

State Treasurer, the Issuer shall enter into a Tax Intercept Agreement with a bank or trust company selected by the Authorized Officer, as depositary (the "Depositary"), the following local municipalities: Bainbridge Township, Benton Charter Township, Hagar Township, Pipestone Township, St. Joseph Charter Township, Sodus Township, the City of Benton Harbor, and the City of St. Joseph (each a "Local Government," collectively the "Local Governments") and the County Treasurer of the County of Berrien to provide for the payment to the Depositary by such Local Government and County Treasurer of such operating taxes and the delinquencies thereon collected by them on behalf of the Issuer after the date of such agreement. As additional security for payment of this Note and in the event of the delinquency of the Issuer in paying required principal of or interest on this Note, the State Treasurer is authorized to intercept up to but not more than all delinquent amounts of principal and interest due on this Note from state school aid payments to the Issuer otherwise required to be made to the Issuer pursuant to the provisions of the State School Aid Act, Act No. 94, Public Acts of 1979, as amended, and said intercepted state school aid payments shall be applied by the State Treasurer against said delinquent payments. The Issuer's pledge of the proceeds of operating taxes and state aid payments described in this paragraph shall be subordinate to all state aid notes and tax anticipation notes sold to the Michigan Finance Authority, regardless of the date of issue. However, this current pledge of operating taxes and state aid payments shall be senior to pledges for payment of state aid notes or lines of credit issued after the date of this Note and sold to all other parties that are not the Michigan Finance Authority. This Note is issued on a *pari passu* basis with the prior emergency loan notes of the issuer originally dated September 17, 2012, July 22, 2015, May 18, 2016, and July 11, 2016, and currently maturing November 1, 2031, November 1, 2026, November 1, 2031, and November 1, 2031, respectively, whether in their original form or as restructure as provided under Act 243.

If required by the State Treasurer pursuant to the immediately preceding paragraph, the Issuer shall enter into a Depositary Agreement related to the Tax Intercept Agreement with the Depositary to provide for the manner in which the revenue from taxes collected will be deposited for use to repay the principal and interest due on this Note.

While this Note is outstanding, the Issuer has the right to issue to one or more financial institutions or the Michigan Finance Authority one or more state aid notes, tax anticipation notes or other municipal securities and additional notes only to the State of Michigan in order to obtain additional emergency loans for the purpose of enabling the Issuer to meet its financial obligations.

Except as State law may require, the limited tax, full faith and credit resources of the Issuer are hereby pledged for the payment of the principal of and interest on this Note. This Note is payable primarily from ad valorem taxes, which will be levied within the authorized constitutional and statutory tax limitations of the Issuer, and an irrevocable appropriation of a sufficient amount of such taxes will be made each year as a first operating budget obligation for the payment of the principal of and interest on this Note as due, subordinate to all first liens on said funds pledged for the payment of other municipal securities, state aid notes or tax anticipation notes sold to the Michigan Finance Authority, further subordinate to any first liens

RESOLUTION AUTHORIZING APPLICATION FOR RESTRUCTURING OF 2014 EMERGENCY
LOAN, EMERGENCY LOAN NOTE 2013-14 SERIES I AND RELATED MATTERS

on said funds pledged for the payment of state aid notes, lines of credit or tax anticipation notes issued prior to the date of this Note and sold to parties other than the Michigan Finance Authority, and subordinate to any statutory obligations to set aside operating tax collections for any tax anticipation notes issued subsequent to this Note. If taxes are insufficient to pay this Note when due, the Issuer has pledged to use any and all other resources available for the payment of this Note. The Issuer does not have the power to levy taxes for the payment of this Note in excess of its constitutional or statutory tax rate limitations. The Issuer may issue additional bonds or notes of equal standing with this Note only upon the approval of the State Treasurer.

The Issuer covenants that it shall perform and meet all requirements imposed upon the Issuer as a result of receiving this loan pursuant to Act 243 until this Note is paid in full.

The Issuer waives presentment, demand, notice of dishonor, protest and notice of non-payment with respect to this Note.

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

BENTON HARBOR AREA SCHOOLS

County of Berrien, State of Michigan

By: _____

Its: _____

EXHIBIT A

TERMS OF THE LOAN

33776217.1\158103-00002



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2019-2

ORDER OF APPROVAL OF EMERGENCY LOAN RESTRUCTURING

**THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD,
ACTING UPON THE APPLICATION OF**

**BENTON HARBOR AREA SCHOOLS
COUNTY OF BERRIEN
STATE OF MICHIGAN**

Requesting approval for the restructuring of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2013-14 Series I, for the purpose of enabling Benton Harbor Area Schools (the "School District") to meet its financial obligations as more fully set forth herein, the Board determines that:

1. A financial emergency exists within the School District.
2. The School District is deemed to have complied with the provisions of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, as follows:
 - (a) The School District is in compliance with the terms of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2013-14 Series I and any other requirements applicable to the School District under the Emergency Municipal Loan Act, as amended.
 - (b) The School District is in compliance with any requirements relating to a deficit elimination plan under state law.
 - (c) The School District is in compliance with any applicable consent agreement or order of an emergency manager under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or a successor statute.

- (d) The School District is in compliance with all requirements for receipt of the foundation allowance and any other requirements applicable to the School District under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.
- (e) The restructuring of payments complies with applicable law.
- (f) The Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2013-14 Series I has not been sold or transferred under Section 6a of the Emergency Municipal Loan Act, as amended.

NOW, THEREFORE, be it ordered by the Board that the application of the School District for the restructuring of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2013-14 Series I is hereby approved, subject to the conditions set forth in this Order of Approval.

Terms of Restructured Emergency Loan

1. The restructured emergency loan shall be evidenced by a note to be designated as the "Second Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2013-14 Series I." The principal amount outstanding shall bear interest initially at the rate of 2.65 percent (2.65%) per annum, which may be subsequently adjusted pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended. Until the emergency loan is repaid, a payment of interest only then owing shall be remitted each May 1 and November 1, or the next succeeding business day, beginning May 1, 2020, and a payment of principal and interest then owing shall be remitted each November 1, or the next succeeding business day, beginning in 2028, with a date of final maturity of November 1, 2043, per attached payment schedule (Exhibit A).
2. The School District shall abide by all conditions set contained herein in order to remain in compliance with the terms of the Second Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2013-14 Series I. Such conditions shall be satisfied by the School District, including that all documents shall be in form and substance satisfactory to the State Treasurer on behalf of the State of Michigan, in the sole discretion of the State Treasurer, unless waived by the State Treasurer in writing.

Conditions Upon School District

1. As an initial condition of the restructuring of the emergency loan authorized by this Order of Approval, the Superintendent and Board of Education of the School District agree to perform the following:
 - (a) Pay all interest accrued under the amended and restated note evidencing the emergency loan due through October 22, 2019.
 - (b) Execute an second amended and restated cognovit authorizing the Attorney General to confess a judgment against the School District in the event of a default upon the restructured emergency loan.
2. As a condition of the restructuring of the emergency loan authorized by this Order of Approval, the Superintendent and Board of Education of the School District agree to perform all of the following during the period that any portion of the emergency loan remains outstanding:
 - (a) If determined necessary by the State Treasurer, in its sole discretion, obtain and deliver to the State Treasurer on behalf of the State of Michigan fully executed Tax Intercept, State Aid and Tax Pledge, and/or Depository Agreements, and/or amendments to any existing agreements thereof, within ninety (90) days of the School District receiving notice from the State Treasurer that such agreement(s), and/or amendments thereto, is needed or such longer period of time as may be approved by the State Treasurer.
 - (b) Submit to the State Treasurer and Superintendent of Public Instruction on a monthly basis, and by the 20th day of each succeeding month, a statement of its current monthly cash flow projections encompassing all revenues and expenditures. Such statements shall examine a rolling 12 month period and shall include a comparison of the School District's projected cash flows to the actual cash flow realized by the School District.
 - (c) Submit to the State Treasurer and Superintendent of Public Instruction on a monthly basis and by the 20th day of each succeeding month, a statement of the School District's current accounts payable aging.
 - (d) Employ a full-time professional administrator or contract with a person with expertise in municipal finance and administration to direct or participate directly in the management of the School District's operations until otherwise ordered by the Board.
 - (e) Submit biannually to the State Treasurer and Superintendent of Public Instruction an evaluation of performance of the School District against the enhanced deficit elimination plan that was certified by the Department of Treasury on September 20, 2019 and approved by the governing body of the School District on September 10,

2019. This plan indicates that the School District will balance future expenditures with anticipated revenues.

- (f) Submit to the State Treasurer and Superintendent of Public Instruction on a quarterly basis for the immediately preceding quarter all of the following:
 - (1) A statement of actual revenues received by the School District in the last quarter of the current fiscal year of the School District and in the current fiscal year of the School District to date.
 - (2) A statement of total revenues estimated to be received by the School District in the current fiscal year of the School District.
 - (3) A statement of expenditures made and encumbrances entered into by the School District in the last quarter of the current fiscal year of the School District and in the current fiscal year of the School District to date.
 - (4) A statement of revenues which were estimated to be received by the School District and expenditures which were estimated to be made by the School District during the current fiscal year of the School District and through the end of the last quarter of the current fiscal year of the School District.
 - (5) A balance sheet indicating whether total estimated expenditures for the current fiscal year of the School District and for the last quarter exceed the total estimated revenues for the current fiscal year of the School District and for the last quarter, respectively.
- (g) Submit annually by July 1 to the State Treasurer and Superintendent of Public Instruction the general appropriations act of the School District and submit forthwith any amendments to the general appropriations act of the School District adopted pursuant to Public Act 2 of 1968, as amended, the Uniform Budgeting and Accounting Act. An annual operating budget of the School District shall not become effective until approved by the State Treasurer, in consultation with the Superintendent of Public Instruction.
- (h) Certify annually by July 1 that the School District has fully complied with all statutory requirements concerning the use of the uniform chart of accounts and audits promulgated by the Michigan Department of Education.
- (i) To the extent applicable, comply with the requirements of both of the following:
 - (1) Section 3 or 4 of Public Act 152 of 2011, the Publicly Funded Health Insurance Contributions Act.

(2) Section 5 of Public Act 152 of 2011, the Publicly Funded Health Insurance Contributions Act.

3. Compliance with the conditions imposed upon the School District by this Order of Approval shall be the responsibility of the Superintendent and Board of Education of the School District.
4. Failure of the School District to comply with the terms of this section of this Order of Approval shall constitute an Event of Default under the Second Amended and Restated Note and the terms and conditions of this section of this Order of Approval are incorporated in and made a part of the Second Amended and Restated Note.
5. This Order of Approval supersedes any Funding Conditions Memorandum dated prior to the date of this Order of Approval.

Conditions not Discharged by Contingencies

The conditions imposed upon the School District by this Order of Approval are not subject to release or discharge due to any contingencies, including, but not limited to, clerical errors, computer failures, late mailings, or the failure to comply with reporting due dates or other scheduled due dates due to adverse weather, acts of God, acts of third parties, or compliance with court orders.

Due Dates

A provision of this Order of Approval which requires the School District to submit to the Board, the State Treasurer, or the Superintendent of Public Instruction a report, listing, or other document by a specific due date shall not be deemed complied with unless the report, listing, or other document is received by the Board, the Michigan Department of Treasury, or the Michigan Department of Education by the due date specified. If the due date for a report, listing, or other document falls on a weekend or legal holiday, then the report, listing, or other document shall be due on the first day thereafter which is not a weekend or legal holiday.

Waiver of Provisions

To the extent permitted by Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, the Board may waive or modify a provision of this Order of Approval if, in its sole discretion, the Board concludes that the School District has demonstrated good cause shown for the waiver. However, the lack of a specific action by the Board shall not be construed as a waiver or modification of a provision of this Order of Approval.

Delegation of Ongoing Supervision

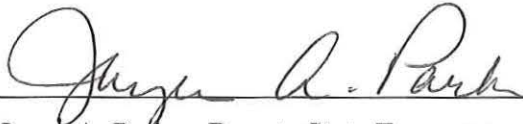
The Board delegates to the State Treasurer responsibility for the day-to-day supervision of the compliance by the School District with this Order of Approval.

Subordination of Loan


1. The pledge of the proceeds of operating taxes, revenue sharing and state aid payments, as applicable, to repayment of this loan, shall be subordinate to the pledge of those revenues to all state aid notes, tax anticipation notes and other debt issuances sold to the Michigan Finance Authority.
2. The State Treasurer is hereby authorized to permit the subordination of the pledge of the proceeds of operating taxes, revenue sharing and state aid payments, as applicable, to repayment of this loan, to the pledge of those revenues to all state aid notes, tax anticipation notes and other debt issuances sold to parties other than the Michigan Finance Authority.
3. The State Treasurer is hereby authorized to execute on behalf of the Board any such agreements or documents as deemed necessary or appropriate to evidence the subordination approved herein.

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Approval.

LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

By 
Joyce A. Parker, Deputy State Treasurer,
State and Local Finance
As Designee for Rachael Eubanks, State Treasurer
Department of Treasury

By 
Chris Kolb, State Budget Director, State Budget Office
As Designee for Tricia L. Foster, Director
Department of Technology, Management and Budget

By 
LeAnn Droste, Director, Finance and
Administrative Services
As Designee for Orlene Hawks, Director
Department of Licensing and Regulatory Affairs

Date: October 22, 2019

Lansing, Michigan

EXHIBIT A

Benton Harbor Area Schools, Michigan Second Amended and Restated Emergency Loan Note, 2013-14 Series I (General Obligation - Limited Tax)

Amended Exhibit Dated: October 22, 2019

Date	Principal	Coupon	Interest	Debt Service
5/1/2020	-		17,099.02	17,099.02
11/1/2020	-		16,386.56	16,386.56
5/1/2021	-		16,163.55	16,163.55
11/1/2021	-		16,431.45	16,431.45
5/1/2022	-		16,163.55	16,163.55
11/1/2022	-		16,431.45	16,431.45
5/1/2023	-		16,163.55	16,163.55
11/1/2023	-		16,431.45	16,431.45
5/1/2024	-		16,208.44	16,208.44
11/1/2024	-		16,386.56	16,386.56
5/1/2025	-		16,163.55	16,163.55
11/1/2025	-		16,431.45	16,431.45
5/1/2026	-		16,163.55	16,163.55
11/1/2026	-		16,431.45	16,431.45
5/1/2027	-		16,163.55	16,163.55
11/1/2027	-		16,431.45	16,431.45
5/1/2028	-		16,208.44	16,208.44
11/1/2028	85,000.00	2.650%	16,386.56	101,386.56
5/1/2029	-		15,046.55	15,046.55
11/1/2029	85,000.00	2.650%	15,295.95	100,295.95
5/1/2030	-		13,929.56	13,929.56
11/1/2030	85,000.00	2.650%	14,160.44	99,160.44
5/1/2031	-		12,812.57	12,812.57
11/1/2031	85,000.00	2.650%	13,024.93	98,024.93
5/1/2032	-		11,728.06	11,728.06
11/1/2032	85,000.00	2.650%	11,856.94	96,856.94
5/1/2033	-		10,578.58	10,578.58
11/1/2033	85,000.00	2.650%	10,753.92	95,753.92
5/1/2034	-		9,461.59	9,461.59
11/1/2034	65,000.00	2.650%	9,618.41	74,618.41
5/1/2035	-		8,607.42	8,607.42
11/1/2035	65,000.00	2.650%	8,750.08	73,750.08
5/1/2036	-		7,774.78	7,774.78
11/1/2036	65,000.00	2.650%	7,860.22	72,860.22
5/1/2037	-		6,899.08	6,899.08
11/1/2037	70,000.00	2.650%	7,013.42	77,013.42
5/1/2038	-		5,979.20	5,979.20
11/1/2038	70,000.00	2.650%	6,078.30	76,078.30
5/1/2039	-		5,059.32	5,059.32
11/1/2039	75,000.00	2.650%	5,143.18	80,143.18

EXHIBIT A

Benton Harbor Area Schools, Michigan
Second Amended and Restated Emergency Loan Note, 2013-14 Series I
(General Obligation - Limited Tax)

Amended Exhibit Dated: October 22, 2019

Date	Principal	Coupon	Interest	Debt Service
5/1/2040	-		4,085.05	4,085.05
11/1/2040	75,000.00	2.650%	4,129.95	79,129.95
5/1/2041	-		3,088.16	3,088.16
11/1/2041	75,000.00	2.650%	3,139.34	78,139.34
5/1/2042	-		2,102.58	2,102.58
11/1/2042	80,000.00	2.650%	2,137.42	82,137.42
5/1/2043	-		1,051.29	1,051.29
11/1/2043	80,000.00	2.650%	1,068.71	81,068.71
	1,230,000.00		532,480.58	1,762,480.58



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2019-2

ORDER DENYING EMERGENCY LOAN RESTRUCTURING

**THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD,
ACTING UPON THE APPLICATION OF**

**BENTON HARBOR AREA SCHOOLS
COUNTY OF BERRIEN
STATE OF MICHIGAN**

For the purposes of this Order, the Local Emergency Financial Assistance Loan Board determines that:

1. A financial emergency exists within the Benton Harbor Area Schools (the "School District").
2. The School District has requested a restructuring of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2013-14 Series I.
3. The School District is deemed to have complied with the provisions of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended.
4. The merits of this request have been examined by the Local Emergency Financial Assistance Loan Board.
5. The Local Emergency Financial Assistance Loan Board has determined that the requested restructuring of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2013-14 Series I is not in the best interests of the School District and the State of Michigan.

NOW, THEREFORE, it is ordered by the Board that the application of the School District for the restructuring of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2013-14 Series I is hereby DENIED.

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Denial.

LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

By _____
Joyce A. Parker, Deputy State Treasurer,
State and Local Finance
As Designee for Rachael Eubanks, State Treasurer
Department of Treasury

By _____
Chris Kolb, State Budget Director, State Budget Office
As Designee for Tricia L. Foster, Director
Department of Technology, Management and Budget

By _____
LeAnn Droste, Director, Finance and
Administrative Services
As Designee for Orlene Hawks, Director
Department of Licensing and Regulatory Affairs

Date: October 22, 2019
Lansing, Michigan

MICHIGAN DEPARTMENT OF TREASURY
Bureau of Local Government Services
PO Box 30728
Lansing, Michigan 48909
RESTRUCTURED EMERGENCY MUNICIPAL LOAN APPLICATION

Applicant: Benton Harbor Area Schools
County/Countries of: Berrien
Mailing Address: PO Box 1107, Benton Harbor, MI 49023-1107
Chief Financial Officer: Scott Johnson Phone: (269) 605-1076
Contact Person: Scott Johnson Phone: (269) 605-1076
Issuance date of loan: July 11, 2016
Current loan balance: \$1,400,000.00

1. Is the municipality in compliance with the terms of the loan and any other requirements applicable to the municipality under PA 243 of 1980?

Yes

If no, provide explanation: The School District is resuming it's reporting to remain compliant with Act 243 after a period of not submitting due to Treasury involvement.

2. Does the municipality have a certified deficit elimination plan?

Yes

If yes, provide date of certification: January 28, 2018

If no, provide explanation:

3. Is the municipality in compliance with any applicable consent agreement or order of an emergency manager under PA 436 of 2012?

N/A - Not under PA 436 of 2012

If no, provide explanation:

4. For School Districts only

Is the school district in compliance with all requirements for receipt of the foundation allowance and any other requirements applicable to the school district under PA 94 of 1979?

Yes

If no, provide explanation:

5. For Municipalities other than School Districts

Is the municipality in compliance with all conditions for revenue distributed under PA 140 of 1971?

No

If no, provide explanation: Not Applicable (not a municipality)

6. Does the restructuring of payments comply with applicable laws?

Yes

If no, provide explanation:

7. Has the loan been sold or transferred under PA 243 of 1980, Section 6a?

No

If yes, provide date of sale or transfer:

ADDITIONAL REQUIRED INFORMATION

8. Resolution adopted by the governing body of the municipality approving the submission of the restructuring application.

9. Budget for current fiscal year and preceding fiscal year(s) if available.

10. Projected monthly cash flows for the preceding 12 months.

11. Accounts Payable Aging Report.

12. Describe the need for the restructuring.

The restructured ELN will contribute to a realignment of debt service to lower the aggregate debt service per pupil and allow the use of General Fund dollars for operational programming and expenses.

Chief Administrative Officer Name:

Patricia Robinson

Chief Administrative Officer Signature:



Date:

7/18/19

**BENTON HARBOR AREA SCHOOLS
COUNTY OF BERRIEN, STATE OF MICHIGAN**

**RESOLUTION AUTHORIZING APPLICATION FOR RESTRUCTURING
2015 EMERGENCY LOAN FROM THE STATE OF MICHIGAN,
RESTRUCTURING OF EMERGENCY LOAN NOTE 2014-15 SERIES I, AS AMENDED
AND RELATED MATTERS**

A regular meeting of the Board of Education (the "Board") of the Benton Harbor Area Schools, Berrien County, Michigan (the "School District") was held in the School District, on June 6, 2019, at 6:00 p.m. local time.

The meeting was called to order at 5:01 p.m. local time by JOSEPH TAYLOR Board
VP President.

Present: Members: JOSEPH TAYLOR, PATRICIA RUSH, DENISE WHATLEY-SEAS
LUE BUCHANA, MATTHEW BRADLEY, MICHELLE CROWDER

Absent: Members: STEPHEN MITCHELL

The following preamble and resolution were offered by Member MATTHEW BRADLEY and
supported by Member LUE BUCHANA:

WHEREAS, on July 22, 2015, pursuant to the Emergency Loan Act, Act 243 Public Acts of Michigan, 1980, as amended ("Act 243"), the School District obtained an emergency loan (the "2015 Loan") from the Local Emergency Financial Assistance Loan Board (the "ELB"), which 2015 Loan was evidenced by a note designated Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I, as subsequently amended and restated and currently designated Amended and Restated Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I, dated July 11, 2016, which currently is outstanding and in full force and effect in accordance with its terms (the "Restated 2015 Note");

WHEREAS, pursuant to Section 3(9) of Act 243 and subject to certain conditions set forth in Act 243, the ELB may restructure payments, but not the outstanding principal balance or interest, on certain loans, including the 2015 Loan;

WHEREAS, the Board has determined that it is necessary and in the best interest of the School District to make application to the ELB to restructure the 2015 Loan as permitted under Act 243 (the "Restructuring"); and

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD AS FOLLOWS:

1. Applications to Restructure. The Superintendent/CEO, Assistant Superintendent, Business Manager, Individual acting in the capacity of the school business official, Board Officer or designee, or any one of them acting alone (each an "Authorized Officer") are hereby authorized and directed to submit an application to the ELB for approval to restructure the 2015 Loan and the respective debt service payment schedules on the Restated 2015 Note.

2. The Restructured Loan and Restructured Note. The restructured 2015 Loan shall be evidenced by a second amended and restated note which shall be exchanged for the Restated 2015 Note and shall be designated as the "Second Amended and Restated Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I", or such other designation approved by the ELB in its Order of Approval, as hereinafter defined (the "Restructured 2015 Note"). An Authorized Officer is authorized and directed to negotiate the amended payment schedule for the Restructured 2015 Note with the Michigan Department of Treasury (the "Treasury"), within the parameters allowed under Section 3(9) of Act 243. Except as otherwise provided by the ELB in its Order of Approval ("the Order of Approval") of the Restructured 2015 Note, the principal amount of the Restructured 2015 Note shall be equal to the outstanding principal amount of the 2015 Note on the day the Restructured 2015 Note is executed; the final maturity date of the Restructured 2015 Note shall be on or before July 1, 2045; and the interest rate on the Restructured 2015 Note shall remain at 2.35% per annum. The principal and interest on the Restructured 2015 Note shall be payable on the dates specified in the Order of Approval. An Authorized Officer shall execute the Restructured 2015 Note on behalf of the School District and deliver it to the ELB as agent for the State.

3. Form of Restructured Note. The Restructured 2015 Note shall be in substantially the form attached hereto as Exhibit A, and the completed amended repayment schedule and such other modifications, additions, changes and deletions as are approved by the Order of Approval and an Authorized Officer.

4. Execution of Restructured Note. An Authorized Officer, on behalf of the School District, is hereby authorized to execute and deliver the Restructured 2015 Note in exchange for receiving back the Restated 2015 Note marked "CANCELED"; and the Authorized Officer is authorized and directed then to destroy such canceled note.

5. Note Counsel. The representation of the School District by Miller, Canfield, Paddock and Stone, P.L.C. as note counsel ("Note Counsel") is hereby approved, notwithstanding its periodic representation of other potential parties to the transaction in unrelated matters. The Authorized Officer is authorized to approve an engagement letter with Note Counsel that shall set forth the terms of Note Counsel's engagement.

6. Municipal Advisor. The School District hereby appoints Robert W. Baird & Co., Incorporated to act as Municipal Advisor with reference to the Restructuring authorized by this Resolution.

7. Further Actions. The Authorized Officer and other officers, administrators, agents and attorneys of the School District are authorized and directed to execute and deliver all other agreements, documents and certificates and to take all other actions necessary relating to the Restructuring in accordance with this Resolution. The officers, administrators, agents and attorneys of the School District are authorized and directed to pay costs of issuance and any other costs necessary to accomplish the Restructuring.

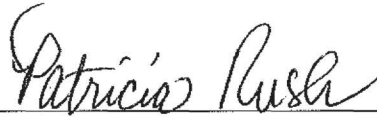
8. Prior Actions. Any actions taken by an Authorized Officer prior to the date hereof to effectuate the transactions contemplated by this Resolution are hereby ratified.

9. Conflicts. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

Ayes: Members: JOSEPH TAYLOR, PATRICIA RUSH, DENISE WHATLEY-SEATS,
LUE BUCHANA, MATTHEW BRADLEY, MICHAEL CROWDER


Nays: Members: _____

Resolution Declared Adopted.



Patricia Rush
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of the Benton Harbor Area 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 June 6, 2019, 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, being Act No. 267, Public Acts of Michigan, 1976, as amended.



Patricia Rush
Secretary, Board of Education

33786067

RESOLUTION AUTHORIZING APPLICATION FOR RESTRUCTURING OF 2015 EMERGENCY
LOAN, EMERGENCY LOAN NOTE 2014-15 SERIES I AND RELATED MATTERS

EXHIBIT A

FORM OF RESTRUCTURE 2015 NOTE

R-1

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF BERRIEN**

BENTON HARBOR AREA SCHOOLS

**SECOND AMENDED AND RESTATED EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
2014-15 Series I**

Registered Owner: State of Michigan

Principal Amount: \$1,400,000

Date of Original Issue: November 1, 2019

The Benton Harbor Area Schools, County of Berrien, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received hereby promises to pay to the State of Michigan, the Principal Amount specified above, in lawful money of the United States of America, in _____ consecutive annual installments in the amounts as set forth on the attached Exhibit A, incorporated herein by reference, unless modified by a written agreement with the State Treasurer of Michigan (the "State Treasurer"), on November 1 in each of the years ____ to ____, inclusive, unless prepaid prior thereto as hereinafter provided, with interest on the unpaid principal balance hereof from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the rates per annum as set forth herein, first payable on November 1, 20__ and semiannually on each May 1 and November 1 thereafter. Both the principal of and interest on this Note are payable at the Office of the State Treasurer in Lansing, Michigan, or such other place as may be designated in writing to the Issuer by the State Treasurer. In the event that an installment for the Principal Amount or interest due on November 1 or May 1 in any year falls on a Saturday, Sunday or any day in which banks in Michigan are generally not open, such payment shall be due on the next succeeding business day.

From the Date of Original Issue specified above until paid, this Note shall bear interest at the rate of 2.35% per annum, which may be subsequently adjusted pursuant to Section 6, Section 6a or Section 7(2) of the Emergency Municipal Loan Act, Act 243, Public Acts of Michigan,

**RESOLUTION AUTHORIZING APPLICATION FOR RESTRUCTURING OF 2015 EMERGENCY
LOAN, EMERGENCY LOAN NOTE 2014-15 SERIES I AND RELATED MATTERS**

A-4

1980, as amended ("Act 243"). Interest on this note shall be computed on the basis of a 365- or 366-day year and the actual number of days elapsed.

This Note is issued on the Date of Original Issue specified above, under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 243, pursuant to a resolution of the Board of the Issuer, adopted on June 6, 2019. This Note amends, restates and supersedes entirely the \$1,400,000 Amended and Restated Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I having a date of Original Issue of July 11, 2016, that was issued by the Issuer under Act 243 pursuant to a resolution adopted by the Board of Education of the Issuer on June 14, 2016, to evidence the obligation of the Issuer to repay an emergency loan made to it by the State of Michigan for the purpose of enabling the issuer to meet its financial obligations.

The Issuer shall have the right to pay at any time or times prior to maturity, without penalty or premium, all or any portion of this Note. Prepayments shall be credited to principal payments in any order, in whole or in part, as mutually agreed to by the Issuer and the State of Michigan.

In addition, should the State Treasurer require the Issuer to enter into a Tax Intercept Agreement as described below, on each November 1 commencing November 1, 20__, or on the next succeeding business day or such later date as described in the Tax Intercept Agreement, the Issuer shall have the obligation to prepay, without penalty or premium, an aggregate principal amount equal to the net amount on deposit in the Account (as defined in such Tax Intercept Agreement) as of the preceding business day, less an amount equal to the operating expenses retained by the Issuer as approved from time to time by the State Treasurer. Prepayments shall be credited to principal payments in inverse order of maturity.

This Note and the interest hereon are payable, as a first budget obligation, from any funds of the Issuer available therefor, including but not limited to any delinquent taxes payable to the Issuer from the County of Berrien, State of Michigan's delinquent tax revolving fund, or from general ad valorem taxes imposed on all taxable property within the geographic boundaries of the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

The maturity of principal of and accrued and unpaid interest on this Note may be accelerated by the State Treasurer on behalf of the State of Michigan upon the occurrence and during the continuance of any Event of Default under this Note. Each of the following shall constitute an "Event of Default" under this Note; (A) non-payment of any principal of or interest on this Note, when due; and (B) failure of the Issuer to comply with the terms of the Conditions Upon School District provided in the Order of Approval, dated the date hereof between the Issuer and the State of Michigan.

The Issuer shall pledge to the State Treasurer a sufficient amount of the proceeds of the operating taxes levied for the Issuer and the delinquencies thereon that is necessary to pay the principal of and interest on this Note, when due. At the sole discretion of and upon notice by the

RESOLUTION AUTHORIZING APPLICATION FOR RESTRUCTURING OF 2015 EMERGENCY
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State Treasurer, the Issuer shall enter into a Tax Intercept Agreement with a bank or trust company selected by the Authorized Officer, as depositary (the "Depositary"), the following local municipalities: Bainbridge Township, Benton Charter Township, Hagar Township, Pipestone Township, St. Joseph Charter Township, Sodus Township, the City of Benton Harbor, and the City of St. Joseph (each a "Local Government," collectively the "Local Governments") and the County Treasurer of the County of Berrien to provide for the payment to the Depositary by such Local Government and County Treasurer of such operating taxes and the delinquencies thereon collected by them on behalf of the Issuer after the date of such agreement. As additional security for payment of this Note and in the event of the delinquency of the Issuer in paying required principal of or interest on this Note, the State Treasurer is authorized to intercept up to but not more than all delinquent amounts of principal and interest due on this Note from state school aid payments to the Issuer otherwise required to be made to the Issuer pursuant to the provisions of the State School Aid Act, Act No. 94, Public Acts of 1979, as amended, and said intercepted state school aid payments shall be applied by the State Treasurer against said delinquent payments. The Issuer's pledge of the proceeds of operating taxes and state aid payments described in this paragraph shall be subordinate to all state aid notes and tax anticipation notes sold to the Michigan Finance Authority, regardless of the date of issue. However, this current pledge of operating taxes and state aid payments shall be senior to pledges for payment of state aid notes or lines of credit issued after the date of this Note and sold to all other parties that are not the Michigan Finance Authority. This Note is issued on a *pari passu* basis with the prior emergency loan notes of the issuer originally dated September 17, 2012, December 12, 2013, May 18, 2016, and July 11, 2016, and currently maturing November 1, 2031, November 1, 2026, November 1, 2031, and November 1, 2031, respectively, whether in their original form or as restructure as provided under Act 243.

If required by the State Treasurer pursuant to the immediately preceding paragraph, the Issuer shall enter into a Depositary Agreement related to the Tax Intercept Agreement with the Depositary to provide for the manner in which the revenue from taxes collected will be deposited for use to repay the principal and interest due on this Note.

While this Note is outstanding, the Issuer has the right to issue to one or more financial institutions or the Michigan Finance Authority one or more state aid notes, tax anticipation notes or other municipal securities and additional notes only to the State of Michigan in order to obtain additional emergency loans for the purpose of enabling the Issuer to meet its financial obligations.

Except as State law may require, the limited tax, full faith and credit resources of the Issuer are hereby pledged for the payment of the principal of and interest on this Note. This Note is payable primarily from ad valorem taxes, which will be levied within the authorized constitutional and statutory tax limitations of the Issuer, and an irrevocable appropriation of a sufficient amount of such taxes will be made each year as a first operating budget obligation for the payment of the principal of and interest on this Note as due, subordinate to all first liens on said funds pledged for the payment of other municipal securities, state aid notes or tax anticipation notes sold to the Michigan Finance Authority, further subordinate to any first liens

RESOLUTION AUTHORIZING APPLICATION FOR RESTRUCTURING OF 2015 EMERGENCY
LOAN, EMERGENCY LOAN NOTE 2014-15 SERIES I AND RELATED MATTERS

on said funds pledged for the payment of state aid notes, lines of credit or tax anticipation notes issued prior to the date of this Note and sold to parties other than the Michigan Finance Authority, and subordinate to any statutory obligations to set aside operating tax collections for any tax anticipation notes issued subsequent to this Note. If taxes are insufficient to pay this Note when due, the Issuer has pledged to use any and all other resources available for the payment of this Note. The Issuer does not have the power to levy taxes for the payment of this Note in excess of its constitutional or statutory tax rate limitations. The Issuer may issue additional bonds or notes of equal standing with this Note only upon the approval of the State Treasurer.

The Issuer covenants that it shall perform and meet all requirements imposed upon the Issuer as a result of receiving this loan pursuant to Act 243 until this Note is paid in full.

The Issuer waives presentment, demand, notice of dishonor, protest and notice of non-payment with respect to this Note.

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

BENTON HARBOR AREA SCHOOLS

County of Berrien, State of Michigan

By: _____

Its: _____

EXHIBIT A

TERMS OF THE LOAN

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GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2019-3

ORDER OF APPROVAL OF EMERGENCY LOAN RESTRUCTURING

**THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD,
ACTING UPON THE APPLICATION OF**

**BENTON HARBOR AREA SCHOOLS
COUNTY OF BERRIEN
STATE OF MICHIGAN**

Requesting approval for the restructuring of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2014-15 Series I, for the purpose of enabling Benton Harbor Area Schools (the "School District") to meet its financial obligations as more fully set forth herein, the Board determines that:

1. A financial emergency exists within the School District.
2. The School District is deemed to have complied with the provisions of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, as follows:
 - (a) The School District is in compliance with the terms of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2014-15 Series I and any other requirements applicable to the School District under the Emergency Municipal Loan Act, as amended.
 - (b) The School District is in compliance with any requirements relating to a deficit elimination plan under state law.
 - (c) The School District is in compliance with any applicable consent agreement or order of an emergency manager under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or a successor statute.

- (d) The School District is in compliance with all requirements for receipt of the foundation allowance and any other requirements applicable to the School District under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.
- (e) The restructuring of payments complies with applicable law.
- (f) The Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2014-15 Series I has not been sold or transferred under Section 6a of the Emergency Municipal Loan Act, as amended.

NOW, THEREFORE, be it ordered by the Board that the application of the School District for the restructuring of the Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2014-15 Series I is hereby approved, subject to the conditions set forth in this Order of Approval.

Terms of Restructured Emergency Loan

1. The restructured emergency loan shall be evidenced by a note to be designated as the "Second Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2014-15 Series I." The principal amount outstanding shall bear interest initially at the rate of 2.35 percent (2.35%) per annum, which may be subsequently adjusted pursuant to Section 6a or Section 7(2) of the Emergency Municipal Loan Act, as amended. Until the emergency loan is repaid, a payment of interest only then owing shall be remitted each May 1 and November 1, or the next succeeding business day, beginning May 1, 2020, and a payment of principal and interest then owing shall be remitted each November 1, or the next succeeding business day, beginning in 2023, with a date of final maturity of November 1, 2043, per attached payment schedule (Exhibit A).
2. The School District shall abide by all conditions set contained herein in order to remain in compliance with the terms of the Second Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2014-15 Series I. Such conditions shall be satisfied by the School District, including that all documents shall be in form and substance satisfactory to the State Treasurer on behalf of the State of Michigan, in the sole discretion of the State Treasurer, unless waived by the State Treasurer in writing.