

Local Emergency Financial Assistance Loan Board

April 9, 2018

10:00 a.m.

Meeting Location

**Richard H. Austin Building
State Treasurers' Board Room
430 West Allegan Street
Lansing, Michigan 48922**

**LOCAL EMERGENCY
FINANCIAL ASSISTANCE
LOAN BOARD MEETING**

APRIL 9, 2018

10:00 A.M.

**RICHARD H. AUSTIN BUILDING
STATE TREASURERS'
BOARD ROOM
430 WEST ALLEGAN STREET
LANSING, MICHIGAN 48922**

1. AGENDA (PGS 3-5)
2. ALTERNATIVE DESIGNATIONS (PGS 6-7)
3. MINUTES-PRIOR MEETING (PGS 8-9)
4. MUSKEGON HEIGHTS PUBLIC SCHOOLS SUMMARY MEMO (PGS 10-11)
5. MHPS 2012-13 I RESTRUCTURED EMERGENCY LOAN APP. & AUTH. RESOLUTION (PGS 12-18)
6. MHPS ORDER 2018-1 (PGS 19-29)
7. MHPS 2012-13 II RESTRUCTURED EMERGENCY LOAN APP. & AUTH. RESOLUTION (PGS 30-36)
8. MHPS ORDER 2018-2 (PGS 37-47)
9. MHPS 2013-14 RESTRUCTURED EMERGENCY LOAN APP. & AUTH. RESOLUTION (PGS 48-55)
10. MHPS ORDER 2018-3 (PGS 56-66)
11. MHPS 2017-18 EMERGENCY LOAN APP. & AUTH. RESOLUTION (PGS 67-75)
12. MHPS ORDER 2018-4 (PGS 76-87)
13. MHPS ALL EMERGENCY LOANS ADDITIONAL REQUIRED INFORMATION (PGS 88-95)
14. SCHOOL DISTRICT OF THE CITY OF PONTIAC SUMMARY MEMO (PGS 96-97)
15. SDCP 2013-14 RESTRUCTURED EMERGENCY LOAN APP. & AUTH. RESOLUTION (PGS 98-109)
16. SDCP ORDER 2018-5 (PGS 110-120)
17. SDCP 2014-15 RESTRUCTURED EMERGENCY LOAN APP. & AUTH. RESOLUTION (PGS 121-132)
18. SDCP ORDER 2018-6 (PGS 133-143)
19. SDCP ALL EMERGENCY LOANS ADDITIONAL REQUIRED INFORMATION (PGS 144-187)
20. BAY CITY ACADEMY SUMMARY MEMO (PG 188)
21. BCA FINAL PRELIMINARY REVIEW REPORT (PGS 189-208)
22. BCA ORDER 2018-7 (PGS 209-214)
23. SUBORDINATION OF EMER. LOANS TO OTHER OBLIGATIONS SUMMARY MEMO (PG 215)
24. SUBORDINATION ORDER 2018-8 (PGS 216-220)
25. SCHOOL DISTRICT OF THE CITY OF HIGHLAND PARK SUMMARY MEMO (PGS 221-222)
26. SDCHP ORDER 2018-9 (PGS 223-225)

Local Emergency Financial Assistance Loan Board
Monday, April 9, 2018
10:00 AM

Richard H. Austin Building
State Treasurers' Board Room, 1st Floor
430 W. Allegan Street
Lansing, Michigan 48922

I. CALL TO ORDER

II. APPROVAL OF MINUTES

A. Approval of Local Emergency Financial Assistance Loan Board (ELB) minutes

1. December 15, 2016 Special Meeting Minutes

III. PUBLIC COMMENT

IV. NEW BUSINESS

A. Restructured Emergency Loan Request from Muskegon Heights Public Schools

1. Restructure August 16, 2012 Emergency Loan in an amount not to exceed \$7,130,000 (original principal amount was \$7,650,000)
2. ELB Order 2018-1
 - a) Approval of Restructured Emergency Loan
 - b) Denial of Restructured Emergency Loan

B. Restructured Emergency Loan Request from Muskegon Heights Public Schools

3. Restructure January 18, 2013 Emergency Loan in an amount not to exceed \$3,235,000 (original principal amount was \$3,500,000)
4. ELB Order 2018-2
 - c) Approval of Restructured Emergency Loan
 - d) Denial of Restructured Emergency Loan

C. Restructured Emergency Loan Request from Muskegon Heights Public Schools

5. Restructure April 28, 2014 Emergency Loan in an amount not to exceed \$1,400,000 (original principal amount was \$1,400,000)
6. ELB Order 2018-3
 - e) Approval of Restructured Emergency Loan
 - f) Denial of Restructured Emergency Loan

D. Emergency Loan Request from Muskegon Heights Public Schools

7. Emergency Loan in the amount of \$2,449,000.
8. ELB Order 2018-4
 - g) Approval of Emergency Loan
 - h) Denial of Emergency Loan

E. Restructured Emergency Loan Request from School District of the City of Pontiac

9. Restructure April 20, 2016 Emergency Loan in an amount not to exceed \$10,000,000. (original principal amount was \$10,000,000)
10. ELB Order 2018-5
 - i) Approval of Restructured Emergency Loan
 - j) Denial of Restructured Emergency Loan

F. Restructured Emergency Loan Request from School District of the City of Pontiac

11. Restructure July 22, 2015 Emergency Loan in an amount not to exceed \$10,000,000 (original principal amount was \$10,000,000)
12. ELB Order 2018-6
 - k) Approval of Restructured Emergency Loan
 - l) Denial of Restructured Emergency Loan

G. Determination if Probable Financial Stress exists for Bay City Academy

13. Final Preliminary Review
14. ELB Order 2018-7
 - m) Probable Financial Stress
 - n) No Probable Financial Stress

H. Subordination of Emergency Loans to Other Obligations of Municipalities

15. ELB Order 2018-8

I. Action in Relation to Emergency Loans for the School District of the City of Highland Park

16. ELB Order 2018-9

V. ADJOURNMENT



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

ALTERNATE DESIGNATION
FOR MEETINGS OF THE
LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

Members of the Board:

I am hereby designating the person named below as my representative at any meeting of the Local Emergency Financial Assistance Loan Board, and to sign on my behalf any Order of this Board.

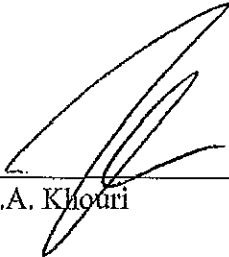
Name: Eric Scorson

Title: Deputy Treasurer for Finance

Office Name: Department of Treasury State and Local Finance

12/1/16

Date



N.A. Khouri



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

DAVID L. DEVRIES
DIRECTOR

ALTERNATE DESIGNATION

FOR MEETINGS OF THE

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

Members of the Board:

I am hereby designating the person named below as my representative at any meeting of the Local Emergency Financial Assistance Loan Board, and to sign on my behalf any Order of this Board.

This designation shall remain in effect until it is rescinded in writing.

Name: John J. Walsh

Title: State Budget Director

Office Name: State Budget Office

David L. DeVries

21 Feb 2018
Date

David L. DeVries
Signature



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

**LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD
MINUTES**

December 15, 2016 - 10:10 A.M.

Richard H. Austin Building
State Treasurers' Board Room, 1st Floor
430 W. Allegan Street
Lansing, Michigan 48922

Members Present:

Eric Scorsone, Deputy Treasurer for Finance, Department of Treasury
Michael Moody, Director, Office of Financial Management
Shelly Edgerton, Director, Department of Licensing and Regulatory Affairs

Others Present:

Paul Connors, Department of Treasury
Michael Wrobel, Department of Treasury
Samuel Irrer, Department of Treasury
Ellen Kent, Department of Treasury
Harlan Goodrich, Department of Treasury
John Millhouse, Office of the Attorney General
Ron Leix, Department of Treasury
Danelle Gittus, Department of Treasury

Conference Call Attendees:

Rick Heitmeyer, Vanderbilt Area Schools, Bill Matelski, Vanderbilt Area Schools

I. Call to Order

Eric Scorsone called the meeting to order at 10:10 A.M.

II. Approval of Minutes

A motion was made by Shelly Edgerton to approve the minutes from the meeting of December 15, 2016, as presented. The motion was supported by Michael Moody. The minutes were unanimously approved as presented. M/S/P

III. Public Comment

None.

IV. Order 2016-19 Vanderbilt Area Schools Order Determination if Probable Financial Stress exists for Vanderbilt Area Schools District

Paul Connors from the Department of Treasury (Treasury) was asked to speak. Beginning January 1, 2016, Treasury was charged with 11 schools that went through the preliminary review. Seven (7) have gone through, each time finding no fiscal stress. These districts will remain under Treasury. Three (3) districts came out of deficit. The districts were Southgate, Clintondale, and Flint. Vanderbilt Areas Schools reduced its deficit and is projected to be out of deficit by next fiscal year. Paul went through the four criteria's and the findings from the most recent audit report for Vanderbilt Area Schools. His recommendation was that no probable financial stress exists. The district is subject to an enhanced deficit elimination plan. Should the district not abide by, it could lead to public act 436.


Rick Heitmeyer, Superintendent, thanked the Department of Treasury for their support.

Eric Scorsone called for a motion regarding the proposal. A motion was made by Michael Moody to approve the Order of No Probable Financial Stress. The motion was supported by Shelly Edgerton. The motion was unanimously approved by the Board. M/S/P


V. Order 2016-20 Designation for Certain Persons to Give Notice of Meetings of the Local Emergency Financial Assistance Loan Board

Eric Scorsone called for a motion regarding the proposal. A motion was made by Shelly Edgerton to approve the Order. The motion was supported by Michael Moody. The motion was unanimously approved by the Board. M/S/P

The meeting was adjourned by Eric Scorsone at 10:15 A.M.



Harlan Goodrich, Secretary
Local Emergency Financial Assistance Loan Board



Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer
Local Emergency Financial Assistance Loan Board

Date Approved: 4-9-18



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: April 9, 2018
TO: Local Emergency Financial Assistance Loan Board
FROM: Michael Wrobel, Michigan Department of Treasury
SUBJECT: Muskegon Heights Public Schools Emergency Loan Restatement and Issuance

Executive Summary

The Muskegon Heights Public Schools (the District) is requesting the restructuring of its 2013 Series I and II, and 2014 Series I emergency loans. Additionally, the District is seeking a fourth Emergency Loan Note in the amount of \$2,449,000 to cover outstanding obligations to the Office of Retirement Services and the Unemployment Insurance Agency. These transactions will enable the District to meet its financial obligations.

Financial Background

On December 7, 2011 the District voted to officially request an emergency manager (EM) be appointed by the Governor and placed within the District. Upon declaration of probable fiscal stress on January 31, 2012, Donald Weatherspoon was appointed EM under PA 4 of 2011 on April 23, 2012. At the end of FY 2012, The District had an accumulated general fund deficit of \$11.9M.

On August 16, 2012, the District received its first emergency loan from the Michigan Department of Treasury (the Department) in the amount of \$7,650,000, with an interest rate of 2.450%. The loan was projected to reach maturity at November 1, 2041. On January 18, 2013 the District received its second emergency loan from the Department in the amount of \$3,500,000, with an interest rate of 2.350%. The loan was projected to reach maturity on November 1, 2041. On April 30, 2014 the District received its third emergency loan from the Department in the amount of \$1,400,000 with an interest rate of 3.450%, projected to reach maturity on April 30, 2044.

The first emergency loan was used to address final payroll and expenses related to transitioning the education of students to the Muskegon Heights Public School Academy System. The second and third loans were used to address legacy costs within the District.

Progress and Accomplishments

The District has made significant strides in solving the District's fiscal issues since appointment of the District's first EM. The District has been able to sell all unused buildings, liquidate a

substantial portion of unused equipment and supplies, and pass a balanced budget for the fiscal year ending June 30th, 2018.

Loan Terms

Emergency Loan 1

The restructured 2012 emergency loan maturity date will be extended from 2041 to 2042. In compliance with PA 243 of 1980, as amended. The interest rate of 2.450% is unchanged from the original 2012 emergency loan. Further details are found in the repayment schedule included in this packet.

Emergency Loan 2

The restructured 2013 emergency loan maturity date will be extended from 2041 to 2042. It also allows the District to make minimal principal payments of \$5k from 2019 through 2023. In compliance with PA 243 of 1980, as amended. The interest rate of 2.350% is unchanged from the original 2013 emergency loan. Further details are found in the repayment schedule included in this packet.

Emergency Loan 3

The restructured 2014 emergency loan maturity date will be extended from 2044 to 2047. In compliance with PA 243 of 1980, as amended. The interest rate of 3.450% is unchanged from the original 2014 emergency loan. Further details are found in the repayment schedule included in this packet.

Emergency Loan 4

A fourth emergency loan in the amount of \$2,449,000 will be used to address legacy costs associated with the Office of Retirement Services and the Unemployment Insurance Agency. Those two outstanding liabilities currently carry statutorily determined interest rates of 12% and 8% respectively. The terms of the fourth emergency loan list an interest rate of 2.70%.

Rational for Emergency Loan

The District would benefit from the restructuring of the 2014 and 2015 emergency loans as follows:

- Provides budgetary relief to assist in meeting the goals of its Financial and Operating Plan.
- Smooths the per pupil portion of debt service to a range of \$500 to \$556 through maturity.
- Allows the debt service to be wrapped around existing Bonded debt.

The District meets all of the statutory prerequisites to be eligible for the restructuring under the Emergency Municipal Loan Act, MCL 141.931 *et seq.*

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

RECEIVED
DEPT. OF TREASURY

OCT 23 2017

Applicant:
County/Counties of:
Mailing Address:
Chief Financial Officer:
Contact Person:
Issuance date of loan:
Current loan balance:

Muskegon Heights Public Schools
Muskegon County
2603 Leahy St., Muskegon Heights, MI 49441
John Lewis
John Lewis
August 16, 2012
\$7,130,000.00
Phone: 231-830-3219
Phone: 231-830-3219

LOCAL AUDIT & FINANCE DIV.

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:

2. Does the municipality have a certified deficit elimination plan? Yes If yes, provide date of certification: October 9, 2017

If no, provide explanation:

3. Is the municipality in compliance with any applicable neutral evaluation process, settlement agreement, consent agreement, or order of an emergency manager under PA 436 of 2012? Yes

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? Yes

If no, provide explanation:

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. To realign the interest and principal payments to coincide with the receipt of current taxes and purchase of delinquent taxes by the Treasurer of the County of Muskegon.

Chief Administrative Officer Name: John Lewis

Chief Administrative Officer Signature: 

Date: October 23, 2017

RESOLUTION AUTHORIZING RESTATEMENT OF 2012 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular board meeting of the board of education of the school district (the "School Board") was held in the Board of Education, within the boundaries of the school district, 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 Trinell Scott:

WHEREAS:

1. The Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") is a general powers school district under the Revised School Code, 1976 PA 451, MCL 380.1, *et seq.*, as amended ("Act 451"), and has the powers conferred upon the School District by Act 451, the State Constitution of 1963 ("Constitution"), and other applicable law; and

2. The Emergency Municipal Loan Act, 1980 PA 243, MCL 141.931, *et seq.*, as amended ("Act 243"), authorizes municipalities, including school districts, to borrow money and the State of Michigan ("State") to issue debt and securities as emergency loans, as well as to renegotiate terms and restructure payments of outstanding loans; and

3. The School District is a municipality under Act 243 with the power to borrow money and issue evidences of indebtedness for repayment of obligations, including, but not limited to, money advanced or previously advanced and approved or previously approved for advancement under The School Aid Act of 1979, 1979 PA 94, MCL 388.1601, *et seq.*, as amended ("Act 94"), or money borrowed under Section 1225 of Act 451; and

4. The Revised Municipal Finance Act, 2001 PA 34, MCL 141.2101, *et seq.*, as amended ("Act 34"), authorizes the borrowing of money and the issuance of certain debt and securities, provides for tax levies, authorizes the issuance of debt and securities, and generally governs municipal finance practices in the State; and

5. The School District is a municipality under Act 34 with the power to issue securities such as bonds, notes, contracts, obligations or other similar instruments; and

6. Pursuant to Act 243, on August 16, 2012, the School District issued its Emergency Loan Note, 2012-13 Series I ("2012 Note") under the name of "School District of the City of Muskegon Heights," an assumed name under which the School District does business from time to time, and which note currently is outstanding and in full force and effect in accordance with its terms;

7. Act 243 empowers the Local Emergency Financial Assistance Loan Board ("ELB") to restructure payments, but not the outstanding principal balance or interest, on certain loans, including the loan evidenced by the 2012 Note ("2012 Loan"), subject to conditions set forth in Act 243; and

8. As part of the financial and operating plan adopted for the School District, the School 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 2012 Loan as permitted by Act 243 (the "Restructuring"); and

9. The School Board has the power to exercise on behalf of the School District all authority and responsibilities affecting the School District that are prescribed by law; and

10. The School District is subject to a consent agreement under the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541, *et seq.*, and that loan authorization is necessary to implement a financial and operating plan under that act.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Superintendent of Schools (the "Superintendent") or the chief business official of the School District shall submit an application to the ELB requesting approval for the Restructuring of the 2012 Loan by the ELB as authorized by this resolution, which Restructuring shall be evidenced by an amended and restated note which shall be exchanged for the 2012 Note.

2. The President, Vice President, Secretary or Treasurer of the School Board and the Superintendent or chief business official, in consultation with the School District's Municipal Advisor, as defined herein, and any other official or employee of the School District or other individual authorized by the School Board (when applicable) to act on behalf of the School District for this purpose (each an "Authorized Officer") are authorized and ordered to take action, negotiate terms and execute documents and certificates as necessary or desirable and in the best interest of the School District in connection with the restructuring of the 2012 Loan by the School Board.

3. The Authorized Officer or her or his designee is hereby authorized to negotiate, approve and execute any additional agreement, instruments or other documents directly with the Michigan Department of Treasury, which are deemed necessary by the Authorized Officer, in order to satisfy any terms and conditions set forth by the ELB and the Michigan Department of Treasury.

4. An Authorized Officer, on behalf of the School District, shall execute any amended and restated 2012 Note, or a replacement for the 2012 Note, as may be necessary or desirable in order to accomplish the Restructuring of the 2012 Loan by the ELB. Restructured notes of the School District designated "Amended and Restated Emergency Loan Note (General Obligation - Limited Tax), 2012-13 Series I" (each a "Restructured Note"), shall be issued in one or more series in substantially the form attached hereto as Exhibit A to replace the 2012 Note, with sequential series references as determined by an Authorized Officer, each in an amount determined by an Authorized Officer, not to exceed the principal amount of the 2012 Loan, in the aggregate (each a "Restructured Loan" and collectively, the "Restructured Loans"). The Restructured Notes are issued on a *pari passu* basis with the prior emergency loan notes of the Issuer originally dated January 18, 2013 and April 28, 2014, and a new emergency loan expected to be issued in November 2017, maturing November 1, 2041 and April 30, 2044, and expected to mature on June 15, 2047, respectively, some or all of which themselves may be restructured. Each Restructured Note shall evidence the obligation of the School District to repay the applicable Restructured Loan to the State under Act 243. The

Restructured Note shall be delivered to the ELB as agent for the State in exchange for the School District's receipt of the referenced 2012 Note marked "CANCELED"; and the Authorized Officer is authorized and directed then to destroy such canceled note.

5. Each Restructured Note shall be dated as of the date of delivery of the Restructured Note to the State. Each Restructured Note shall bear interest from the date of delivery of the Restructured Note and shall be payable as to principal and interest on the dates and in the amounts, at the rates, and subject to redemption before maturity, as determined by an Authorized Officer; provided that the final maturity shall not be later than June 15, 2042, and the interest rates, or the maximum interest rate if issued on a variable rate basis, shall not exceed 2.45% per annum. Principal and interest on each Restructured Note shall be payable to the State Treasurer.

6. Each Restructured Note shall be a limited tax general obligation of the School District, and the full faith and credit of the School District shall be pledged to the payment of the principal of and interest on the Restructured Note as and when due. The Restructured Note shall be payable out of the general funds of the School District, including collection of ad valorem taxes the School District may levy on property within the geographic boundaries of the School District under Section 1211 of Act 451, within constitutional and statutory limitations. As additional security for the payments when due and owing under each Restructured Note, the School District pledges, and acknowledges the State's statutory right to withhold, the amount of all delinquent payments due on each Restructured Note from State money appropriated to the School District, including, but not limited to, money appropriated under Act 94, and authorizes the State to withhold the funds and apply the funds to the repayment of principal of or interest on any Restructured Note delinquent according to the terms of the Restructured Note.

7. An Authorized Officer shall execute each Restructured Note on behalf of the School District, and upon acknowledgment of receipt of the principal amount of the applicable Loan, the fully executed applicable Restructured Note shall be delivered to the ELB as agent for the State.

8. Each Restructured Note shall be in substantially the form attached to this resolution as Exhibit A with changes as approved by an Authorized Officer not inconsistent with the terms of this resolution.

9. The School District also acknowledges that there may be conditions of the Restructured Loan and agrees to comply with the requirements of the ELB's Order of Approval of Loan ("ELB Order") as approved by an Authorized Officer not inconsistent with this resolution. Once accepted, the terms and conditions of any associated ELB Order shall be binding on the School District.

10. This School Board hereby appoints Thrun Law Firm, P.C., as legal counsel for the purpose of issuing the Restructured Note and the Restructured Loan and acknowledges that said counsel has represented to the School Board that it does not represent any other party in this transaction associated with the issuance of the Restructured Note or the Restructured Loan; however, Thrun Law Firm, P.C. periodically represents certain agencies of the State of Michigan and other potential parties to this transaction in other matters unrelated to this transaction.


11. This School Board hereby appoints the firm of Robert W. Baird & Co. as Municipal Advisor for the purpose of issuing the Restructured Note and the Restructured Loan.

12. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

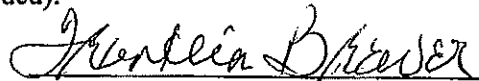
Ayes: Members 4

Nays: Members 0

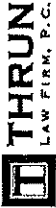
Resolution declared adopted.


Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at regular meeting held on October 2, 2017, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).


Secretary, Board of Education

CJI/kmh



In addition, should the State Treasurer require the Issuer to enter into a Tax Intercept Agreement as described below, on each _____ commencing _____, 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 Muskegon, State of Michigan's delinquent tax revolving fund, or from general ad valorem taxes imposed on all taxable property in the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in 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 paragraph 2 of the Funding Conditions Memorandum 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 State Treasurer, the Issuer shall enter into a Tax Intercept Agreement with The Bank of New York Mellon Trust Company, N.A., located in Detroit, Michigan, as depository (the "*Depository*"), the City of Muskegon Heights (the "Local Government") and the County Treasurer of the County of Muskegon to provide for the payment to the Depository 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 notes of the issuer originally dated January 18, 2013, April 28, 2014 and November __, 2017, and maturing November 1, 2041, April 30, 2044 and _____, 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 Depository Agreement related to the Tax Intercept Agreement with the Depository

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 to the Michigan Finance Authority one or more tax anticipation notes pursuant to Act 34, Public Acts of Michigan, 2001, as amended, 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, credit and resources of the Issuer are hereby pledged for the payment of the principal 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 state aid notes or tax anticipation notes sold to the Michigan Finance Authority, further subordinate to any first liens 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 obligation 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 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.

MUSKEGON HEIGHTS PUBLIC SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN

By _____

Its: _____



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-1

ORDER OF APPROVAL OF EMERGENCY LOAN RESTRUCTURING

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

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

Requesting approval for the restructuring of the Emergency Loan Note (General Obligation Limited Tax) 2012-13 Series I, for the purpose of enabling Muskegon Heights Public 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 Muskegon Heights Public Schools which has also at times operated under the assumed name of the School District of the City of Muskegon Heights (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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 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 "Amended and Restated Emergency Loan Note (General Obligation Limited Tax) 2012-13 Series I." The principal amount outstanding shall bear interest initially at the rate of 2.45 percent (2.45%) 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 December 15 and June 15, or the next succeeding business day, beginning December 15, 2018, and a payment of principal and interest then owing shall be remitted each June 15, or the next succeeding business day, beginning in 2019, with a date of final maturity of June 15, 2042, per attached payment schedule (Exhibit A).

Conditions Upon School District

- 1. As an initial condition of the restructuring of the emergency loan authorized by this Order of Approval, the Assistant Superintendent of Finance and Administration and Board of Education of the School District agree to perform the following:
 - (a) Pay all interest accrued under the original note evidencing the emergency loan due through May 23, 2018.
 - (b) Execute an 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 Assistant Superintendent of Finance and Administration 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 five-year plan that was approved by the governing body of the School District on October 9, 2017, and that 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 Assistant Superintendent of Finance and Administration 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 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 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  _____

Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By  _____

John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By  _____

Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018
Lansing, Michigan

EXHIBIT A**Muskegon Heights Public Schools, Michigan**
Amended and Restated Emergency Loan Note (General Obligation Limited Tax), 2012-2013 Series I

Dated Date 5/23/2018
Delivery Date 5/23/2018

Date	Principal	Coupon	Interest	Total
12/15/2018	-		96,653.51	96653.51
6/15/2019	138,000	2.45%	85,392.90	223,392.90
12/15/2019	-		84,166.96	84,166.96
6/15/2020	173,000	2.45%	83,937.00	256,937.00
12/15/2020	-		81,817.75	81,817.75
6/15/2021	179,000	2.45%	81,593.59	260,593.59
12/15/2021	-		79,843.15	79,843.15
6/15/2022	185,000	2.45%	79,406.85	264,406.85
12/15/2022	-		77,570.69	77,570.69
6/15/2023	191,000	2.45%	77,146.81	268,146.81
12/15/2023	-		75,224.53	75,224.53
6/15/2024	257,000	2.45%	75,019.00	332,019.00
12/15/2024	-		71,870.75	71,870.75
6/15/2025	264,000	2.45%	71,673.84	335,673.84
12/15/2025	-		68,824.80	68,824.80
6/15/2026	270,000	2.45%	68,448.70	338,448.70
12/15/2026	-		65,508.23	65,508.23
6/15/2027	276,000	2.45%	65,150.27	341,150.27
12/15/2027	-		62,117.97	62,117.97
6/15/2028	283,000	2.45%	61,948.25	344,948.25
12/15/2028	-		58,481.50	58,481.50
6/15/2029	290,000	2.45%	58,321.28	348,321.28
12/15/2029	-		55,079.49	55,079.49
6/15/2030	297,000	2.45%	54,778.51	351,778.51
12/15/2030	-		51,431.27	51,431.27
6/15/2031	304,000	2.45%	51,150.23	355,150.23
12/15/2031	-		47,697.07	47,697.07
6/15/2032	312,000	2.45%	47,566.75	359,566.75
12/15/2032	-		43,744.75	43,744.75
6/15/2033	320,000	2.45%	43,624.90	363,624.90
12/15/2033	-		39,933.86	39,933.86
6/15/2034	327,000	2.45%	39,715.64	366,715.64
12/15/2034	-		35,917.13	35,917.13
6/15/2035	335,000	2.45%	35,720.87	370,720.87
12/15/2035	-		31,802.14	31,802.14
6/15/2036	344,000	2.45%	31,715.25	375,715.25
12/15/2036	-		27,501.25	27,501.25
6/15/2037	352,000	2.45%	27,425.90	379,425.90
12/15/2037	-		23,252.78	23,252.78
6/15/2038	361,000	2.45%	23,125.72	384,125.72
12/15/2038	-		18,818.42	18,818.42
6/15/2039	369,000	2.45%	18,715.58	387,715.58

EXHIBIT A

Muskegon Heights Public Schools, Michigan
Amended and Restated Emergency Loan Note (General Obligation Limited Tax), 2012-2013 Series I

Dated Date 5/23/2018
Delivery Date 5/23/2018

Date	Principal	Coupon	Interest	Total
12/15/2039	-		14,285.78	14,285.78
6/15/2040	378,000	2.45%	14,246.75	392,246.75
12/15/2040	-		9,616.25	9,616.25
6/15/2041	388,000	2.45%	9,589.90	397,589.90
12/15/2041	-		4,876.57	4,876.57
6/15/2042	397,000	2.45%	4,849.93	401,849.93
	6,990,000		2,436,301.02	9,426,301.02



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-1

ORDER DENYING EMERGENCY LOAN RESTRUCTURING

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

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

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

1. A financial emergency exists within Muskegon Heights Public Schools also at times operating under the assumed name of the School District of the City of Muskegon Heights (the "School District").
2. The School District has requested a restructuring of the Emergency Loan Note (General Obligation Limited Tax) 2012-13 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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 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 _____

Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By _____

John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By _____

Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018

Lansing, Michigan

RECEIVED
DEPT. OF TREASURY

OCT 23 2017

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

LOCAL AUDIT & FINANCE DIV.

Applicant: Muskegon Heights Public Schools
County/Cities of: Muskegon County
Mailing Address: 2603 Leahy St., Muskegon Heights, MI 49441
Chief Financial Officer: John Lewis Phone: 231-830-3219
Contact Person: John Lewis Phone: 231-830-3219
Issuance date of loan: January 18, 2013
Current loan balance: \$3,235,000.00

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:

2. Does the municipality have a certified deficit elimination plan? Yes If yes, provide date of certification: October 9, 2017

If no, provide explanation:

3. Is the municipality in compliance with any applicable neutral evaluation process, settlement agreement, consent agreement, or order of an emergency manager under PA 436 of 2012? Yes

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? Yes

If no, provide explanation:

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. To realign the interest and principal payments to coincide with the receipt of current taxes and purchase of delinquent taxes by the Treasurer of the County of Muskegon

Chief Administrative Officer Name: John Lewis

Chief Administrative Officer Signature: 

Date: October 23, 2017

RESOLUTION AUTHORIZING RESTATEMENT OF 2013 EMERGENCY LOAN NOTE

Muskegon Heights Public Schools, Muskegon County, Michigan

A regular board meeting of the board of education of the school district (the "School Board") was held in the Board of Education, within the boundaries of the school district, 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, Estelita Rankin

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

WHEREAS:

1. The Muskegon Heights Public Schools, Muskegon County, Michigan ("School District") is a general powers school district under the Revised School Code, 1976 PA 451, MCL 380.1, *et seq.*, as amended ("Act 451"), and has the powers conferred upon the School District by Act 451, the State Constitution of 1963 ("Constitution"), and other applicable law; and

2. The Emergency Municipal Loan Act, 1980 PA 243, MCL 141.931, *et seq.*, as amended ("Act 243"), authorizes municipalities, including school districts, to borrow money and the State of Michigan ("State") to issue debt and securities as emergency loans, as well as to renegotiate terms and restructure payments of outstanding loans; and

3. The School District is a municipality under Act 243 with the power to borrow money and issue evidences of indebtedness for repayment of obligations, including, but not limited to, money advanced or previously advanced and approved or previously approved for advancement under The School Aid Act of 1979, 1979 PA 94, MCL 388.1601, *et seq.*, as amended ("Act 94"), or money borrowed under Section 1225 of Act 451; and

4. The Revised Municipal Finance Act, 2001 PA 34, MCL 141.2101, *et seq.*, as amended ("Act 34"), authorizes the borrowing of money and the issuance of certain debt and securities, provides for tax levies, authorizes the issuance of debt and securities, and generally governs municipal finance practices in the State; and

5. The School District is a municipality under Act 34 with the power to issue securities such as bonds, notes, contracts, obligations or other similar instruments; and

6. Pursuant to Act 243, on January 18, 2013, the School District issued its Emergency Loan Note, 2012-13 Series II ("2013 Note") under the name of "School District of the City of Muskegon Heights," an assumed name under which the School District does business from time to time, and which note currently is outstanding and in full force and effect in accordance with its terms;

7. Act 243 empowers the Local Emergency Financial Assistance Loan Board ("ELB") to restructure payments, but not the outstanding principal balance or interest, on certain loans, including the loan evidenced by the 2013 Note ("2013 Loan"), subject to conditions set forth in Act 243; and

8. As part of the financial and operating plan adopted for the School District, the School 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 2013 Loan as permitted by Act 243 (the "Restructuring"); and

9. The School Board has the power to exercise on behalf of the School District all authority and responsibilities affecting the School District that are prescribed by law; and

10. The School District is subject to a consent agreement under the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541, *et seq.*, and that loan authorization is necessary to implement a financial and operating plan under that act.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Superintendent of Schools (the "Superintendent") or the chief business official of the School District shall submit an application to the ELB requesting approval for the Restructuring of the 2013 Loan by the ELB as authorized by this resolution, which Restructuring shall be evidenced by an amended and restated note which shall be exchanged for the 2013 Note.

2. The President, Vice President, Secretary or Treasurer of the School Board and the Superintendent or chief business official, in consultation with the School District's Municipal Advisor, as defined herein, and any other official or employee of the School District or other individual authorized by the School Board (when applicable) to act on behalf of the School District for this purpose (each an "Authorized Officer") are authorized and ordered to take action, negotiate terms and execute documents and certificates as necessary or desirable and in the best interest of the School District in connection with the restructuring of the 2013 Loan by the School Board.

3. The Authorized Officer or her or his designee is hereby authorized to negotiate, approve and execute any additional agreement, instruments or other documents directly with the Michigan Department of Treasury, which are deemed necessary by the Authorized Officer, in order to satisfy any terms and conditions set forth by the ELB and the Michigan Department of Treasury.

4. An Authorized Officer, on behalf of the School District, shall execute any amended and restated 2013 Note, or a replacement for the 2013 Note, as may be necessary or desirable in order to accomplish the Restructuring of the 2013 Loan by the ELB. Restructured notes of the School District designated "Amended and Restated Emergency Loan Note (General Obligation - Limited Tax), 2012-13 Series II" (each a "Restructured Note"), shall be issued in one or more series in substantially the form attached hereto as Exhibit A to replace the 2013 Note, with sequential series references as determined by an Authorized Officer, each in an amount determined by an Authorized Officer, not to exceed the principal amount of the 2013 Loan, in the aggregate (each a "Restructured Loan" and collectively, the "Restructured Loans"). The Restructured Notes are issued on a *pari passu* basis with the prior emergency loan notes of the Issuer originally dated August 16, 2012 and April 28, 2014, and a new emergency loan expected to be issued in November 2017, maturing November 1, 2041 and April 30, 2044, and expected to mature on June 15, 2047, respectively, some or all of which themselves may be restructured. Each Restructured Note shall evidence the obligation of the School District to repay the applicable Restructured Loan to the State under Act 243. The

Restructured Note shall be delivered to the ELB as agent for the State in exchange for the School District's receipt of the referenced 2013 Note marked "CANCELED"; and the Authorized Officer is authorized and directed then to destroy such canceled note.

5. Each Restructured Note shall be dated as of the date of delivery of the Restructured Note to the State. Each Restructured Note shall bear interest from the date of delivery of the Restructured Note and shall be payable as to principal and interest on the dates and in the amounts, at the rates, and subject to redemption before maturity, as determined by an Authorized Officer; provided that the final maturity shall not be later than June 15, 2042, and the interest rates, or the maximum interest rate if issued on a variable rate basis, shall not exceed 2.35% per annum. Principal and interest on each Restructured Note shall be payable to the State Treasurer.

6. Each Restructured Note shall be a limited tax general obligation of the School District, and the full faith and credit of the School District shall be pledged to the payment of the principal of and interest on the Restructured Note as and when due. The Restructured Note shall be payable out of the general funds of the School District, including collection of ad valorem taxes the School District may levy on property within the geographic boundaries of the School District under Section 1211 of Act 451, within constitutional and statutory limitations. As additional security for the payments when due and owing under each Restructured Note, the School District pledges, and acknowledges the State's statutory right to withhold, the amount of all delinquent payments due on each Restructured Note from State money appropriated to the School District, including, but not limited to, money appropriated under Act 94, and authorizes the State to withhold the funds and apply the funds to the repayment of principal of or interest on any Restructured Note delinquent according to the terms of the Restructured Note.

7. An Authorized Officer shall execute each Restructured Note on behalf of the School District, and upon acknowledgment of receipt of the principal amount of the applicable Loan, the fully executed applicable Restructured Note shall be delivered to the ELB as agent for the State.

8. Each Restructured Note shall be in substantially the form attached to this resolution as Exhibit A with changes as approved by an Authorized Officer not inconsistent with the terms of this resolution.

9. The School District also acknowledges that there may be conditions of the Restructured Loan and agrees to comply with the requirements of the ELB's Order of Approval of Loan ("ELB Order") as approved by an Authorized Officer not inconsistent with this resolution. Once accepted, the terms and conditions of any associated ELB Order shall be binding on the School District.

10. This School Board hereby appoints Thrun Law Firm, P.C., as legal counsel for the purpose of issuing the Restructured Note and the Restructured Loan and acknowledges that said counsel has represented to the School Board that it does not represent any other party in this transaction associated with the issuance of the Restructured Note or the Restructured Loan; however, Thrun Law Firm, P.C. periodically represents certain agencies of the State of Michigan and other potential parties to this transaction in other matters unrelated to this transaction.


11. This School Board hereby appoints the firm of Robert W. Baird & Co. as Municipal Advisor for the purpose of issuing the Restructured Note and the Restructured Loan.

12. All resolutions and parts of resolutions conflicting with this resolution are rescinded.

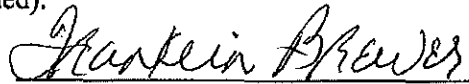
Ayes: Members 4

Nays: Members 0

Resolution declared adopted.


Secretary, Board of Education

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Muskegon Heights Public Schools, Muskegon County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at regular meeting held on October 2, 2017, the original of which is a part of the Board's minutes. The undersigned also certifies that notice of the meeting was given to the public pursuant to the "Open Meetings Act" (Act 267 Public Acts of Michigan, 1976, as amended).


Secretary, Board of Education

CJI/kmh

In addition, should the State Treasurer require the Issuer to enter into a Tax Intercept Agreement as described below, on each _____ commencing _____, 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 Muskegon, State of Michigan's delinquent tax revolving fund, or from general ad valorem taxes imposed on all taxable property in the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in 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 paragraph 2 of the Funding Conditions Memorandum 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 State Treasurer, the Issuer shall enter into a Tax Intercept Agreement with The Bank of New York Mellon Trust Company, N.A., located in Detroit, Michigan, as depository (the "*Depository*"), the City of Muskegon Heights (the "Local Government") and the County Treasurer of the County of Muskegon to provide for the payment to the Depository 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 notes of the issuer originally dated August 16, 2012, April 28, 2014 and November __, 2017, and maturing _____, April 30, 2044 and _____, 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 Depository Agreement related to the Tax Intercept Agreement with the Depository

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 to the Michigan Finance Authority one or more tax anticipation notes pursuant to Act 34, Public Acts of Michigan, 2001, as amended, 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, credit and resources of the Issuer are hereby pledged for the payment of the principal 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 state aid notes or tax anticipation notes sold to the Michigan Finance Authority, further subordinate to any first liens 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 obligation 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 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.

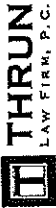
The Issuer waives presentment, demand, notice of dishonor, protest and notice of non-payment with respect to this note.

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.

MUSKEGON HEIGHTS PUBLIC SCHOOLS
COUNTY OF MUSKEGON
STATE OF MICHIGAN

By _____

Its: _____





RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-2

ORDER OF APPROVAL OF EMERGENCY LOAN RESTRUCTURING

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

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

Requesting approval for the restructuring of the Emergency Loan Note (General Obligation Limited Tax) 2012-13 Series II, for the purpose of enabling Muskegon Heights Public Schools, to meet its financial obligations as more fully set forth herein, the Board determines that:

1. A financial emergency exists within the Muskegon Heights Public Schools also at times operating under the assumed name of the School District of the City of Muskegon Heights (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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 Series II 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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 Series II 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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 Series II 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 "Amended and Restated Emergency Loan Note (General Obligation - Limited Tax) 2012-13 Series II." 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 December 15 and June 15, or the next succeeding business day, beginning December 15, 2018, and a payment of principal and interest then owing shall be remitted each June 15, or the next succeeding business day, beginning in 2019, with a date of final maturity of June 15, 2042, per attached payment schedule (Exhibit A).

Conditions Upon School District

1. As an initial condition of the restructuring of the emergency loan authorized by this Order of Approval, the Assistant Superintendent of Finance and Administration and Board of Education of the School District agree to perform the following:
 - (a) Pay all interest accrued under the original note evidencing the emergency loan due through May 23, 2018.
 - (b) Execute an 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 Assistant Superintendent of Finance and Administration 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 five-year plan that was approved by the governing body of the School District on October 9, 2017, and that 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 Assistant Superintendent of Finance and Administration 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 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 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  _____

Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By  _____

John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By  _____

Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018
Lansing, Michigan

EXHIBIT A

Muskegon Heights Public Schools, Michigan
Amended and Restated Emergency Loan Note (General Obligation Limited Tax), 2012-2013 Series II

Dated Date 5/23/2018
Delivery Date 5/23/2018

Date	Principal	Coupon	Interest	Total
12/15/2018	-		41,977.44	41977.44
6/15/2019	5,000	2.35%	37,086.86	42,086.86
12/15/2019	-		37,231.73	37,231.73
6/15/2020	5,000	2.35%	37,130.00	42,130.00
12/15/2020	-		37,071.25	37,071.25
6/15/2021	5,000	2.35%	36,969.68	41,969.68
12/15/2021	-		37,113.90	37,113.90
6/15/2022	5,000	2.35%	36,911.10	41,911.10
12/15/2022	-		37,054.99	37,054.99
6/15/2023	5,000	2.35%	36,852.51	41,852.51
12/15/2023	-		36,996.08	36,996.08
6/15/2024	133,000	2.35%	36,895.00	169,895.00
12/15/2024	-		35,332.25	35,332.25
6/15/2025	136,000	2.35%	35,235.45	171,235.45
12/15/2025	-		33,826.67	33,826.67
6/15/2026	139,000	2.35%	33,641.83	172,641.83
12/15/2026	-		32,188.95	32,188.95
6/15/2027	143,000	2.35%	32,013.05	175,013.05
12/15/2027	-		30,504.09	30,504.09
6/15/2028	146,000	2.35%	30,420.75	176,420.75
12/15/2028	-		28,705.25	28,705.25
6/15/2029	150,000	2.35%	28,626.61	178,626.61
12/15/2029	-		27,016.57	27,016.57
6/15/2030	153,000	2.35%	26,868.93	179,868.93
12/15/2030	-		25,213.89	25,213.89
6/15/2031	157,000	2.35%	25,076.11	182,076.11
12/15/2031	-		23,364.09	23,364.09
6/15/2032	160,000	2.35%	23,300.25	183,300.25
12/15/2032	-		21,420.25	21,420.25
6/15/2033	164,000	2.35%	21,361.56	185,361.56
12/15/2033	-		19,546.66	19,546.66
6/15/2034	168,000	2.35%	19,439.84	187,439.84
12/15/2034	-		17,567.25	17,567.25
6/15/2035	172,000	2.35%	17,471.25	189,471.25
12/15/2035	-		15,540.71	15,540.71
6/15/2036	176,000	2.35%	15,498.25	191,498.25
12/15/2036	-		13,430.25	13,430.25
6/15/2037	180,000	2.35%	13,393.45	193,393.45
12/15/2037	-		11,346.25	11,346.25
6/15/2038	184,000	2.35%	11,284.25	195,284.25
12/15/2038	-		9,178.33	9,178.33
6/15/2039	189,000	2.35%	9,128.17	198,128.17

EXHIBIT A

Muskegon Heights Public Schools, Michigan
Amended and Restated Emergency Loan Note (General Obligation Limited Tax), 2012-2013 Series II

Dated Date 5/23/2018
Delivery Date 5/23/2018

Date	Principal	Coupon	Interest	Total
12/15/2039	-		6,951.49	6,951.49
6/15/2040	193,000	2.35%	6,932.50	199,932.50
12/15/2040	-		4,664.75	4,664.75
6/15/2041	197,000	2.35%	4,651.97	201,651.97
12/15/2041	-		2,356.44	2,356.44
6/15/2042	200,000	2.35%	2,343.56	202,343.56
	3,165,000		1,164,132.46	4,329,132.46



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-2

ORDER DENYING EMERGENCY LOAN RESTRUCTURING

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

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

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

1. A financial emergency exists within Muskegon Heights Public Schools also at times operating under the assumed name of the School District of the City of Muskegon Heights (the "School District").
2. The School District has requested a restructuring of the Emergency Loan Note (General Obligation Limited Tax) 2012-13 Series II.
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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 Series II 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 Emergency Loan Note (General Obligation Limited Tax) 2012-13 Series II 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 _____

Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By _____

John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By _____

Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018

Lansing, Michigan