

**BOARD OF EDUCATION  
NORTH BRANCH EDUCATIONAL SERVICES CENTER  
6655 JEFFERSON, PO BOX 3620  
NORTH BRANCH, MICHIGAN 48461-3620**

The regular meeting of the North Branch Board of Education was held 7:00 p.m. on Monday, July 25, 2016 in the board room located in the North Branch Educational Services Center, 6655 Jefferson, North Branch, Michigan.

Vice President Howell called the meeting to order at 7:01 p.m.

Roll Call indicated the following Board members present:

Members Present: Cheryl Howell, Vice-President  
Melissa Schank, Secretary  
Daniel Deshetsky, Trustee  
Tom Nellenbach, Trustee  
Larry Mabery, Trustee

**Absent:** Cory Mabery, President  
Doug Meiburg, Treasurer

Others Present:	James D. Fish	Superintendent
	Cheryl Bruff	Business Manager
	Jeff Drayton	Director of Operations & Technology
	Rhoda Lucia	Recording Secretary

Community Members - 3

Moved by Schank, support by L. Mabery Board of Education approve the agenda as presented.  
Motion Carried Unanimously

**Communications:**

Mr. Meiburg asked for an update on the student that was recently reinstated. Mr. Fish spoke with Mr. Rosser and he is happy to report that the student is doing well in all areas.

Mr. Fish reviewed the update on all school of choice additions including grades of students, what district they are coming from and why they are choosing to come to North Branch.

**Board Committee Reports:** none

**Public Comment:** None

**Consent Agenda:**

Moved by L. Mabery, support by Schank the Board of Education has received and reviewed information for the consent agenda including the July 11, 2016 regular meeting minutes.  
Motion Carried Unanimously

**Items for action/discussion:**

Moved by Deshetsky, support by Schank the Board of Education approve the employment of Jodi Myers as a Kindergarten teacher at the North Branch Elementary.  
Motion Carried Unanimously

Moved by Schank, support by Deshetsky the Board of Education approve the 2016 Refunding of Bonds Ratifying Resolution as presented and attached.

Roll Call Vote: Howell aye, Schank aye, L. Mabery aye, Nellenbach aye, Deshetsky aye  
5 aye, 0 nay, 2 absent - Motion Carried Unanimously

Moved by Schank, support by L. Mabery that the Board of Education approve the resolution for the renewal of 17.886 plus .50 mil as presented and attached.

Roll Call Vote: Schank aye, Howell aye, L. Mabery aye, Nellenbach aye, Deshetsky aye  
5 aye, 0 nay, 2 absent - Motion Carried Unanimously

Moved by L. Mabery, support by Schank that the Board of Education approves  
The State Aid Note for borrowing for cash purposes as presented and attached.

Roll Call Vote: Schank aye, Deshetsky aye, Howell aye, Nellenbach aye, L. Mabery aye  
5 aye, 0 nay, 2 absent – Motion Carried

Moved by Schank, support by Deshetsky that the Board of Education approve the resolution for the School Bond Loan Application as presented and attached.

Roll Call Vote: Deshetsky aye, Howell aye, L. Mabery aye, Schank aye, Nellenbach aye  
5 aye, 0 nay, 2 absent – Motion Carried

#### **Items for Future Discussion/Action**

Mr. Drayton discussed the options and bids that he had received and entertained questions from the board.

Mr. Fish requested that the August 22<sup>nd</sup> Board of Education meeting be moved to 6:00 p.m. to accommodate the 7:00 p.m. Community Meeting.

Moved by Deshetsky, support by L. Mabery the Board of Education adjust the meeting time for the Aug 22<sup>nd</sup> meeting to 6:00 p.m. with a community meeting at 7:00 p.m. after at the high school auditorium.

Motion Carried Unanimously

Mr. Fish informed the Board the Mr. Rosser will be giving a brief update on the Disc Golf Course at the August 8 Board of Education Meeting.

**Public Comment:** none

**Board Member Comment:** The board members made comments.

Moved by L. Mabery, support by Schank that the Board of Education adjourn the meeting at 7:59 p.m.

Motion Carried Unanimously

  
Melissa Schank, Secretary

North Branch Area Schools, Lapeer County, Michigan (the "Issuer")

A regular meeting of the board of education of the Issuer (the "Board") was held in the Board Room, within the boundaries of the Issuer, on the 25th day of July, 2016, at 7 o'clock in the p.m.

The meeting was called to order by Cheryl Howell Vice, President.

Present: Members - Cheryl Howell, Melissa Schank, Daniel Deshetsky, Tom Nellenbach, Larry Mabery

Absent: Members - Cory Mabery & Doug Meiburg

The following preamble and resolution were offered by Member Schank and supported by Member Deshetsky:

**WHEREAS:**

1. By resolution adopted on May 23, 2016 (the "Bond Resolution"), this Board authorized the issuance of not to exceed Seventeen Million Six Hundred Thousand Dollars (\$17,600,000) 2016 Refunding Bonds (General Obligation - Unlimited Tax) (Federally Taxable) (the "Bonds") for the purpose of refunding all or a portion of the Issuer's School Bond Loan Fund and School Loan Revolving Fund balances (the "Refunded Obligations"); and

2. In the Bond Resolution, the Issuer authorized the Superintendent of Schools to accept the offer of Stifel, Nicolaus & Company, Incorporated, Okemos, Michigan (the "Underwriter"), within the parameters set forth in such resolution; and

3. Based upon information provided by the Issuer's financial consulting firm and the Underwriter, the Issuer selected a negotiated sale to allow for flexibility in the timing, sale and structure of the Bonds in response to changing market conditions and to accomplish the refunding of the Refunded Obligations; and

4. The Underwriter presented an offer to purchase the Bonds to the Superintendent on June 30, 2016, which the Superintendent accepted pursuant to the authority delegated in the Bond Resolution.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The offer of the Underwriter as set forth in the bond purchase agreement (the "Bond Purchase Agreement"), and the terms and conditions set forth therein, presented to the Superintendent on June 30, 2016, to purchase the Bonds in the principal amount of \$16,920,000 at a purchase price of \$16,863,318.00, which is the par value of the Bonds, less the Underwriter's discount of \$56,682.00, is hereby ratified and affirmed. The Bonds shall be issued in the aggregate principal sum of \$16,920,000 and designated 2016 Refunding Bonds (General Obligation - Unlimited Tax) (Federally Taxable). The Underwriter has agreed in the Bond Purchase Agreement that it shall initially offer the Bonds to the public at the yields set forth in Exhibit A hereto.

2. The Bonds shall be dated July 27, 2016, and shall mature on May 1 of the years 2019 through 2024, inclusive, on which interest is payable commencing November 1, 2016 and semi-annually thereafter on May 1 and November 1, at the rates and in the principal amounts set forth in Exhibit A. The Bonds shall be initially offered to the public at the initial offering yields as set forth in Exhibit A hereto.

3. Bonds of this issue are not subject to redemption prior to maturity.

4. Blank Bonds with the manual or facsimile signatures of the President and Secretary of the Board affixed thereto, shall, upon issuance and delivery and from time to time thereafter as necessary, be delivered to the Paying Agent for safekeeping to be used for registration and transfer of ownership.

The Bonds are registered as to principal and interest and are transferable as provided in the Bond Resolution only upon the books of the Issuer kept for that purpose by the Paying Agent, by the registered owner thereof in person or by an agent of the owner duly authorized in writing, upon the surrender of the Bond together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or agent thereof and thereupon a new Bond or Bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Bond Resolution, and upon payment of the charges, if any, therein provided. The Bonds are issuable in denominations of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bonds, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution of the mutilated Bond, upon surrender to the Paying Agent of the mutilated Bond. If any Bond issued under this resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the Paying Agent, and if satisfactory to the Paying Agent and the Issuer, the Issuer at the expense of the owner, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver a new Bond of like tenor and bearing the statement required by Act 354, Public Acts of Michigan, 1972, as amended, being sections 129.131 to 129.134, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted, in lieu of and in substitution of the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof.

5. Upon delivery of the Bonds, the accrued interest, if any, shall be deposited in the Debt Retirement Fund for the Bonds and the balance of the Bond proceeds shall be used as follows:

A. The approximate sum of \$16,761,500 shall be paid to the Michigan Department of Treasury for payment of the Refunded Obligations.

B. The approximate sum of \$101,818 shall be used to pay the cost of issuance of the Bonds, and any balance remaining from that sum after paying the costs of issuance shall be deposited in the Debt Retirement Fund for the Bonds.

6. The President and Secretary are hereby authorized to provide the Bonds in conformity with the specifications of this resolution by causing their manual or facsimile signatures to be affixed thereto, and upon the manual execution by the authorized signatory of the Paying Agent, the Treasurer be and is hereby authorized and directed to cause said Bonds to be delivered to the Underwriter upon receipt of the purchase price and accrued interest, if any.

7. The Preliminary Official Statement, dated June 22, 2016, is deemed final for purposes of SEC Rule 15c2-12(b)(1), relating to the Bonds and its use and distribution by the Underwriter is hereby authorized, approved and confirmed.

8. The Superintendent is authorized and directed to execute and deliver the final Official Statement on behalf of the Issuer. The Superintendent is further authorized to approve, execute and deliver any amendments and supplements to the final Official Statement necessary to assure that the statements therein are true, as of the time the Bonds are delivered to the Underwriter, and that it does not contain any untrue statement of a material fact and does not omit to state a material fact

necessary in order to make the statements, in light of the circumstances under which they were made, not misleading. In the absence of the Superintendent, the President may execute the above documents.

9. The President or Vice President, the Secretary, the Treasurer, the Superintendent, and/or all other officers, agents and representatives of the Issuer and each of them shall execute, issue and deliver any certificates, statements, warranties, representations, or documents necessary to effect the purposes of this resolution, the Bonds or the Bond Purchase Agreement.

10. The officers, agents and employees of the Issuer are authorized to take all other actions necessary and convenient to facilitate sale and delivery of the Bonds.


11. The Issuer hereby appoints The Huntington National Bank, Grand Rapids, Michigan, as Paying Agent-Bond Registrar and directs the Superintendent of Schools to execute for and on behalf of the Issuer a Paying Agent-Bond Registrar Agreement.

12. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.

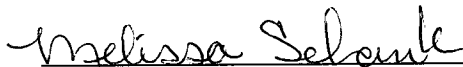
Ayes: Members - Cheryl Howell, Melissa Schank, Daniel Deshetsky, Tom Nellenbach, Larry Mabery

Nays: Members - None

Resolution declared adopted.

  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of North Branch Area Schools, Lapeer County, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at a regular meeting held on July 25, 2016, the original of which is part of the Board's minutes. The undersigned further certifies that notice of the meeting was given to the public pursuant to the provisions of the "Open Meetings Act" (Act 267, Public Acts of Michigan, 1976, as amended).

  
Secretary, Board of Education

MFH/kmh

North Branch Area Schools, Lapeer County, Michigan (the "District")

A regular meeting of the board of education of the District (the "Board") was held in the Board Room \_\_\_\_\_, within the boundaries of the District, on the 25<sup>th</sup> day of July, 2016, at 7 o'clock in the p.m.

The meeting was called to order by Cheryl Howell Vice, President.

Present: Members - Cheryl Howell, Melissa Schank, Daniel Deshetsky, Tom Nellenbach, Larry Mabery

Absent: Members - Cory Mabery & Doug Meiburg

The following preamble and resolution were offered by Member Schank and supported by Member Larry Mabery:

**WHEREAS:**

1. Pursuant to the Michigan Election Law, the District's regular school election shall be held on the first Tuesday after the first Monday in November of even years.
2. It is necessary to conduct the District's regular election on Tuesday, November 8, 2016, to fill one or more Board positions.
3. On or before 4:00 p.m. on Tuesday, August 16, 2016, the Board shall certify any ballot proposition to be submitted to the voters at such election to the election coordinator or coordinators designated to conduct elections within the District (the "Election Coordinator").

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The regular school election of the school electors of the District be called and held on Tuesday, November 8, 2016.
2. The proposition to be voted on at the regular school election shall be stated on the ballots in substantially the form as set forth in Exhibit "A".
3. The Election Coordinator is requested to:
  - a. Utilize The Lapeer County Press, a newspaper published or of general circulation within the District, for publication of notices in accordance with the election law requirements.
  - b. Utilize ballot proposition summary information, as prepared by legal counsel, in the forms of the notices of last day of registration and election in the form as set forth in Exhibit "B" attached hereto.
  - c. Provide a proof copy of the ballot to the District and its legal counsel in sufficient time to allow the ballot to be proofread prior to printing.


4. The Secretary of this Board is hereby authorized and directed to file a copy of this resolution with the Election Coordinator and with any Election Clerk or clerks designated to conduct elections within the District by 4:00 p.m., on Tuesday, August 16, 2016.

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.

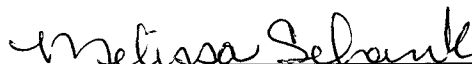
Ayes: Members - Cheryl Howell, Melissa Schank, Daniel Deshetsky, Tom Nellenbach, Larry Mabery

Nays: Members - None

Resolution declared adopted.

  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of North Branch Area Schools, Lapeer County, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at a regular meeting held on July 25, 2016, the original of which is part of the Board's minutes. The undersigned further certifies that notice of the meeting was given to the public pursuant to the provisions of the "Open Meetings Act" (Act 267, Public Acts of Michigan, 1976, as amended).

  
Secretary, Board of Education

MFH/keh

## EXHIBIT "A"

### OPERATING MILLAGE PROPOSAL

This proposal will allow the school district to continue to levy the statutory rate of not to exceed 18 mills on all property, except principal residence and other property exempted by law, required for the school district to receive its revenue per pupil foundation allowance and restores millage lost as a result of the reduction required by the Michigan Constitution of 1963.

Shall the currently authorized millage rate limitation on the amount of taxes which may be assessed against all property, except principal residence and other property exempted by law, in North Branch Area Schools, Lapeer County, Michigan, be renewed by 17.8866 mills (\$17.8866 on each \$1,000 of taxable valuation) for a period of 6 years, 2017 to 2022, inclusive, and also be increased by .50 mill (\$0.50 on each \$1,000 of taxable valuation) for a period of 6 years, 2017 to 2022, inclusive, to provide funds for operating purposes; the estimate of the revenue the school district will collect if the millage is approved and 18 mills are levied in 2017 is approximately \$1,136,488 (this is a renewal of millage that will expire with the 2016 levy and a restoration of millage lost as a result of the reduction required by the Michigan Constitution of 1963)?

**EXHIBIT "B"**

**SUMMARY OF BALLOT PROPOSITION TO BE INSERTED IN THE  
NOTICES OF LAST DAY OF REGISTRATION AND ELECTION:**

NORTH BRANCH AREA SCHOOLS  
OPERATING MILLAGE PROPOSAL  
EXEMPTING PRINCIPAL RESIDENCE  
AND OTHER PROPERTY EXEMPTED BY LAW  
17.8866 MILLS FOR 6 YEARS AND  
.50 MILL FOR 6 YEARS TO RESTORE HEADLEE REDUCTION

Full text of the ballot proposition may be obtained at the administrative offices of North Branch Area Schools, 6655 Jefferson Road, North Branch, Michigan 48461-0620, telephone: (810) 688-3570.

## STATE AID OPERATING NOTES RESOLUTION

North Branch Area Schools, Lapeer County, Michigan (the "Issuer")

A regular meeting of the board of education of the Issuer (the "Board") was held in the Board Room, within the boundaries of the Issuer, on the 25th day of July, 2016, at 7 o'clock in the p.m.

The meeting was called to order by Cheryl Howell Vice, President.

Present: Members- Cheryl Howell, Melissa Schank, Daniel Deshetsky, Tom Nellenbach, Larry Mabery

Absent: Members- Cory Mabery & Doug Meiburg

The following preamble and resolution were offered by Member L. Mabery and supported by Member Schank:

### WHEREAS:

1. Under the terms of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended ("Act 451"), a school district is authorized, either by achieving qualified status as described in Section 303(2) of Act 34, Public Acts of Michigan, 2001, as amended, or upon receiving prior approval of the authorized representative of the Department of Treasury, to borrow money for school operations and issue its notes therefor, pledging for the payment thereof monies to be received by it from the state school aid fund, which notes shall be the full faith and credit obligation of the Issuer; and

2. The estimated amount of such state aid appropriations allocated, or to be allocated, to this Issuer is \$ 18,817,289 for the fiscal year ending June 30, 2017, of which amount the sum of \$0 has been heretofore distributed and received, leaving a balance of \$ 18,817,289 as the estimated amount remaining to be distributed to the Issuer pursuant to Act 451; and

3. This Issuer has immediate need to borrow the sum of not to exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) to pay current operating expenses for fiscal year 2016-2017; and

4. The principal amount of the notes payable from the undistributed balance of the appropriations allocated to this Issuer for said fiscal year which have heretofore been issued and are now outstanding is \$0; and

5. Five percent (5%) of estimated fiscal year 2015-2016 operating expense is \$ 1,016,973; and

6. The process of soliciting bids by publishing a notice of sale in a publication as specified in Section 309(2) of Act 34, Public Acts of Michigan, 2001, as amended, is prohibitively more expensive than obtaining bids through the distribution of a solicitation for bids.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. This Issuer shall borrow the sum of not to exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) or such lesser amount as the Department of Treasury may approve or as reduced by a member of either the administrative staff or the Board of the Issuer, and shall issue its note or notes (the "Notes") therefor. The Issuer hereby appropriates a sufficient amount of state aid to repay the principal of and interest on the Notes. In addition, the full faith and credit of the Issuer is hereby irrevocably pledged for payment of the principal and interest on the Notes, and in case of insufficiency of state aid, the Issuer shall pay the Notes from any funds legally available therefor, and, if necessary, levy taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations, all pursuant to Act 451. The pledge of full faith and credit is subordinate to any encumbrances or tax levies pledged or to be pledged for the payment of tax anticipation notes issued or to be issued by the Issuer pursuant to Act 34, Public Acts of Michigan, 2001, as amended.

It is hereby declared that said borrowing is necessary for the purpose of securing funds for school operations and it is agreed with the purchaser of said Notes that the proceeds thereof will be used exclusively for that purpose.

2. Based upon expense considerations associated with publishing a notice of sale, as specified in Section 309(2) of Act 34, Public Acts of Michigan, 2001, as amended, the Board authorizes the distribution of a solicitation for bids, without publication, to obtain bids under the terms of Paragraphs 3 and 6 of this resolution.

3. Said Notes shall be dated as of September 7, 2016, or the date of delivery, shall bear interest from the date thereof until paid at a rate not exceeding three percent (3%) per annum on the balance from time to time remaining unpaid, shall be in minimum denominations of \$100,000 or multiples of \$1,000 in excess of \$100,000, shall be payable to the Registered Owner, in lawful money of the United States of America, at such bank or trust company in the State of Michigan as shall be designated by the original purchaser of the Notes, which paying agent qualifies as such under the statutes of the State of Michigan or of the Federal Government, and shall be due and payable on August 22, 2017. If more than one note is issued, the Notes shall be numbered serially from 1 upwards. Such Notes may be designated, at the option of the purchaser thereof, as a "State Aid Note" or "State Aid Notes".

4. The form of the Notes shall be in substantially the form set forth and attached hereto as Exhibit A.

5. Once the Issuer has either achieved qualified status under Act 34, Public Acts of Michigan, 2001, as amended, or received prior approval for the issuance of the Notes from the authorized representative of the Department of Treasury, and based upon the determination of Paragraph 2 of this resolution, a member of either the administrative staff or the Board of the Issuer is authorized to arrange for the sale of such Notes without the taking of competitive bids thereon, provided that when bids, competitive or otherwise, are solicited and more than one bid received, such Notes shall be awarded to the lowest responsible bidder. The Notes shall be executed by the President and Secretary of the Board. In the absence of the President, the Superintendent may sign in the place of the President, and in the absence of the Secretary, the Treasurer of the Board may sign in place of the Secretary.

6. The form of solicitation for bids shall be in substantially the form set forth and attached hereto as Exhibit B.

7. If the Issuer has not achieved qualified status under Act 34, Public Acts of Michigan, 2001, as amended, a member of either the administrative staff or the Board of the Issuer is hereby authorized and directed to file a certified copy of this resolution with the authorized representative of the Department of Treasury for and on behalf of the Issuer and an application for an order approving such borrowing and issuance of said Notes, if applicable, and to pay any applicable fee therefor.

8. The Issuer hereby designates the Notes of this issue as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended. In making said designation, the Board determines that the reasonably anticipated amount of tax-exempt obligations which will be issued by the Issuer or entities which issue obligations on behalf of the Issuer during calendar year 2016 will not exceed \$10,000,000.

9. The Board covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended, necessary to maintain the exemption of interest on the Notes from federal income taxation.

10. A member of either the administrative staff or the Board of the Issuer is further authorized to approve the specific interest rate to be borne by the Notes, not exceeding the maximum rate permitted by law, the purchase price of the Notes, and other terms and conditions relating to the Notes and the sale thereof. A member of either the administrative staff or the Board of the Issuer is directed to execute a certificate accepting the interest rate and purchase price of the Notes on behalf of the Issuer.

11. Within fifteen (15) business days after issuance of the Notes, the Board hereby authorizes and directs the Superintendent to cause to be filed with the Department of Treasury any and all documentation required subsequent to the issuance of the Notes, along with any statutorily required fee.


12. The President, Vice President, Secretary, Treasurer, Superintendent and the individual acting in the capacity of the school business official are each further authorized to execute any documents or certificates necessary to complete the transaction. Any of those officers may designate, in writing, an individual to act in their place with respect to the powers conveyed in this paragraph.

13. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.

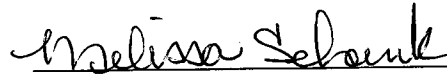
Ayes: Members - Cheryl Howell, Melissa Schank, Daniel Deshetsky, Tom Nellenbach, Larry Mabery

Nays: Members - None

Resolution declared adopted.

  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of North Branch Area Schools, Lapeer County, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at a regular meeting held on July 25, 2016, the original of which is part of the Board's minutes. The undersigned further certifies that notice of the meeting was given to the public pursuant to the provisions of the "Open Meetings Act" (Act 267, Public Acts of Michigan, 1976, as amended).

  
Secretary, Board of Education

FGH/rrm

**EXHIBIT A**  
**UNITED STATES OF AMERICA**  
**STATE OF MICHIGAN**  
**COUNTY OF LAPEER**  
**NORTH BRANCH AREA SCHOOLS**  
**STATE AID NOTE**

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
		September 7, 2016	

**REGISTERED OWNER:**  
**PRINCIPAL AMOUNT:**

North Branch Area Schools, County of Lapeer, State of Michigan (the "Issuer"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, with interest thereon from the date hereof until paid at the Rate specified above based on a 360-day year, 30-day month, on presentation and surrender of this note (the "Note") at \_\_\_\_\_, Michigan (the "Paying Agent"). This Note is issued in minimum denominations of \$100,000 or multiples of \$1,000 in excess of \$100,000.

This Note is not subject to redemption prior to maturity.

This Note is issued under the provisions of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, for the purpose of providing money for school operations for the fiscal year ending June 30, 2017. The Issuer has pledged for the payment of this Note monies to be received by it from state school aid. As additional security the Issuer has pledged the full faith, credit and resources of the Issuer and, in the event of the unavailability or insufficiency of state school aid for any reason, this Note is payable from tax levies within the Issuer's constitutional and statutory limitations or from unencumbered funds of the Issuer. The pledge of the full faith, credit and resources is subordinate to any encumbrances of tax levies pledged for the payment of tax anticipation notes issued or to be issued by the Issuer pursuant to Act 34, Public Acts of Michigan, 2001, as amended.

The Issuer has designated this Note as a "Qualified Tax-Exempt Obligation" for the purpose of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended.

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

IN WITNESS WHEREOF, North Branch Area Schools, County of Lapeer, State of Michigan, by its Board of Education, has caused this Note to be signed in the name of the Issuer by its President and Secretary, as of September 7, 2016.

North Branch Area Schools  
County of Lapeer  
State of Michigan

By Form Only - Not for Execution  
President

And Form Only - Not for Execution  
Secretary

**EXHIBIT B**

**SOLICITATION FOR BIDS**

**NORTH BRANCH AREA SCHOOLS  
COUNTY OF LAPEER  
STATE OF MICHIGAN  
\$1,800,000  
STATE AID NOTES**

Unconditional and firm bids for the purchase of not to exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) of State Aid Notes (the "Note" or "Notes") will be received by North Branch Area Schools, Lapeer County, Michigan (the "Issuer") at the administrative offices, 6655 Jefferson, North Branch, Michigan 48461, on the 3rd day of August, 2016, until 2:00 o'clock in the p.m., prevailing Eastern Time, at which time and place said bids will be publicly opened and read. Award of Notes will be made on behalf of the Issuer by an authorized officer of the Issuer on that date.

**FAXED BIDS:** Bidders may submit signed bids via facsimile transmission to the Issuer at (810) 688-7010 provided that the faxed bids are received prior to the time and date fixed for receipt of bids. Bidders submitting faxed bids bear the full risk of failed or untimely transmission of their bids. Bidders are encouraged to confirm the timely receipt of their full and complete bids by telephoning the Issuer at (810) 688-3570.

**NOTE DETAILS; INTEREST RATE; PAYING AGENT; AND DENOMINATION:** The Notes will be dated September 7, 2016, or date of delivery, due on August 22, 2017, and will bear interest at a rate not exceeding three percent (3%) per annum. Both principal and interest will be payable at a bank or trust company located in the State of Michigan; New York, New York; or Chicago, Illinois, to be designated by the original purchaser of the Notes, which paying agent qualifies as such under the statutes of the state in which it is located or of the United States, with paying agent fees, if any, to be paid by the purchaser of the Notes. The Notes shall be issued in minimum denominations of \$100,000 or multiples of \$1,000 in excess of \$100,000. If more than one Note is issued, the Notes shall be numbered serially from one upwards.

**NO OFFICIAL STATEMENT:** The Issuer will not provide a Near Final or final Official Statement. Further, compliance with Rule 15c2-12 of the Securities and Exchange Commission regarding sale to limited numbers of sophisticated investors is the sole responsibility of the successful bidder.

**PRIOR REDEMPTION:** The Notes are not subject to redemption prior to maturity.

**AWARD OF NOTES:** For the purpose of awarding the sale of the Notes, the interest cost of each unconditional and firm bid will be computed on a 360-day year, 30-day month, by determining, at the rate specified therein, the total dollar value of all interest on the Notes from September 7, 2016, to maturity and deducting therefrom any premium. Any net premium bid on the Notes shall not result in a purchase price in excess of 101% of the par value of the Notes. Bidders may not submit discount bids. The Notes will be awarded to the bidder whose

unconditional and firm bid on the above computation produces the lowest dollar interest cost to the Issuer. No proposal for the purchase of less than all the Notes or at a price less than their par value will be considered. Any and all fees or charges of the bidder must be incorporated into the rate.

**SECURITY:** The Notes are issued under the provisions of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, for the purpose of providing money for school operations for the fiscal year ending June 30, 2017. The Issuer has pledged for the payment of the Notes, monies to be received by it from state school aid.

As additional security the Issuer has pledged the full faith, credit and resources of the Issuer and, in the event of the unavailability or insufficiency of state school aid for any reason, the Notes are payable from tax levies within its constitutional and statutory limitations or from unencumbered funds of the Issuer. The pledge of full faith and credit is subordinate to any encumbrances or tax levies pledged or to be pledged for the payment of tax anticipation notes issued or to be issued by the Issuer pursuant to Act 34, Public Acts of Michigan, 2001, as amended.

**LEGAL OPINION:** Bids shall be conditioned upon the unqualified opinion of Thrun Law Firm, P.C., attorneys of East Lansing, Michigan, which opinion will be furnished without expense to the purchaser prior to the delivery thereof, approving the legality of the Notes.

**TAX MATTERS:** In the opinion of note counsel, assuming continued compliance by the Issuer with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excluded from gross income for federal income tax purposes, as described in the opinion, and the Notes and interest thereon are excluded from taxable income for State of Michigan income tax purposes. Further, the Note and the interest thereon are subject to inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The Issuer has designated the Notes as "**QUALIFIED TAX-EXEMPT OBLIGATIONS**" within the meaning of the Code and has covenanted to comply with those requirements of the Code necessary to continue the exclusion of interest on the Notes from gross income for federal income tax purposes.

**CERTIFICATE REGARDING "ISSUE PRICE":** The successful bidder will be required to furnish, prior to the delivery of the Notes, a certificate in a form acceptable to note counsel as to the "issue price" of the Notes within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended.

**INVESTMENT CERTIFICATE:** As a condition of award, the successful bidder will be required to furnish prior to the delivery of the Notes a certificate in a form acceptable to note counsel that documents the investment experience of the successful bidder and provides representations that either the Notes are being purchased for the bidder's own portfolio without the intent to sell or re-offer the Notes or that if there is an intent to sell or re-offer the Notes, the bidder will obtain from the subsequent purchaser an investment certificate that is substantially identical to the certificate provided by the successful bidder. A sample form investment certificate acceptable to note counsel is available for review through note counsel prior to the sale and will be provided by note counsel to the successful bidder after the sale.

**CLOSING DOCUMENTS:** Drafts of all closing documents, including the form of Note and note counsel's legal opinion, may be requested from Thrun Law Firm, P.C. Final closing documents will be in substantially the same form as the drafts provided. Closing documents will not be modified at the request of a bidder, regardless of whether the bidder's proposal is accepted.

**DELIVERY OF NOTES:** The Issuer shall furnish Notes ready for execution at its expense. Notes will be delivered without expense to the purchaser at a place located in the STATE OF MICHIGAN, to be mutually agreed upon between the purchaser and the Issuer. Delivery can also be made in Chicago, Illinois or New York, New York, but at the EXPENSE of the PURCHASER. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Notes, will be delivered at the time of the delivery of the Notes. Accrued interest to the date of delivery of the Notes, if any, shall be paid by the purchaser at the time of delivery.

Payment for the Notes shall be in such manner as to assure receipt of funds by the Issuer on the day of delivery of the Notes.

**BIDDER CERTIFICATION - NOT "IRAN-LINKED BUSINESS":** By submitting a bid, the bidder shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act 517, Public Acts of Michigan, 2012; MCL 129.311, et seq.

**THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.**

The bids should be plainly marked "Proposal for North Branch Area Schools State Aid Notes".

Cheryl Bruff  
Director of Finance and Business  
North Branch Area Schools

School Bond Qualification and Loan Program  
School Loan Revolving Fund  
Bureau of Bond Finance  
Michigan Department of Treasury  
430 W. Allegan  
Lansing, MI 48922

**ANNUAL LOAN/REPAYMENT ACTIVITY APPLICATION**  
For Participation in the School Bond Qualification and Loan Program

Legal Name of School District North Branch Area Schools	District Code No. 44-090	County Lapeer County
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**CERTIFICATE**

I, the undersigned, Secretary of the Board of Education, do certify hereby that the following constitutes a true and complete copy of a resolution adopted by the Board of Education of this School District, at a [regular or special] meeting held on the 25th day of July, 2016, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with Act 267 of the Public Acts of 1976 (Open Meetings Act).

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of July, 2016.

Melissa Schank

(Type or Print Name of Secretary)

Melissa Schank

(Signature of Secretary)

Doug Meiburg

(Type or Print Name of Treasurer, Board of Education)

(Signature of Superintendent of Schools)

**RESOLUTION**

A meeting was called to order by Cheryl Howell Vice President.

Present: Members Cheryl Howell, Melissa Schank, Daniel Deshetsky, Tom Nellenbach, Larry Mabery

Absent: Members Cory Mabery & Doug Meiburg

The following preamble and resolution were offered by Member Schank

and supported by Member Deshetsky

**WHEREAS:**

1. Act 92 of the Public Acts of Michigan, 2005, enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963, provides the procedure, terms and conditions for obtaining a loan from the Michigan School Loan Revolving Fund.
2. Pursuant to Executive Order No. 1993-19, the state activities related to bond qualification and state borrowing functions for the provision of loans by the State of Michigan to school districts were transferred from the Department of Education to the Department of Treasury. The State Treasurer is responsible for prescribing the forms and procedures regarding the application for loan from the School Loan Revolving Fund.

3. This district has taken all necessary actions to comply with all legal and procedural requirements for borrowing from the School Loan Revolving Fund.

NOW, THEREFORE, LET IT BE RESOLVED THAT:

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

Qualified bond debt millage (Tax Year 2016)	8.44	
Combined beginning balance owed to the SBLF and/or SLRF 06/30/2016		\$ 16,725,340.03
Estimated amount to borrow from or repay to the SBLF and/or SLRF		\$537,217
Estimated accrued interest		0
Estimated combined ending balance owed the SBLF and/or SLRF 06/30/2017		\$537,217

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

3. The district agrees to take actions and to refrain from taking any actions as necessary to maintain the tax exempt status of tax exempt bonds or notes issued by the State or the Michigan Finance Authority for the purpose of financing loans to school districts.

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

5. The (title of authorized officer) Cheryl Bruff is authorized and directed to file with the Department of Treasury the Annual Loan/Repayment Activity Application and any draw request documents necessary for borrowing from the SLRF.

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

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

Ayes: Members - Cheryl Howell, Melissa Schank, Daniel Deshetsky, Tom Nellenbach  
Larry Mabery

Nayes: Members - None