

**BEDFORD PUBLIC SCHOOLS  
COUNTY OF MONROE, STATE OF MICHIGAN**

**AWARDING RESOLUTION**

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A special meeting of the Board of Education ("the Board") of Bedford Public Schools, (the "School District") County of Monroe, State of Michigan, was held in the School District on the 16th day of April, 1997, at 7:00 a.m., Eastern Daylight Savings Time.

The meeting was called to order by Tamara Dindoffier, President

PRESENT: Georgene Campbell, William Henning-Secretary,

Randy Krell, Steve Lennex, and Kay Williams

ABSENT: John Satkowski

The following preamble and resolution were offered by Member William Henning and supported by Member Kay Williams.

WHEREAS, the Bedford Community Stadium Committee (the "Stadium Committee") has presented to the Finance Committee a proposal that the School District seek approval from the Department of Treasury for the issuance of the school District's note to finance phase 1 of a multiple phase Football Field/Community Stadium; and

WHEREAS, it is the intent of the Stadium Committee to pledge the full payment of both principal and interest on the borrowing on the School District's behalf; to the extent of any deficiency in the Stadium Committee's payment, the note is payable from the School District's general fund; and

WHEREAS, the Stadium Committee has presented to the Finance Committee a proposal that the School District seek quotations for borrowing \$1,000,000 over a five year period to finance the stadium construction.

WHEREAS, the following bids, attached as Exhibit A, have been received:

Lender	Interest Rate	Conditions
Monroe Bank and Trust	5.35%	\$100,000 annual principal payment plus interest; balance due at expiration of note; no prepayment penalty
KeyBank National	5.37%	\$200,000 annual principal payment plus interest; prepayment penalty on a market to market basis
Key Bank National	5.00%	\$200,000 annual principal payment plus interest; no prepayment penalty; Interest to be repriced annually

WHEREAS, the bid of Monroe Bank and Trust, Monroe, Michigan, has been determined to produce the lowest interest cost to the Stadium Committee; and

WHEREAS, in order for the interest on the Note to be tax-exempt from state and federal income taxes, the Board must comply with provisions of the Internal Revenue Code of 1986, as amended (the "Code").

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

1. The bid of Monroe Bank & Trust, as above stated, be and the same is hereby accepted.
2. The Board hereby authorizes the issuance of the Note, to be dated \_\_\_\_\_, and the use of proceeds received from the Note exclusively for the purpose of constructing, equipping, and furnishing the Football Field/Community Stadium, with interest at the rate noted above per annum, the obligation to run for a period of five years from the date of issue.
3. The Board hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest on the Notes from adjusted gross income for general federal income tax purposes the Code, including, but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Note proceeds and monies deemed to be Note proceeds.
4. The Board of Education hereby designates the Note in accordance with Section 265(b)(3)(B) of the Code as a "qualified tax-exempt obligation" for the purposes

of deduction of interest by financial institutions under the provisions of the Internal Revenue Code of 1986. The District covenants to comply with all requirements of the Code that must be met after the Note has been issued in order that the interest thereon may be excluded from gross income for Federal Income Tax purposes.

5. The Note shall be executed by Denzil Bell who is authorized to take all steps necessary to issue, sign, deliver, and receive payment for said Note consistent with the School Code of 1976.

6. The Assistant Superintendent, Business and General Administration, is authorized to take all necessary steps and secure all necessary approvals for the issuance of the School District's Note pursuant to the terms above stated.

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

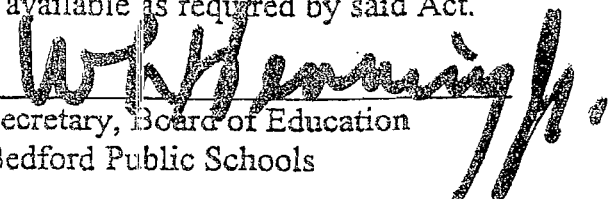
Ayes: Members: 6

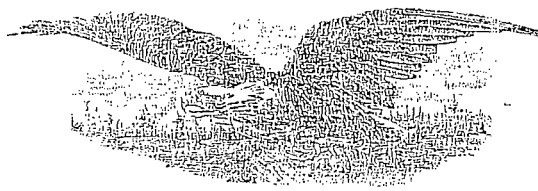
Nays: Members: 0

Resolution declared adopted.

  
Secretary, Board of Education  
Bedford Public Schools

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Board of Education of Bedford Public Schools, County Monroe, State of Michigan, at a special meeting held on April 16, 1997, and that the meeting was conducted and public notice of the meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of 1976, and that minutes of said meeting were kept and will be or have been made available as required by said Act.

  
Secretary, Board of Education  
Bedford Public Schools



SPECIMEN

SPECIMEN

UNITED STATES OF AMERICA  
STATE OF MICHIGAN, COUNTY OF MONROE

BEDFORD PUBLIC SCHOOLS  
LIMITED TAX - GENERAL OBLIGATION  
1997 \$1,000,000 STADIUM NOTE

PRINCIPAL	INTEREST RATE	DATE OF ISSUE
\$1,000,000	5.35%	July 17, 1997

REGISTERED OWNER: MONROE BANK & TRUST, MONROE, MICHIGAN

PRINCIPAL AMOUNT: ONE MILLION DOLLARS (\$1,000,000)

BEDFORD PUBLIC SCHOOLS, County of Monroe, State of Michigan (the "School District"), promises to pay to MONROE BANK & TRUST, MONROE, MICHIGAN (the "Bank"), or its registered assigns, the principal sum specified above in lawful money of the United States of America, with interest thereon from the date hereof until paid at the rate specified above on the basis of a 360-day year, 30-day month. The Note, dated July 17, 1997, maturing on July 17, 2002, shall be a fully registered Note as to principal and interest, and shall bear interest at a fixed rate of 5.35%, with to be paid in four annual principal payments of \$100,000.00, plus interest, commencing July 17, 1998, with the balance due at maturity.

The limited tax, full faith, credit and resources of the School District are hereby pledged for the payment of the Note. The Note is payable primarily from the general fund and other available funds of the School District and, to the extent of any deficiency therein, from general ad valorem taxes imposed on all taxable property in the School District, subject to applicable constitutional and statutory tax rate limitations, subordinate to any first lien on said funds pledged for the payment of State Aid Notes, Tax Anticipation Notes, or Energy Conservation Improvement Notes, heretofore or hereafter issued. The School District does not have the power to levy taxes for the payment of the Note in excess of its constitutional or statutory tax rate limitations. The School District reserves the right to issue additional Notes of equal standing.

This Note, aggregating the principal sum of One Million Dollars (\$1,000,000), is issued under and in pursuance of the provisions of Sections 11a and 1351, 1976 PA 451, as amended, and Resolutions adopted by the School District on April 16, 1997, for the purpose of defraying the cost to erect, equip and furnish phase 1 of a multiple-phase Football Field/Community Stadium.

This Note is payable in whole or in part before maturity.

This Note is registered as to principal and interest and is transferable only upon the books of the School District kept for that purpose by the Bank, by the registered owner hereof in person or by his agent, duly authorized in writing upon the surrender of this Note, together with a written instrument of transfer satisfactory to the Bank, duly executed by the registered owner or agent thereof, and thereupon a new Note in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor, as provided in the resolution authorizing the Note, and upon payment of the charges, if any, therein provided. The Note is in the single denomination of \$1,000,000.

It is hereby certified and recited that all acts, conditions and things required to be done, to happen, and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed in due time, form and manner, as required by law.

IN WITNESS WHEREOF, Bedford Public Schools, County of Monroe, State of Michigan, has caused this Note to be signed in the name of the School District by the signature of its Assistant Superintendent, Business and General Administration, as of the 17th day of July, 1997.

BEDFORD PUBLIC SCHOOLS  
COUNTY OF MONROE  
STATE OF MICHIGAN

By \_\_\_\_\_  
Denzil Bell, Assistant Superintendent  
Business and General Administration

This Note is the Note described in the within described Resolution.  
bfnotes197stadnt

Collins & Blaha, P.C.  
Attorneys at Law  
25505 W. Twelve Mile Road, Suite 1900  
Southfield, MI 48034  
(248) 354-1140

July 17, 1997

Bedford Public Schools (the "Issuer"),  
County of Monroe, State of Michigan

Monroe Bank & Trust  
Monroe, Michigan

Re: 1997 \$1,000,000 Stadium Note  
(Limited Tax General Obligation)

Gentlemen:

We have examined the transcript of proceedings for the issue by Bedford Public Schools, County of Monroe, State of Michigan (the "School District"), of a Note of the principal amount of \$1,000,000, designated 1997 Stadium Note (Limited Tax General Obligation) (the "Note"), to be used to defray the costs of phase 1 of a multiple phase Football Field/Community Stadium. The Note, authorized by the provisions of Sections 11a and 1351 of 1976 PA 451, as amended, dated July 17, 1997, maturing on July 17, 2002, shall be a fully registered Note as to principal and interest, and shall bear interest at a fixed rate of 5.35%, to be paid in four annual principal payments of \$100,000.00, plus interest, commencing July 17, 1998, with the balance due at maturity.

The Note is payable in whole or in part before maturity.

We have also examined the executed Note. From such examination we are of the opinion that the Note is payable primarily from the general fund and other available funds of the School District and, to the extent of any deficiency therein, from general ad valorem taxes imposed on all taxable property in the School District, subject to applicable constitutional and statutory tax rate limitations, subordinate to any first lien on said funds pledged for the payment of State Aid Notes, Tax Anticipation Notes, or Energy Conservation Improvement Notes, heretofore or hereafter issued. The School District does not have the power to levy taxes for the payment of the Note in excess of its constitutional or statutory tax rate limitations.

The School District has reserved the right to issue additional Notes of equal standing, subject to such limitations as may be provided by law. The rights and remedies of Noteholders may be affected by bankruptcy, insolvency, fraudulent conveyance, or other creditors' rights legislation now existing or hereafter enacted, and by application of general principles of equity including those relating to equitable subordination.

We are further of the opinion, as of the date hereof, that under existing statutes, regulations, rulings and court decisions, (a) the Note and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance taxes and taxes on gains realized from the sale, payment or other disposition thereof, and (b) the interest on the Note is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes), the interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years beginning after December 31, 1989) for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (b) above is subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Note in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Note to be included in gross income retroactive to the date of issuance of the Note. The School District has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Note.

The School District has designated this issue of the Note as a "qualified tax exempt obligation" for purposes of paragraph (3) of Section 265(b) of the Internal Revenue Code, for purposes of deduction of interest expense by financial institutions, and has covenanted that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103 (a) of the Code from gross income for federal income taxes, including the Note, has been or shall be issued by the School District, including all subordinate entities of the School District, during the calendar year 1997, absent the occurrence of an emergency situation presently unforeseen.

Very truly yours,

COLLINS & BLAHA, P.C.

Anne P. Schierloh

**BEDFORD HIGH SCHOOL ALUMNI ASSOCIATION  
LOAN HISTORY (OCTOBER 2010)**

Original note issued on July 17, 1997 **1,000,000.00**

<u>Payments:</u>			<u>Prinpical</u>	<u>Interest</u>	<u>Balance</u>	
Payment	04/09/1998	100,000.00			900,000.00	
Payment	06/05/1998	100,000.00	47,951.10	52,048.90	852,048.90	
Payment	07/16/1999	100,000.00	54,710.59	45,289.41	797,338.31	
Payment	07/26/2000	100,000.00	57,233.56	42,766.44	740,104.75	
Payment	08/28/2000	42,766.44	42,766.44		697,338.31	
Payment	03/16/2001	50,000.00	24,725.18	25,274.82	672,613.13	
Accumulated Interest				10,647.14	683,260.27	
Balance transferred to new loan	07/02/2001				683,260.27	To reduce our pmts
Payment	01/15/2002	75,000.00	58,220.82	16,779.18	625,039.45	
Payment	06/20/2002	7,845.13	-	7,845.13	625,039.45	
Payment	06/20/2002	12,154.87	7,845.13	4,309.74	617,194.32	
Payment	06/27/2002	538.56	-	538.56	617,194.32	
Payment	06/27/2002	45,845.51	45,845.51	-	571,348.81	
Payment	01/15/2003	8,615.93	-	8,615.93	571,348.81	
Payment	03/21/2003	20,000.00	9,599.41	10,400.59	561,749.40	
Payment	06/30/2003	7,072.65		7,072.65	561,749.40	
Payment	06/30/2003	72,927.35	72,927.35		488,822.05	
Payment	03/26/2004	50,000.00	33,547.46	16,452.54	455,274.59	
Payment	06/21/2004	69,284.11	69,284.11		385,990.48	
Payment	06/21/2004	4,994.29		4,994.29	385,990.48	
Payment	10/20/2004	50,000.00	44,234.64	5,765.36	341,755.84	
Payment	05/27/2005	9,329.93		9,329.93	341,755.84	
Payment	05/27/2005	20,670.07	20,670.07		321,085.77	
Payment	10/27/2005	5,000.00		5,000.00	321,085.77	
Payment	01/06/2006	22,034.24	22,034.24		299,051.53	
Payment	01/06/2006	3,965.76		3,965.76	299,051.53	
Note renewed					299,051.53	Rate 4.75%
	01/05/2007	30,000.00	15795.06	14204.94	283,256.47	
	01/04/2008	30,000.00	16547.37	13,452.63	266,709.10	
	01/06/2009	30,000.00	17300.92	12,699.08	249,408.18	
	01/07/2010	30,000.00	18153.12	11,846.88	231,255.06	

Bedford Public has been making the total payment for us since 2007. 120,000.00

Alumni Association has paid the since 2007: 66,175.00

Alumni Receivable **(AMOUNT OWED TO BPS FROM ALUMNI ASSOCIATION)** 53,825.00

Real Balance of Stadium Loan for Alumni Association  
231,255.06 plus 53,825.00 285,080.06 (OCTOBER 2010)

Payment made by Bedford Public Schools March 8, 2011 \$31,985.77 \$212,239.67

Loan Refinanced with MB&T March 8, 2011 Current Rate: 4.25% until November 3, 2011

The BHS Alumni Association currently owes Bedford Public Schools \$78,810.77 for loan payments that BPS has made since 2007.

The real balance of the Stadium Loan for the Alumni Association: **\$291,050.44**  
March 8, 2011 Loan Balance \$212,239.67 plus \$78,810.77 owed by Alumni Assoc.

