

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: \$1,230,000.00

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
2014 EMERGENCY LOAN FROM THE STATE OF MICHIGAN,
RESTRUCTURING OF EMERGENCY LOAN NOTE 2013-14 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 DENISE WHATLEY SEAS and supported by Member MATTHEW BRADLEY

WHEREAS, on December 12, 2013, 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 "2014 Loan") from the Local Emergency Financial Assistance Loan Board (the "ELB"), which 2014 Loan was evidenced by a note designated Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I, as subsequently amended and restated and currently designated Amended and Restated Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I, dated July 11, 2016, which currently is outstanding and in full force and effect in accordance with its terms (the "Restated 2014 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 2014 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 2014 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 2014 Loan and the respective debt service payment schedules on the Restated 2014 Note.

2. The Restructured Loan and Restructured Note. The restructured 2014 Loan shall be evidenced by a second amended and restated note which shall be exchanged for the Restated 2014 Note and shall be designated as the "Second Amended and Restated Emergency Loan Note (General Obligation Limited Tax) 2013-14 Series I", or such other designation approved by the ELB in its Order of Approval, as hereinafter defined (the "Restructured 2014 Note"). An Authorized Officer is authorized and directed to negotiate the amended payment schedule for the Restructured 2014 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 2014 Note, the principal amount of the Restructured 2014 Note shall be equal to the outstanding principal amount of the 2014 Note on the day the Restructured 2014 Note is executed; the final maturity date of the Restructured 2014 Note shall be on or before December 1, 2043; and the interest rate on the Restructured 2014 Note shall remain at 2.65% per annum. The principal and interest on the Restructured 2014 Note shall be payable on the dates specified in the Order of Approval. An Authorized Officer shall execute the Restructured 2014 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 2014 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 2014 Note in exchange for receiving back the Restated 2014 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, MICHELLE 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

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

EXHIBIT A

FORM OF RESTRUCTURE 2014 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)
2013-14 Series I**

Registered Owner: State of Michigan

Principal Amount: \$1,230,000

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 2.65% 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 2014 EMERGENCY
LOAN, EMERGENCY LOAN NOTE 2013-14 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 \$1,230,000 Amended and Restated Emergency Loan Note (General Obligation Limited Tax) 2013-14 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 2014 EMERGENCY
LOAN, EMERGENCY LOAN NOTE 2013-14 SERIES I AND RELATED MATTERS