

**HARTLAND CONSOLIDATED SCHOOLS  
REGULAR MEETING – BOARD OF EDUCATION  
March 9, 2015**

**AGENDA**

- I. Call to order, 6:30 p.m., Board Room, Educational Support Service Center
  - A. Pledge of Allegiance
  - B. Approval of agenda/items for discussion
  - C. Approval of minutes – February 9, 2015 regular meeting
  - D. Call to the public
  - E. Superintendent’s Report
    - Happenings – Farms Intermediate School
  - F. Board reports & requests
  
- II. Action Items
  - A. Payment of Invoices
  - B. Resolution – Installment Purchase Agreement-Buses
  
- III. Discussion Items
  - A. Policy 8510 - Wellness
  
- IV. Information Items
  - A. Future meetings: April 13, 2015, regular, 6:30 p.m., Board Room, Hartland Educational Support Service Center; May 18, 2015, regular, 6:30 p.m., Board Room, Hartland Educational Support Service Center
  - B. Information Items
  
- V. Adjournment

***This meeting is a meeting of the Board of Education in public for the purpose of conducting the business of Hartland Consolidated Schools and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in Agenda Item I.D.***

DETAILED AGENDA

- I. CALL TO ORDER
- I.A. PLEDGE OF ALLEGIANCE
- I.B. APPROVAL OF AGENDA/ITEMS FOR DISCUSSION  
(Recommended action): That the agenda for the March 9, 2015 regular meeting be approved, and that public participation be allowed on all items. Motion by \_\_\_\_\_, supported by \_\_\_\_\_. \_\_\_\_\_
- I.C. APPROVAL OF MINUTES – FEBRUARY 9, 2015 MEETING- SEE ATTACHED  
(Recommended action): That the minutes of the February 9, 2015 regular meeting be approved. Motion by \_\_\_\_\_, supported by \_\_\_\_\_. \_\_\_\_\_
- I.D. CALL TO THE PUBLIC
- I.E. SUPERINTENDENT'S REPORT
- Happenings at Farms Intermediate School
- I.F. BOARD REPORTS & REQUESTS
- II.A. PAYMENT OF INVOICES – SEE ATTACHED  
(Recommended action): That the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, approves the financial report as of February 28, 2015 and the payment of invoices totaling \$1,295,060.81 and payroll obligations totaling \$3,832,395.07. Motion by \_\_\_\_\_, supported by \_\_\_\_\_. \_\_\_\_\_
- II.B. RESOLUTION – INSTALLMENT PURCHASE AGREEMENT FOR BUSES – SEE ATTACHED  
(Recommended action): That the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations and the Director of Operations, adopts a resolution authorizing an installment purchase agreement to finance the purchase of nine (9) buses as presented. Motion by \_\_\_\_\_, supported by \_\_\_\_\_. \_\_\_\_\_
- III.A. POLICY 8510 – WELLNESS – SEE ATTACHED  
For discussion.
- IV.A. FUTURE MEETINGS  
April 13, 2015, regular, 6:30 p.m., Board Room, Hartland Educational Support Service Center; May 18, 2015, regular, 6:30 p.m., Board Room, Hartland Educational Support Service Center
- IV.B. INFORMATION ITEMS
- V. ADJOURNMENT

Hartland Consolidated Schools  
Regular Meeting - Board of Education  
February 9, 2015

Members present: M. Hutchinson, T. Dumond, C. Costa, K. Kaszyca, C. Kenrick  
Members absent: B. Gatewood, C. Aberasturi  
Admin. Present: T. Howerton, K. Evenson, M. Cheney, B. Cain, C. Hughes, J. Sifferman, S. Bacon, S. VanEpps, L. Pumford, B. Mainka, M. Otis, A. Lashbrook, K. Gregory, C. Chanavier, D. Selix, D. Minsker  
Guests: E. Hawker, C. Costello, K. Green, N. White, J. Weaver, J. Bailey, A. Goodge, L. Yates, M. Saul, P. Saul, M. Hemeyer, R. Mehki, A. Kunina

President Dumond called the meeting to order at 6:30 p.m. in the boardroom of the Educational Support Service Center. The Pledge of Allegiance was recited.

Motion by Kenrick, supported by Kaszyca that the agenda for the February 9, 2015 regular meeting be approved, and that public participation be allowed on all items. Motion carried 5-0. 2/9/15 AGENDA APPROVED

Motion by Kaszyca, supported by Kenrick that the minutes of the January 26, 2015 regular meeting be approved. Motion carried 5-0. 1/26/15 MINUTES APPROVED

There was no response to Call to the Public. CALL TO PUBLIC

Superintendent Sifferman introduced Principal Ben Mainka who, with the help of teachers Colin Costello and Ethan Hawker, and administrators Alice Lashbrook, Kate Gregory and Chris Chanavier, updated the Board on activities at Hartland High School. Mr. Hawker & Mr. Costello introduced a new professional development/communication opportunity they developed using Twitter. They established #HHSed and every Thursday at 8:00 p.m. they throw out a discussion topic and fellow teachers have the opportunity to “chat” back and forth, exchange ideas, issues and concerns outside of the regular school day and in the comfort of their home. Teachers can also post whenever they see or hear something of interest so the dialog continues beyond the weekly scheduled time. This has been in place for the past 5-6 weeks and response has been strong. Ms. Lashbrook talked about the various avenues available to students beyond the standard school day including: online classes, shared time, dual enrollment, DEEP program and blended learning. She noted Mr. Chanavier works closely with students enrolled in online classes to ensure they are staying on track and working with them if they have issues. Ms. Gregory discussed all of the supports available to students at all levels including: Algebra 1 Accelerator, Geometry Accelerator, Academic Literacy-ELA, Algebra 2 – A & B year-long options, LRE (Least Restrictive Environment), Enrichment, Math & Science Seminar, and Social Studies/English Seminar. Mr. Mainka spoke of the success of the Instructional Rounds concept for professional development and noted that they had added “Targeted Rounds” for specific subject areas. He then introduced a video produced by HHS students Chris Bee and Nick Pruitt in the Media Production class, titled “A Day in the Life”. Mr. Mainka noted that the annual “State of the School” address is scheduled for Tuesday, February 10, at 6:30 p.m. at Hartland High School. SUPT. REPORT HAPPENINGS AT HHS

Ms. Sifferman noted that the next Board tour is scheduled for Thursday, February 19, at 9:00 a.m. beginning at Hartland High School. BOARD TOUR

Ms. Hutchinson noted that the MASB Legislative Conference is being held March 3, 2015.

BOARD REPORTS

Motion by Kaszyca, supported by Costa that the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, approves the financial report as of January 31, 2015 and the payment of invoices totaling \$1,426,207.18 and payroll obligations totaling \$3,350,474.61. Motion carried 5-0.

PAYMENT OF  
INVOICES

President Dumond noted that the next meeting was March 9<sup>th</sup> and this was also the date for the Hartland Township/HCS Board "meet & greet" immediately prior to the Board meeting at 6:00 p.m.

UPCOMING  
MEETINGS

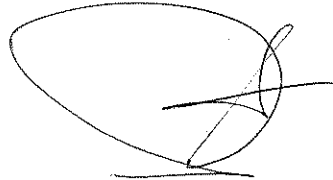
The meeting adjourned at 7:12 p.m.

ADJOURNMENT

Respectfully submitted,



Michelle Hutchinson  
Secretary



Paula Waters  
Recording Secretary

**HARTLAND CONSOLIDATED SCHOOLS  
BOARD MEETING ON MARCH 9, 2015  
EXPENDITURES FOR THE MONTH OF FEBRUARY 2015**

**Check registers and ACH payments:**

Date	Description	General Fund	Athletics	Cafeteria	Capital Proj	Debt	TOTAL
02/06/2015	A/P Check Run	\$ 52,620.46	\$ 350.00				\$ 52,970.46
02/09/2015	A/P Check Run	\$ 1,600.00	\$ 409.72	\$ 18,370.43			\$ 20,380.15
02/12/2015	A/P Check Run	\$ 761,776.28	\$ 3,526.38	\$ 8,614.74			\$ 773,917.40
02/17/2015	A/P Check Run	\$ 141,230.59	\$ 1,694.36	\$ 2,858.65			\$ 145,783.60
02/18/2015	A/P Check Run	\$ 55,141.81		\$ 10,372.36			\$ 65,514.17
02/25/2015	A/P Check Run	\$ 53,469.06					\$ 53,469.06
02/25/2015	A/P Check Run	\$ 496.72					\$ 496.72
02/28/2015	Prepaid Checks	\$ 3,059.23	\$ 2,990.78	\$ 27,271.60			\$ 33,321.61
02/28/2015	Void Checks	\$ (6,296.38)	\$ (503.00)	\$ (95.04)			\$ (6,894.42)
02/10/2015	Merchant Fees (Comm Ed)	\$ 6,448.91					\$ 6,448.91
02/10/2015	PESG - ACH	\$ 45,164.68					\$ 45,164.68
02/24/2015	PESG - ACH	\$ 51,312.19					\$ 51,312.19
02/12/2015	PCMI - ACH	\$ 26,174.78					\$ 26,174.78
02/26/2015	PCMI - ACH	\$ 27,001.50					\$ 27,001.50
<b>TOTAL</b>		<b>\$ 1,219,199.83</b>	<b>\$ 8,468.24</b>	<b>\$ 67,392.74</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,295,060.81</b>

**Payroll and Benefit expenses:**

Date	Net Pay	Federal Taxes	State Taxes	Retirement	Other	Health Equity	TOTAL
2/2/2015	JANUARY 16 PAYROLL			\$ 315,367.14			\$ 315,367.14
2/5/2015	JANUARY 30 PAYROLL			\$ 333,847.33			\$ 333,847.33
2/13/2015	\$ 791,680.40	\$ 335,230.30	\$ 43,364.56	\$ 403,386.31	\$ 61.83	\$ 18,235.50	\$ 1,591,958.90
2/27/2015	\$ 626,269.10	\$ 235,585.54	\$ 32,427.57	\$ 332,026.22		\$ 18,235.50	\$ 1,244,543.93
2/2/2015	JANUARY UAAL/ORS			\$ 194,020.32			\$ 194,020.32
2/27/2015	FEBRUARY UAAL/ORS			\$ 194,024.75			\$ 194,024.75
FEB HLTH EQ CLAIMS						\$ (41,367.30)	\$ (41,367.30)
<b>TOTAL</b>	<b>\$ 1,417,949.50</b>	<b>\$ 570,815.84</b>	<b>\$ 75,792.13</b>	<b>\$ 1,772,672.07</b>	<b>\$ 61.83</b>	<b>\$ (4,896.30)</b>	<b>\$ 3,832,395.07</b>

REQUISITION NO: 12936

P.O. # T4042

Req Date: 01/30/2015

FY:2014-2015

Hartland Consolidated Schools

9525 E. Highland Road  
Howell, MI 48843  
Phone:810-626-2100  
Fax:810-626-2121

PLEASE SEND INVOICE TO:  
Hartland Consolidated Schools  
Accounts Payable Department  
9525 E. Highland Road  
Howell, MI 48843

P.O NUMBER MUST APPEAR ON ALL  
INVOICES AND PACKAGES

VENDOR:

VENDOR #: C1550  
CAPITAL CITY BUS SALES  
1700 N GRAND RIVER AVE  
LANSING, MI 48906  
Phone: 517-487-5908 Fax: 517-487-1629

SHIP TO:

Hartland Consolidated Schools  
Transportation Dept  
9525 E Highland Road  
Hartland, MI 48843  
Phone: 810-626-2175 Fax: 810-626-2176  
ATTN: GLYNN, PATRICIA A

No.	Quantity	Catalog #	Description	Unit Price	Discount	Total
1	9.00		9 buses purchased for HCS fleet	90,048.390	0.00	810,435.51
<b>TOTAL:</b>						<b>\$810,435.51</b>

Instructions:

Accounts Expensed:

11-271-6610-060-000-0000 \$810,435.51

Approvers:

REQUISITION NO: 12936

Comments to Business Office:

Hold payment until delivery and inspection completed.

Hartland Consolidated Schools, Livingston County, Michigan (the "Issuer")

A regular meeting of the board of education of the Issuer (the "Board") was held in the Boardroom of the HESSC, within the boundaries of the District, on the 9<sup>th</sup> day of March, 2015, at 6:30 o'clock in the pm.

The meeting was called to order by Thom Dumond, President.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_

**WHEREAS:**

1. Act No. 99, Public Acts of Michigan, 1933, as amended, authorizes this Board to acquire real or personal property for public purposes through an installment purchase contract; and

2. The Board intends to purchase nine (9) 77-passenger school buses (the "Property") from Capital City Bus Sales, Lansing, Michigan (the "Vendor"), in an amount not to exceed Eight Hundred Ten Thousand Four Hundred Thirty-Six Dollars and 51/100 (\$810,436.51), and to enter into an installment purchase agreement (the "Installment Purchase Agreement") to finance the purchase of the Property; and

3. The outstanding balance of all Issuer purchases of lands, property or equipment for public purposes, to be paid for in installments (i.e., installment purchase agreements, land contracts, leases, etc.), including purchases made pursuant to this Resolution, exclusive of interest, is \$ 1,307,187.60; and

4. The taxable value of the real and personal property within the Issuer as of the date hereof is \$ 1,089,413,031; and

5. This Board desires to solicit bids from financial institutions to finance all or a portion of the cost of the Property (the successful bidder herein referred to as the "Bank").

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

1. Competitive bids for the purchase of the Property, as required by Section 1274 of the School Code of 1976, as amended, have been submitted, and the Board determines that it is in the best interest of the Issuer to accept the bid of the Vendor. The Issuer has complied with all legal requirements with respect to competitive bidding related to the acquisition of the Property.

2. The Board determines that it is in the best interest of the Issuer to solicit bids from financial institutions to finance the acquisition of the Property through an Installment Purchase Agreement among the Issuer, the Bank and the Vendor for a total amount not to exceed Eight Hundred Ten Thousand Four Hundred Thirty-Six Dollars and 51/100 (\$810,436.51) at an interest rate of not to exceed four percent (4%) per annum over a period not to exceed six (6) years with

equal semi-annual principal and interest payments beginning November 1, 2015, with semi-annual interest thereon, based upon a 360-day year, 30-day month.

3. A member of the administrative staff or Board of the Issuer is authorized to distribute a Solicitation for Bids to financial institutions in substantially the form attached hereto as Exhibit A and to accept the bid which produces the lowest dollar interest cost to the Issuer within the parameters established by the Board in this Resolution.

4. The Superintendent of Schools or the President, Vice President, Secretary or Treasurer of the Board shall execute an Installment Purchase Agreement in substantially the form attached hereto as Exhibit B on behalf of the Issuer, and the executed Installment Purchase Agreement shall be delivered to the Bank.

5. The Installment Purchase Agreement may not be prepaid, in whole or in part, prior to maturity.

6. The Issuer hereby irrevocably pledges to make the principal installments and interest payments on the Installment Purchase Agreement, beginning with the fiscal year 2015/2016 and during each fiscal year for which an operating budget is adopted, the first operating budget obligation within its authorized millage until such time as the principal installments and interest payments have been paid in full.

7. The Issuer hereby pledges its limited tax full faith and credit for the payment of the principal installments and interest payments on the Installment Purchase Agreement, payable from ad valorem taxes which will be levied within the authorized constitutional and statutory operating millage rate available to the Issuer and an irrevocable appropriation of a sufficient amount of taxes will be made each year from said millage rate for the payment of principal installments and interest payments on the Installment Purchase Agreement.

The obligation to pay the principal installments and interest payments will be the limited tax general obligation of the Issuer, and if tax collections are insufficient to pay the principal of or interest on the borrowing when due, the Issuer pledges to use any and all other resources available for the payment of principal and interest on the Installment Purchase Agreement. As further security, the Issuer may grant the Bank a security interest in the Property.

8. The President, Vice President, Secretary, Treasurer, Superintendent and individual acting in the capacity of the 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.

9. The useful life of the Property is hereby determined to be not less than six (6) years.

10. The Issuer hereby covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the execution of the Installment Purchase Agreement in order that interest thereon be or continue to be excluded from gross income for federal income tax purposes, including the filing of Form 8038-G or 8038-GC with the Internal Revenue Service.



11. The Issuer hereby designates the Installment Purchase Agreement as a "qualified tax-exempt obligation" for purposes of deduction of interest expense by financial institutions under 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 2015 will not exceed \$10,000,000.

12. The outstanding balance of all of the Issuer's contractual agreements for the purchase of real or personal property, exclusive of interest, does not exceed 1.25% of the taxable valuation of real and personal property in the Issuer.

13. The advance payment for the Property is hereby approved, and the monies are authorized to be advanced from monies on hand in the General Fund, which monies will be repaid to the General Fund from the proceeds of the Installment Purchase Agreement when received. The Issuer shall reimburse the General Fund not earlier than the date on which the expenses are paid and not later than the later of:

- (a) the date that is eighteen (18) months after the expenses are paid, or
- (b) the date the Property is placed in service or abandoned, but in no event more than three (3) years after the expenses are paid.

14. 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

Nays: Members

Resolution declared adopted.

\_\_\_\_\_  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Hartland Consolidated Schools, Livingston 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 March 9, 2015, 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

JJS/bgk

**EXHIBIT A**

**SOLICITATION FOR BIDS**

**\$810,435.51**

**HARTLAND CONSOLIDATED SCHOOLS  
COUNTY OF LIVINGSTON  
STATE OF MICHIGAN  
INSTALLMENT PURCHASE AGREEMENT  
(GENERAL OBLIGATION - LIMITED TAX)**

Unconditional and firm bids for the above Installment Purchase Agreement will be received by Hartland Consolidated Schools, Livingston County, Michigan (the "Issuer") at the Issuer's Administrative Offices, 9525 Highland Road, Howell, Michigan 48843, on Wednesday, the 18th day of March, 2015, until 11:30 o'clock in the a.m., prevailing Eastern Time, at which time and place said bids will be publicly opened and read. Award of the bids will be considered by the Administration on that date.

**FAXED BIDS:** Bidders may submit signed bids via facsimile transmission to the Issuer at (810) 626-2101 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) 626-2120.

**INSTALLMENT PURCHASE AGREEMENT DETAILS; INTEREST RATE; PAYING AGENT:** The Installment Purchase Agreement will be in the form of an agreement prepared by Thrun Law Firm, P.C., and approved by the Issuer's Board of Education among Capital City Bus Sales, Lansing, Michigan (the "Vendor"), the Issuer, and the Bank, dated the date of delivery. Equal semi-annual installments of principal and interest for a period of six (6) years will be due beginning November 1, 2015, with semi-annual interest thereon, based upon a 360-day year, 30-day month. The Installment Purchase Agreement shall bear interest at a rate not exceeding four percent (4%) per annum. If the Bank requires the use of a paying agent for this issue, the paying agent fees, if any, are to be paid by the Bank.

**REDEMPTION:** The Installment Purchase Agreement may not be prepaid, in whole or in part, prior to maturity.

**PURPOSE AND SECURITY:** The Installment Purchase Agreement is issued for the purpose of purchasing nine (9) 77-passenger school buses. The Installment Purchase Agreement is issued under the provisions of Act 99, Public Acts of Michigan, 1933, as amended. The Issuer has pledged the limited tax full faith and credit of the Issuer for the payment of principal and interest on the Installment Purchase Agreement. The Issuer has further pledged to levy sufficient ad valorem taxes within its authorized millage annually, as a first budget obligation, on all taxable property in the Issuer, said levy must be subject to constitutional and statutory tax rate limitations. The Issuer has reserved the right to issue additional installment purchase agreements of equal standing.

**AWARD OF INSTALLMENT PURCHASE AGREEMENT:** The Installment Purchase Agreement will be awarded to the Bank whose unconditional and firm bid produces the lowest dollar cost to the Issuer. Any and all fees or charges of the Bank must be incorporated into the interest rate. When the delivery date is established, the Bank will provide a payment schedule consistent with the above-referenced details.

**TAX MATTERS:** The Issuer has covenanted to comply with those requirements of the Internal Revenue Code of 1986, as amended (the "Code"), necessary to continue the exclusion of interest on the Installment Purchase Agreement from gross income for federal income tax purposes. The Issuer has designated the Installment Purchase Agreement as a "QUALIFIED TAX-EXEMPT OBLIGATION" within the meaning of the Code.

**LEGAL OPINION:** Bids shall be conditioned upon the unqualified approving opinion of Thrun Law Firm, P.C., East Lansing, Michigan, the original of which will be furnished without expense to the Bank upon delivery of the Installment Purchase Agreement.

**CERTIFICATE REGARDING "ISSUE PRICE":** The Bank will be required to furnish, prior to delivery of the Installment Purchase Agreement, a certificate in a form acceptable to Issuer's counsel as to the "issue price" of the Installment Purchase Agreement within the meaning of Section 1273 of the Code.

**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.**

**ENVELOPES** containing the bids should be plainly marked "Proposal for Installment Purchase Agreement for Hartland Consolidated Schools".

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Authorized Officer

**EXHIBIT B**

**INSTALLMENT PURCHASE AGREEMENT**

**PART I**

"OBLIGOR" means \_\_\_\_\_

"VENDOR" means \_\_\_\_\_

"Property" means \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

"Purchase Price" means \$ \_\_\_\_\_

"Contract Amount" and "Principal" mean \$ \_\_\_\_\_

"Maturity Date", "Principal Installment", and "Interest Payment" shall have the meanings as described in Exhibit A.

"Dated Date" means \_\_\_\_\_, \_\_\_\_\_

"Interest Rate" means the interest rates pursuant to Part II of this Installment Purchase Agreement which shall be \_\_\_\_\_.

The provisions of Part II of this Installment Purchase Agreement are hereby approved and incorporated herein.

**PART II**

THIS INSTALLMENT PURCHASE AGREEMENT (the "Installment Purchase Agreement") is dated as of the Dated Date by and between the OBLIGOR, a Michigan municipal corporation, the VENDOR, and \_\_\_\_\_ (the "BANK"), as assignee of VENDOR or registered assigns. All capitalized terms not defined in Part II shall have the meaning set forth in Part I.

1. Purchase Price, Title and Useful Life. The OBLIGOR agrees to purchase and VENDOR agrees to sell and provide the Property to the OBLIGOR for the Purchase Price. The Purchase Price includes all property, equipment, material, labor, tools, freights, service, cabling and installation. The BANK will pay the Contract Amount to the OBLIGOR in federal funds by wire transfer or other agreed upon method and the OBLIGOR will pay the full Purchase Price including the difference, if any, between the Contract Amount and the Purchase Price to the VENDOR immediately upon the receipt of the Contract Amount and the delivery of the Property to and acceptance of the Property by the OBLIGOR. Upon delivery to and acceptance by the OBLIGOR, title to the Property shall vest in the OBLIGOR. The OBLIGOR shall not sell, assign title to, lease, or obtain further financing with respect to the Property except with the permission of the BANK while Principal remains outstanding under this Installment Purchase Agreement. The OBLIGOR agrees that the useful life of the Property is equal to or longer than

the date of the final payment hereunder. The BANK may pledge this Installment Purchase Agreement as security for any obligation of the BANK. The OBLIGOR will execute a security agreement granting to the BANK a security interest in the Property.

2. Repayment Provisions. The OBLIGOR agrees to pay to the BANK the Principal in the Principal Installments on the Maturity Dates and interest payments on the unpaid Principal balance from the Dated Date at the Interest Rate on the Interest Payment Dates. The Interest Rate shall be the rate set forth in Part I. Interest shall accrue on the unpaid balance of the Principal from the date hereof at the Interest Rate computed on the basis of a 360-day year, 30-day month.

The Installment Purchase Agreement may not be prepaid, in whole or in part, prior to maturity.

It is expressly agreed between the VENDOR and the OBLIGOR, and the BANK by acceptance of the assignment of this Installment Purchase Agreement, that the OBLIGOR shall make all payments of principal or interest due hereunder directly to the BANK or to a depository as shall be designated in writing by the BANK. The OBLIGOR further agrees that it will deposit with the BANK, or if so directed shall deposit with said depository, all payments of principal or interest due hereunder in immediately available funds at least one business day before the date on which said principal or interest due hereunder is due or in such other manner or such other time as the BANK shall approve.

3. Events of Default. Upon the occurrence of any of the following events of default, all or part of the unpaid balance of the amount financed, together with accrued interest charges shall, at the option of the BANK, become immediately due and payable without notice or demand:

a. If the OBLIGOR shall default in the payment when due of (i) any Principal Installment of the amount financed or the interest on the unpaid Principal balance or other amount required to be paid by the OBLIGOR hereunder or (ii) any other indebtedness now or hereafter owing to the BANK, or if the OBLIGOR shall default in the performance of any other obligation of the OBLIGOR hereunder;

b. If any warranty or representation made by the OBLIGOR in this Installment Purchase Agreement or in any financial statement, certificate or other agreement, or document at any time furnished to the VENDOR or the BANK shall be false or inaccurate in any material respect;

c. If the OBLIGOR shall dissolve, become insolvent or make an assignment for the benefit of its creditors;

d. If the BANK at any time in good faith believes that the prospect of payment of any indebtedness is impaired.

If a voluntary or involuntary case in bankruptcy, receivership or insolvency shall at any time be commenced by or against the OBLIGOR, then the entire unpaid balance of the amount financed, together with all accrued finance charges, shall automatically become immediately due and payable, without notice or demand. All or part of the amount financed and accrued finance

charges also may become the terms of any other agreement heretofore or hereafter entered into between the OBLIGOR and the BANK.

4. Incorporation by Reference. The VENDOR agrees to all of the instructions, terms and conditions as outlined in the OBLIGOR'S invitation for bids and the acceptance of the VENDOR'S bid by the OBLIGOR or any other agreement between the OBLIGOR and the VENDOR to purchase the Property (the "Purchase Agreement"). In the event of a conflict in terms between this document and the Purchase Agreement the specific terms of this Installment Purchase Agreement shall govern.

5. Assignment by VENDOR to BANK. The VENDOR hereby irrevocably assigns this Installment Purchase Agreement immediately to the BANK in consideration for payment from the BANK of the Contract Amount. The OBLIGOR hereby consents to that assignment, except with respect to the warranties and other obligations of the VENDOR set forth in Paragraphs 4, 7 and 9 of this Installment Purchase Agreement, all of which shall remain the sole responsibility of the VENDOR and shall not be assignable and the VENDOR hereby acknowledges that all of said warranties and other obligations shall not be assigned and remain the sole responsibility of the VENDOR. With respect to the BANK, the OBLIGOR hereby waives any defenses based upon warranty, failure or inability of the VENDOR to perform its non-assignable obligations or the failure of the Property to perform its intended function. The OBLIGOR'S obligation to the BANK is absolute and unconditional and shall remain in full force and effect until the amounts owed hereunder shall have been paid by the OBLIGOR to the BANK and such obligation shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following:

- a. Any failure of title with respect to the VENDOR'S interest in the Property or the invalidity, enforceability or termination of this Installment Purchase Agreement;
- b. The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Installment Purchase Agreement;
- c. The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceedings affecting the VENDOR or any of its assets or any allocation or contest of the validity of this Installment Purchase Agreement, or the disaffirmance of this Installment Purchase Agreement in any such proceedings;
- d. To the extent permitted by law, any event or action which would, in the absence of this clause, result in release or discharge by operation of law of the VENDOR from the performance or observation of any obligation, covenant or agreement contained in this Installment Purchase Agreement;
- e. The default or failure of the VENDOR fully to perform any of its obligations set forth in this Installment Purchase Agreement or any other agreement; or
- f. Any casualty or destruction of the Property.

After payment of the Contract Amount, the BANK shall have no liability for payment of monies to the VENDOR or for the performance of any obligations to the VENDOR. The VENDOR represents and warrants that the assignment of this Installment Purchase Agreement to the BANK does not violate any agreement, contract, or loan agreement to which it is a party and that the Installment Purchase Agreement has been duly executed and delivered by the VENDOR.

6. Limited Tax General Obligation. The obligation of the OBLIGOR to pay Principal Installments and interest payments is a limited tax general obligation subject to applicable constitutional, statutory and charter limitations, if any, on the taxing power of the OBLIGOR. The OBLIGOR shall include in its budget and pay each year, until this Installment Purchase Agreement is paid in full, such sum or sums as may be necessary each year to make payments of the Principal Installments and interest when due.

7. Delivery Date. It is agreed that the VENDOR has delivered or will deliver the Property. If the Property is not delivered simultaneously with the execution of this Installment Purchase Agreement, the VENDOR agrees to deliver the Property as provided in the Purchase Agreement.

8. Tax Covenant. The OBLIGOR covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to delivery of this Installment Purchase Agreement in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. The OBLIGOR has designated this Installment Purchase Agreement as a "qualified tax-exempt obligation" within the meaning of the Internal Revenue Code of 1986, as amended.

9. Warranty. Warranties, if any, with respect to the Property shall not be assigned but shall remain enforceable by the OBLIGOR.

10. Entire Agreement. Except for closing documents delivered in connection with the Installment Purchase Agreement to the BANK, this Installment Purchase Agreement (including the provisions of the Purchase Agreement incorporated by reference in Paragraph 4 above) constitutes the entire agreement of the parties. All other prior or contemporaneous agreements, understandings, representations and statements, oral or written, are hereby terminated.

11. Amendments. Any attempt to modify the term of this Installment Purchase Agreement or of any supporting document shall be ineffectual unless approved in writing by the BANK.

12. Counterparts. This Installment Purchase Agreement may be executed in any number of counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement.



**VENDOR:**

CAPITAL CITY BUS SALES,  
LANSING, MICHIGAN

By: \_\_\_\_\_

Its: \_\_\_\_\_

Approved:

**BANK:**

(NAME OF BANK)

By: \_\_\_\_\_

Its: \_\_\_\_\_

**OBLIGOR:**

HARTLAND CONSOLIDATED  
SCHOOLS  
COUNTY OF LIVINGSTON  
STATE OF MICHIGAN

By: \_\_\_\_\_

Its: \_\_\_\_\_





**EXHIBIT A**

**MATURITY SCHEDULE**

<b>MATURITY DATE</b>	<b>PRINCIPAL INSTALLMENT</b>	<b>INTEREST PAYMENT</b>	<b>TOTAL</b>
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**TOTAL**