

**PUBLIC SCHOOL ACADEMIES OF DETROIT
COUNTY OF WAYNE
STATE OF MICHIGAN**

**RESOLUTION AUTHORIZING ISSUANCE OF FISCAL YEAR 2015/2016 STATE AID
NOTE BORROWING FOR THE BENEFIT OF UNIVERSITY PREP SCIENCE AND
MATH AND AWARING FINANCING OF SAME**

A regular meeting of the Board of Directors (the "Board") of Public School Academies of Detroit ("PSAD") was held on June 23, 2015, at noon.

The meeting was called to order by PARKS.

Present: PARKS CLEARY CUDDEY LEWIS KEAMER PERZER NIKOLSOV
Absent: ARISTOO JUNG

The following preamble and resolution were offered by KEAMER and supported by CLEARY:

WHEREAS, Section 1225 of Act 451 Public Acts of Michigan, 1976, as amended (the "Revised School Code") authorizes a public school academy to borrow money to secure funds for school operations or to pay previous loans obtained for school operations under the Revised School Code or any other act to provide school operating funds and issue its notes therefor, pledging for the payment thereof monies to be received by it from the state school aid fund for fiscal year ending June 30, 2016, which notes shall be for a term not to exceed 372 days and which notes shall be the full faith and credit obligation of the public school academy;

WHEREAS, the estimated amount of such state aid appropriations allocated to University Prep Science and Math (the "Academy") is \$10,558,691 for the fiscal year ending June 30, 2016 ("State Aid"), of which amount the sum of \$0 has been heretofore distributed and received, leaving a balance of \$10,558,691 as the estimated amount remaining to be distributed to the public school academy pursuant to the State School Aid Act, being MCL 388.1 et seq., as amended;

WHEREAS, PSAD anticipates a need to borrow a sum not to exceed \$1,200,000 for the benefit of the Academy to pay current operating expenses and/or payment of previous loans in the form of a term note (the "Note") which will be financed in compliance with the Revised Municipal Finance Act being Michigan Public Act 34 of 2001, as amended ("Act 34");

WHEREAS, the Board has determined that a negotiated sale will provide PSAD more flexibility in timing the sale of the Note which in turn creates substantial net interest cost savings to PSAD and the Academy;

WHEREAS, the Board has determined it to be in the best interest of PSAD and the Academy to issue its state aid note to Comerica Bank (the "Bank");

WHEREAS, the Board has determined to engage Dickinson Wright PLLC to act as counsel to PSAD with regard to the issuance of the Note.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board hereby authorizes the borrowing described in the recitals to this Resolution pursuant to the Revised School Code and Act 34, in an amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000), with the proceeds received from the Note to be used exclusively for the purpose of meeting the operating expenses of the Academy.

2. Pursuant to Section 1225 of the Revised School Code, the Note shall be a full faith and credit obligation of PSAD secured by and payable as a first budget obligation from the State Aid funds of PSAD allocated to the Academy and available therefor, or from the general funds of PSAD.

3. It is hereby declared that said borrowing is necessary for the purpose of securing funds for Academy operations or for the payment of previous loans made for Academy operations under Section 1225 of the Revised School Code, or any other statute and it is agreed with the Bank that the proceeds thereof will be used exclusively for such purpose or purposes.

4. The Board irrevocably pledges State Aid funds to be received by PSAD for the benefit of the Academy for repayment of the Note and authorizes the direct intercept of State School Aid Payments (as defined in the Fiscal Agent Agreement between the Grand Valley State University Board of Trustees and PSAD dated January 3, 2008) allocated to the Academy.

5. The Board hereby approves that (i) the Note shall be dated no later than September 1, 2015 or such other date as determined by the Board President or any other officer of the Board (each an "Authorized Officer") and (ii) the interest rate on the Note shall not exceed 6% per annum. The Board also hereby authorizes the making of any and all payments due relative to the Note, including but not limited to any and all late fees due and owing to the Bank and late fees that may become due.

6. An Authorized Officer is further authorized to pay any appropriate fees and provide any additional information which the Michigan Department of Treasury may request for approval of the borrowing by PSAD for the benefit of the Academy as may be required by the Revised School Code and Act 34.

7. The Board hereby appoints the law firm of Dickinson Wright PLLC to act as counsel to PSAD for purposes of issuance of the Note.

8. The Note may be redeemable prior to maturity on the terms and conditions provided in the Transaction Documents (as defined below).

9. Any Authorized Officer is each hereby authorized to hereafter execute and deliver the Note and any documents or certificates necessary for the issuance thereof (the "Transaction Documents"), and any of the above persons are authorized to take all steps necessary to issue,

sign, and deliver the Transaction Documents consistent with the Revised School Code and Act 34 and such Authorized Officer's execution thereof shall constitute conclusive evidence of the Board's approval of the issuance and delivery of the Note.

10. Within 15 business days of completing the issuance of the Note, the Board, the Chief Administrative Officer, or his designee shall, on behalf of PSAD, file or cause to be filed, a copy of all of the following with the Department of Treasury in the form and manner prescribed by the Department of Treasury: (i) a specimen copy of the Note; (ii) a copy of the legal opinion regarding the legality of the Note; (iii) a copy of this Resolution authorizing the issuance of the Note; (iv) any associated filing fee, as determined by the Department of Treasury; and (v) such other documents as the Department of Treasury may require.

11. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are hereby rescinded.

12. Any action or actions taken by an Authorized Officer in furtherance of the transactions contemplated under this Resolution (to the extent such action or actions are not inconsistent with the delegation of authority provided under this Resolution) are ratified and confirmed in all respects.

Ayes: PARKS, CLEARY, CODEY, LEWIS, KRUMER, PORTER, NICHOLSON

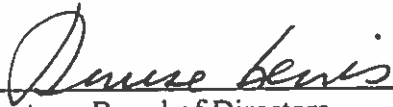
Nays: NONE

Resolution declared adopted.

Doree Lewis
Secretary, Board of Directors
Public School Academies of Detroit

CERTIFICATION

The undersigned duly qualified and acting Secretary of the Board of Directors of Public School Academies of Detroit, County of Wayne, Michigan, certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors at a regular meeting held on June 23, 2015, the original of which resolution is a part of the Board's minutes and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended, MCL 15.261 et seq.



Secretary, Board of Directors
Public School Academies of Detroit