RESOLUTION APPROVING
EQUIPMENT INSTALLMENT PURCHASE AGREEMENT

WHEREAS, it has been determined by the Board of Education that the School District is in need of financing the purchase of various vehicles as described in the attached Exhibit A (the Equipment”) from a vehicle vendor (the “Vendor); and

WHEREAS, pursuant to Section 11(a)(3) of the Revised School Code of the State of Michigan, as amended, and Section 1 of Public Act 99 of 1988 of the State of Michigan, as amended (“Act 99”), the School District may borrow money for the purchase of personal property, such as the Equipment, for public purposes, to be paid for in installments over a period not to exceed the lesser of the useful life of the Equipment or fifteen (15) years; and

WHEREAS, the outstanding balance of all such purchases by the School District under Act 99, exclusive of interest, shall not exceed one and one quarter (1-1/4%) percent of the taxable value of the real and personal property of the School District at the date of such installment purchase agreement; and

WHEREAS, the School District’s Administration intends to solicit proposals from various banks and other lenders for the borrowing of funds in an amount not to exceed $290,000 to finance the purchase of the Equipment pursuant to an installment purchase agreement.

WHEREAS, it is necessary for the Board of Education to authorize the Superintendent and the Assistant Superintendent of Business Services, or either one acting individually, (the “Authorized Officer”) to solicit, accept and approve a proposal from a bank or other lender for the borrowing of funds to finance the purchase of the Equipment; and

WHEREAS, it is necessary to further authorize the Authorized Officer to execute an installment purchase agreement by and between the School District, the Vendor and a bank or other lender and certain other documentation relative thereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE WALLED LAKE CONSOLIDATED SCHOOL DISTRICT, OAKLAND COUNTY, MICHIGAN, THAT:

1. The Authorized Officer is hereby authorized and directed to solicit proposals from a bank or other lender for the borrowing of funds to finance the purchase of the Equipment pursuant to an installment purchase agreement. The Authorized Officer is further authorized to accept and approve a proposal from a bank or other lender for the financing of the Equipment.

2. The Authorized Officer is authorized and directed to execute an installment purchase agreement by and between the School District, the Vendor and a bank or other lender, in substantially the form attached hereto as Exhibit B (the “Agreement”), in an amount not to exceed $290,000, and the Authorized Officer is hereby authorized and directed to execute and deliver such other closing documents required to complete the borrowing for the Equipment.

3. The School District hereby agrees to include in its budget for each year, as a first
priority budget obligation, commencing with the present school year if applicable, a sum that will be sufficient to pay the principal of and the interest coming due under the Agreement. In addition, the School District hereby pledges to levy *ad valorem* taxes on all taxable property in the School District each year in an amount necessary to make its debt service payments under the Agreement, subject to applicable Constitutional and statutory tax rate limitations.

4. The School District covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the payments due under the Agreement from adjusted gross income for general federal income tax purposes under the Code including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of proceeds of the Agreement and the Assignment, and to prevent such proceeds from being or becoming “private activity bonds” as that term is used in Section 141 of the Code. If applicable, the School District hereby authorizes the Authorized Officer to designate the obligations under the Agreement as “qualified tax exempt obligations” for purposes of the deduction of interest expense by financial institutions pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

5. The School District makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. §1.150-2 pursuant to the Internal Revenue Code of 1986, as amended: a) the School District reasonably expects to reimburse an original expenditure, described in (d) below, to be made from the fund described in (c) below, with the proceeds of the Agreement for the proposed financing of the purchase of the Equipment to be issued by the School District in 2020; b) this declaration of official intent is specifically made, pursuant to Treas. Reg §1.150-2; c) the original expenditure to be reimbursed will be paid from the School District’s General Fund; d) the original expenditures are for the purchase of Equipment; e) the maximum principal amount of debt expected to be issued for the reimbursement purposes described herein is $290,000; f) this declaration of official intent is consistent with the School District’s budgetary and financial circumstances, since no funds from sources other than the anticipated borrowing are or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the School District pursuant to the School District’s budget or financial policies with respect to the fund to be reimbursed as described in (c) above; g) reimbursement of the expenditures described in (d) above with the proceeds of the anticipated borrowing will occur not earlier than the date on which the expenditure is paid and not later than: (i) the date that is eighteen months after the date on which the original expenditure is paid; or (ii) the date that is eighteen months after the date on which the project is placed in service or abandoned but in no event more than three years after the original expenditure; h) the expenditures described in (d) above are “capital expenditures” which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election) under the general federal income tax principles (as determined at the time the expenditure is paid).

6. All previous resolutions and parts of previous resolutions, insofar as they may be in conflict with this Resolution, are rescinded.