business carried on by any person other than a governmental unit (a private business use). No more than 5 percent of the proceeds of any issue of the School District Bonds or any Project has been or will be used for any private business use that is not related to governmental purposes of the School District or that, although related to governmental purposes of the School District, exceeds the amount of School District Bond proceeds or such Project used for governmental purposes of the School District other than a related private business use. No more than 5 percent of the proceeds of any issue of the School District Bonds has been or will be used directly or indirectly to make or finance loans to persons other than governmental units or loans for purposes other than enabling a borrower to finance any governmental tax or assessment of general application for a specific essential governmental function.
- (3) The School District will not, while any issue of the School District Bonds remains outstanding, (i) sell, transfer or otherwise dispose of any of the Project or Projects financed by that issue of the School District Bonds for use by another person, (ii) contract with any private business entity for the management of school operations or other operations in any Project or Projects financed by that issue of the School District Bonds, or (iii) otherwise change the use of any of the Project or Projects financed by that issue of the School District Bonds to a private business use, without first (A) consulting with, and following the instructions of its bond counsel as to appropriate remedial action in connection with a change in use under Treas. Reg. S1.141-12 or a successor provision or regulation by the Internal Revenue Service setting forth conditions under which changes in the use of proceeds of an issue of State or local bonds will not cause those bonds to be treated as violating any requirements of Section 141 through 150 of the Internal Revenue Code of 1986, as amended, or its successor, and (B) notifying the Michigan Department of Treasury, Office of Cash and Debt Management, School Bond Loan Program, in advance and in writing, of such change in use and the remedial action to be undertaken, if any.
- (4) Upon request, a copy of the bond counsel opinion, certified as true by the School District, with respect to any issue of the School District Bonds will be promptly provided to the Michigan Department of Treasury.