

**RESOLUTION AUTHORIZING
2011 ENERGY CONSERVATION BONDS
(LIMITED TAX GENERAL OBLIGATION)
(FEDERALLY TAXABLE - QUALIFIED SCHOOL CONSTRUCTION BONDS)**

School District of the City of Royal Oak
County of Oakland, State of Michigan

Minutes of a regular meeting of the Board of Education of the School District of the City of Royal Oak, County of Oakland, State of Michigan (the "Board of Education"), held at the Board Offices in the School District on the 9th day of December, 2010, at 7:00 p.m., Eastern Standard Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, Section 1351(2) of Act 451, Public Acts of Michigan, 1976, as amended ("Act 451"), authorizes the board of education of a school district to borrow money and issue bonds or notes without the vote of the school electors if the total outstanding bonded indebtedness of the school district is less than 5% of the state equalized valuation of the taxable property within the district; and

WHEREAS, the total outstanding bonded indebtedness of the School District of the City of Royal Oak, County of Oakland, Michigan (the "School District") does not currently exceed 5% of the state equalized valuation of the taxable property within the School District; and

WHEREAS, Section 1274a of Act 451 authorizes the board of education of a school district to finance the cost of energy conservation improvements from the proceeds of bonds or notes; and

WHEREAS, Section 1351(2) of Act 451 also authorizes the Board of Education to borrow money pursuant to Section 1274a without regard to the amount of outstanding indebtedness of the School District; and

WHEREAS, the School District desires to issue and sell its limited tax general obligation bond pursuant to Act 451 in the amount of not to exceed Three Million Dollars (\$3,000,000) for the purpose of defraying the cost of certain energy conservation improvements as described on Exhibit A attached hereto and made a part hereof (the "Improvements"); and

WHEREAS, on July 8, 2010, the Board of Education adopted a resolution declaring its intent to reimburse itself for certain expenditures in connection with the Project in an amount not to exceed \$4,000,000 from proceeds of bonds to be issued at a later date; and

WHEREAS, pursuant to the American Recovery and Reinvestment Act, the Qualified School Construction Bond Program (the "QSCB Program") has been created whereby public schools can

finance the construction, rehabilitation, or repair of a public school facility or the acquisition of land on which a facility is to be constructed; and

WHEREAS, bonds issued pursuant to the QSCB Program are tax credit bonds enabling the School District to receive credit payments on or about each interest payment date from the United States Department of Treasury at a rate equal to the lesser of the rate on the bonds or the rate determined by the Secretary of the United States Treasury on the date of sale of the bonds; and

WHEREAS, the School District has received an allocation from the State of Michigan Department of Treasury to issue bonds pursuant to the QSCB Program in amount not to exceed Three Million Dollars (\$3,000,000); and

WHEREAS, the School District desires to sell the bonds pursuant to a negotiated sale in order to preserve maximum flexibility in the timing and structure of the transaction so as to minimize the interest cost to the School District and to facilitate the execution of a purchase contract for the bonds by the School District on the same date as the pricing of the bonds; and

WHEREAS, the School District desires to authorize the Superintendent and the Executive Director for Business and Personnel Services to negotiate the sale of the bonds and provide for the sale of the bonds in \$5,000 denominations or integral multiples thereof, as deemed appropriate; and

WHEREAS, the School District expects to receive a proposal from Stifel, Nicolaus & Company, Incorporated to serve as underwriter for the bonds (the "Underwriter"); and

WHEREAS, as an alternative to negotiating the sale of the bonds with the Underwriter, the School District may place with bonds with the Michigan Finance Authority through a pooled borrowing; and

WHEREAS, the School District has posted notice pursuant to the requirements of Section 308, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), that the bonds will be secured by a pledge of the School District's full faith and credit, subject to constitutional and statutory tax rate limitations.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Bonds of the School District, designated "2011 Energy Conservation Bonds (Limited Tax General Obligation) (Federally Taxable – Qualified School Construction Bonds – Direct Payment)" (the "Bonds") be issued in the aggregate principal amount of not to exceed Three Million Dollars (\$3,000,000), for the purpose of paying the cost of all or part of the Improvements; said issue to consist of bonds registered as to principal and interest in denominations of \$5,000 or integral multiples thereof, be dated as of the date of delivery or such other date as determined at the time of sale, and numbered as determined by the transfer agent.

The School District intends that the Bonds qualify as direct pay tax credit bonds with respect to obligations consisting of qualified school construction bonds (as defined in §54F of the Internal Revenue Code of 1986, as amended (the "Code")) such that the School District is qualified to receive Refundable Tax Credits as provided by Code §6431(f). Therefore, the School District hereby irrevocably designates the Bonds as qualified school construction bonds pursuant to Code §54F(a) and irrevocably elects to treat the Bonds as qualified bonds under Code §6431(f). The Superintendent and the Executive Director

for Business and Personnel Services are each hereby authorized to make any elections, designations and filings necessary or convenient to assure compliance with the QSCB Program and to assure timely receipt by the School District of tax credits pursuant to the QSCB Program.

The Bonds shall mature on May 1st, or such other date as shall be determined at the time of sale, in the years and in the principal amounts as determined at the time of sale of the Bonds, provided that the final maturity of the Bonds shall not be later than twenty (20) years from the date of delivery thereof.

2. The Bonds shall bear interest not exceeding 8% per annum, payable semi-annually on May 1st and November 1st of each year beginning on November 1, 2011, or such other date as shall be determined at the time of sale, by check drawn on the Transfer Agent, mailed to the registered owner at the registered address, as shown on the registration books of the School District maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the School District to conform to market practice in the future. The principal of the Bonds shall be payable at a bank or trust company selected by the Superintendent or Executive Director for Business and Personnel Services, as registrar and transfer agent for the Bonds (the "Transfer Agent") upon presentation and surrender of the appropriate Bond.

The Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York.

The Bonds may be issued as serial or term bonds or both and shall be subject to optional or mandatory redemption prior to maturity at the times and prices determined at the time of sale and in the manner as set forth provided in the form of bond set forth in paragraph 6 of this resolution.

Unless waived by any registered owner of Bonds of this series to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the School District. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption, the called amounts of each certificate); the redemption date; the redemption price; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

The Bonds shall be signed by the manual or facsimile signatures of the President and Secretary of the Board of Education. No bond of this series shall be valid until authenticated by an authorized representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by it to the purchaser in accordance with instructions from the Treasurer of the School District upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted. Executed blank Bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

3. The Treasurer shall open a special depository account to be designated 2011 ENERGY CONSERVATION QUALIFIED SCHOOL CONSTRUCTION BONDS DEBT RETIREMENT FUND (the "Debt Retirement Fund"). An amount sufficient to assure timely payment of the principal of and interest on the Bonds shall be transferred each year from the general fund of the School District or other funds legally available therefor into the Debt Retirement Fund. The moneys deposited in the fund shall be used solely for the purpose of paying the principal of and interest on the Bonds and, as may be necessary, to rebate arbitrage earnings, if any, to the United States Department of Treasury as required by the Internal Revenue Code of 1986, as amended. The accrued interest and premium, if any, received upon delivery of the Bonds shall also be deposited in the Debt Retirement Fund. Any tax credits received by the School District shall be deposited into the Debt Retirement Fund.

If permitted by law, the Treasurer is further authorized to establish a special depository account with a bank to be designated 2011 ENERGY CONSERVATION QUALIFIED SCHOOL CONSTRUCTION BONDS SINKING FUND (the "Sinking Fund"). If a Sinking Fund is established for payment of all or part of the Bonds, monthly or as otherwise provided in the Sale Order or Tax Certificate the School District shall transfer such monies as shall be lawfully available and required for the payment of the Bonds through the Sinking Fund in such amounts as determined at the time of sale of the Bonds for deposit in the Sinking Fund. The moneys deposited in the Sinking Fund shall be invested in permitted investments of the School District as directed in writing by the Superintendent or the Executive Director for Business and Personnel Services subject to further restrictions and requirements for the investment of those moneys as may be required by the Tax Certificate. All amounts in the Sinking Fund shall be used solely for the purpose of paying the principal of and interest, if any, on the Bonds as they shall become due and payable or as otherwise permitted or required by law.

4. There shall be deposited in a separate special depository account to be established by the Treasurer designated 2011 ENERGY CONSERVATION QUALIFIED SCHOOL CONSTRUCTION BONDS CAPITAL PROJECTS FUND (the "Capital Projects Fund") moneys from the proceeds of sale of the Bonds and from any net original issue premium, and the amounts specified at the time of sale to pay for the Improvements. Except for investment pending disbursement and as hereinafter provided, the moneys in the Capital Projects Fund shall be used solely and only to pay the costs of the Improvements, including the costs of issuance of the Bonds, as such costs become due and payable and, as may be necessary, to rebate arbitrage earnings, if any, to the United States Department of Treasury as required by the Internal Revenue Code of 1986, as amended. Moneys remaining in the Capital Projects Fund after completion of the Improvements may be used for any purpose permitted by law.

5. The School District expressly and irrevocably pledges its full faith and credit for the prompt and timely payment of the principal of and interest on the Bonds. The Bonds shall be payable, as a first budget obligation, from the general fund of the School District and the School District shall levy annually ad valorem taxes on all the taxable property in the School District that, taking into consideration estimated delinquencies in tax collections, shall be fully sufficient to pay the principal and interest on the Bonds. The levy shall be subject to constitutional and statutory tax rate limitations.

6. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND

SCHOOL DISTRICT OF THE CITY OF ROYAL OAK

2011 ENERGY CONSERVATION BONDS
(LIMITED TAX GENERAL OBLIGATION)
(FEDERALLY TAXABLE - QUALIFIED SCHOOL CONSTRUCTION BONDS – DIRECT PAYMENT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
	May 1, 20__	_____, 2011	

Registered Owner:

Principal Amount: _____ Dollars

The School District of the City of Royal Oak, County of Oakland, State of Michigan (the “School District”) for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America on the Maturity Date specified above, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on [November 1, 2011,] and semiannually thereafter. Principal of this bond is payable at the [principal corporate trust] office of _____, _____, Michigan, or such other transfer agent as the School District may hereafter designate by notice mailed to the registered owner hereof not less than sixty (60) days prior to any change in transfer agent (the “Transfer Agent”). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is as of the 15th day of the month prior to each interest payment date, the registered owner, at the registered address.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of, in the principal sum of \$_____ issued under and in pursuance of the provisions of Act 451, Public Acts of Michigan, 1976, as amended, and in pursuance of a resolution of the Board of Education of the School District adopted on December __, 2010.

[PROVISIONS FOR BONDS SOLD TO THE MFA: Notwithstanding any other provision of this Bond, so long as the Michigan Finance Authority (the “MFA”) is the owner of this bond, (a) this Bond is payable as to principal, premium, if any, and interest at the principal corporate trust office of _____, _____, Michigan, or at such other place as shall be designated in writing to the School District by the MFA (the MFA’s Depository”); (b) the School District agrees that it will deposit with the MFA’s Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (c) written notice of any prepayment of this Bond shall be given by the School District and received by the MFA’s Depository at least 40 days prior to the date on which such prepayment is made.

In the event of a default in the payment of principal and interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is one percent above the MFA's cost of providing funds (as determined by the MFA) to make payment on the bonds of the MFA issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the MFA has been fully reimbursed for all costs incurred by the MFA (as determined by the MFA) as a consequence of the School District's default. Such additional interest shall be payable on the interest payment date following demand of the MFA. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the MFA) the investment of amounts in the reserve account established by the MFA for the bonds of the MFA issued to provide funds to purchase this Bond, fails to provide sufficient available funds (together with any funds which may be made available for such purpose) to pay the interest on outstanding bonds of the MFA issued to fund such account, the School District shall and hereby agrees to pay on demand only the School District's pro rata share (as determined by the MFA) of such deficiency as additional interest on this Bond.]

This bond is issued for the purpose of paying part of the cost of acquiring and constructing certain energy conservation capital improvements within the School District. The limited tax full faith, credit and resources of the School District are pledged for the payment hereof, and the School District has pledged that it shall pay the principal of and interest on this bond as it matures as a first budget obligation from its general fund and shall levy annually ad valorem taxes on all taxable property in the School District sufficient to pay the principal and interest on this bond, subject to applicable constitutional and statutory tax limitations.

Bonds of this issue maturing in the years 20__ to 20__, inclusive, shall not be subject to optional redemption prior to maturity.

The bonds or portions of the bonds in multiples of \$5,000 maturing on or after May 1, 20__, are subject to redemption at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 20__, at par plus accrued interest to the date fixed for redemption.

If for any reason other than one attributable to the action or inaction of the School District, the United States Department of Treasury determines that the School District is ineligible to receive all or part of the interest rate subsidy payable with respect to the bonds or if the United States Department of Treasury or any agency of the United States of America at any time ceases to remit to the School District all or any part of the interest rate subsidy payable with respect to the bonds in accordance with the Code, for any reason other than one attributable to the action or inaction of the School District, the School District has the right to redeem and retire all or any part of the principal amount of the bonds then outstanding in multiples of \$5,000 within a single maturity in such order of maturity as the School District shall determine and within a single maturity by lot on any date at a redemption price of ___% of par plus accrued interest to the redemption date.

The Bonds or portions of Bonds in multiples of \$5,000 within a single maturity in such order of maturity as the School District shall determine and within a single maturity by lot, are subject to extraordinary mandatory redemption within 90 days after the later of (a) the third anniversary of the delivery date of the Bonds or (b) the Extension Period Expiration Date (as defined herein), at par, plus accrued interest to the date of redemption, in a total amount equal to the unexpended available proceeds of the sale of the Bonds plus such amount as shall be necessary to permit the Bonds to be redeemed in multiples of \$5,000 within a single maturity, but only to the extent available proceeds of the Bonds including available proceeds held by the School District are not expended by the later of: (i) the third anniversary of the delivery date of the Bonds; or (ii) the Extension Period Expiration Date.

The term "Extension Period Expiration Date" means the last day of any extension of time negotiated with the Internal Revenue Service (the "IRS"), as evidenced in writing from the IRS, that extends the date by which the proceeds of the Bonds must be expended.

This bond may be transferred by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney or legal representative, upon surrender of the bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever this bond is surrendered for transfer, the Transfer Agent shall authenticate and deliver, a new bond, in like aggregate principal amount, interest rate and maturity. The Transfer Agent shall require the registered owner requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer.

It is hereby certified and recited that all acts, conditions and things required to be done, exist and happen, precedent to and in the issuance of this bond, in order to make it a valid and binding obligation of said School District, have been done, exist and have happened in regular and due form and time as provided by law, and that the total indebtedness of said School District, including this bond, does not exceed any constitutional or statutory debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, School District of the City of Royal Oak, County of Oakland, State of Michigan, by its Board of Education, has caused this bond to be signed in the name of the School District by the facsimile signature of its President and to be countersigned by the facsimile signature of its Secretary, all as of the Date of Original Issue.

SCHOOL DISTRICT OF THE CITY OF ROYAL OAK

By: [Facsimile]
Its: President

Countersigned:

By: [Facsimile]
Its: Secretary

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

_____, Michigan
Transfer Agent

By: _____
Authorized Signature

Dated of Authentication: _____, 2010

ASSIGNMENT

For value received, the undersigned hereby sells,
assigns and transfers unto

Please insert Social Security or Other Identifying Number of Assignee

(please print or type name and address of transferee)

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint
_____ attorney to transfer the within bond on the books kept for registration
thereof, with full power of substitution in the premises.

Dated: _____, 200_ _____

In the presence of:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of his authority to act must accompany the bond.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.L.C.

7. The School District has considered the options of selling the Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements of Act 34 determined that a negotiated sale of the Bonds provides the School District with greater flexibility in structuring bond maturities and the timing for the sale of the Bonds, the ability to facilitate the execution of a purchase contract for the Bonds by the School District on the same date as the pricing of the Bonds, and will enable the School District to better market the Bonds.

8. The estimated period of usefulness of the Improvements is hereby declared to be not less than twenty (20) years.

9. Stifel, Nicolaus & Company, Incorporated is hereby appointed to serve as underwriter for the Bonds. Subject to the parameters set forth in this Resolution, the Superintendent and the Executive Director for Business and Personnel Services are each authorized to negotiate and award the sale of the Bonds to the Underwriter pursuant to a bond purchase agreement, provided that the Bonds shall be sold at a price of not less than 98% of the principal amount thereof, the Underwriter's discount shall not exceed 0.8%, and the true interest cost on the Bonds after giving effect to any anticipated tax credits shall not exceed 2.00%. The costs of issuance for the Bonds may not exceed 2.00% of the principal amount thereof. The Superintendent and the Executive Director for Business and Personnel Services are each authorized to execute a Sale Order evidencing the final terms of the Bonds.

10. As an alternative to placing the Bonds with the Underwriter, the Superintendent and the Executive Director for Business and Personnel Services are each hereby authorized, based upon the advice of the School District's financial advisor, to place the bonds with the Michigan Finance Authority (the "MFA") through a pooled borrowing. If the Bonds are placed with the MFA, the Superintendent and the Executive Director for Business and Personnel Services are each hereby authorized to execute and deliver the Purchase Contract, the Issuer's Certificate and such contracts, documents and other certificates as are necessary or advisable to qualify the Bonds for the pooled financing. Prior to the delivery of the Bonds to the MFA, the Superintendent and the Executive Director for Business and Personnel Services are each authorized to make such changes to the form of the Bonds contained in Section 6 of this Resolution as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan, 1985, as amended ("Act 227"). Bonds sold to the MFA shall be sold at a price of not less than 98% of the principal amount thereof, and the true interest cost on the Bonds after giving effect to any anticipated tax credits shall not exceed 2.00%.

11. Subject to the parameters set forth in this Resolution, the Superintendent and the Executive Director for Business and Personnel Services each is hereby authorized to modify the final bond terms set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturity and mandatory sinking fund redemption dates, principal amount, denomination, date of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, and other matters, provided that the principal amount of the Bonds issued shall not exceed the principal amount authorized in this Resolution, the interest rate per annum on the Bonds shall not exceed eight percent (8%), and the Bonds shall mature in not more than twenty (20) years.

12. The officers, agents and employees of the School District are authorized to take all other actions necessary and convenient to facilitate sale of the Bonds.

13. If the Bonds are sold to the Underwriter, the School District hereby covenants, in accordance with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), to provide or cause to be provided the information set forth in Exhibit B attached hereto as such exhibit may be revised by the Superintendent and Executive Director for Business and Personnel Services, as required by Rule 15c2-12 prior to delivery of the Bonds.

14. The Superintendent or Executive Director for Business and Personnel Services is hereby authorized to approve the final Official Statement relating to the Bonds apply for bond ratings from such municipal bond rating agencies as is deemed appropriate, and apply for and purchase a policy of municipal bond insurance if deemed appropriate by the financial advisor and bond counsel. The President of the Board of Education or the Superintendent is authorized and directed to execute and deliver the Official Statement on behalf of the School District. The Superintendent or Executive Director for Business and Personnel Services each is authorized to approve, execute and deliver any amendments and supplements to the Official Statement necessary to assure that the statements therein are, and as of the time the Bonds are delivered to the Purchaser will be true, 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 therein, in light of the circumstances under which they were made, not misleading. The Superintendent or Executive Director for Business and Personnel Services are each hereby authorized to make such filings with the Internal Revenue Service as are necessary to obtain credit payments for which the School District is entitled, including the periodic filing of IRS Form 8038-CP.

15. The School District hereby appoints Stauder, Barch & Associates, Inc. as financial advisor with respect to the Bonds.

16. The representation of the School District by Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel is hereby approved, notwithstanding Miller Canfield's periodic representation in unrelated matters of the Underwriter, the Michigan Finance Authority and other potential parties to the Bond transaction.

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

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

Secretary, Board of Education

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Board of Education of the School District of the City of Royal Oak, County of Oakland, State of Michigan, at a regular meeting held on the 9th day of December, 2010, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act, and that attached hereto as Exhibit D is a true and complete copy of the notice of said meeting posted in accordance with the Revised Municipal Finance Act, being Act 34, Public Acts of 2001, as amended.

Secretary, Board of Education

EXHIBIT A

Description of Improvements

Energy conservation improvements at Oakland Elementary School, Oak Ridge Elementary School, Northwood Elementary School, Upton Elementary School, Keller Elementary and Middle School, Addams Elementary School, Royal Oak Middle School, Royal Oak High School, and Churchill Community Education Center, consisting generally of improvements to energy management systems, lighting and lighting controls, ventilation and air handling units, boilers, and pool covers.

EXHIBIT B

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the School District of the City of Royal Oak, County of Oakland, State of Michigan (the “School District”), in connection with the issuance of its 2011 Energy Conservation Bonds (Limited Tax General Obligation) (Federally Taxable - Qualified School Construction Bonds) (the “Bonds”). The School District covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions.* The following terms used herein shall have the following meanings:

“Audited Financial Statements” means the annual audited financial statement pertaining to the School District prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

“Bondholders” shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System, or such other system, Internet Web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended.

“SEC” means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The School District hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA, on or before the last day of the 6th month after the end of the fiscal year of the School District, the following annual financial information and operating data, commencing with the fiscal year ended June 30, 2010, in an electronic format as prescribed by the MSRB: [REVISE HEADINGS TO CONFORM WITH THOSE ACTUALLY USED]

(1) Updates of the numerical financial information and operating data included in the official statement of the School District relating to the Bonds (the “Official Statement”) appearing in the Tables in the Official Statement as described below:

- a. Enrollments
- b. Retirement Plan

- c. Financial Summary
- d. Employment
- e. Debt Limitations - Direct Debt and Tables
- f. Property Valuation and Taxes - Tables (School Taxes)
- g. General Fund Budget

(2) The Audited Financial Statements, provided, however, that if the Audited Financial Statements are not available by the date specified above, they shall be provided when available and unaudited financial statements will be filed by such date and the Audited Financial Statements will be filed as soon as available

Such annual financial information and operating data described above are expected to be provided directly by the School District or by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the School District is changed, the School District shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose.* The School District agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the School District to provide the annual financial information with respect to the School District described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The School District agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of holders of the Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) *Materiality Determined Under Federal Securities Laws.* The School District agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(g) *Termination of Reporting Obligation.* The obligation of the School District to provide annual financial information and notices of material events, as set forth above, shall be terminated if and when the School District no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(h) *Benefit of Bondholders.* The School District agrees that its undertaking pursuant to the Rule set forth in this Undertaking is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the School District’s obligations hereunder and any failure by the School District to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the School District, provided that the School District agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in

circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the School District or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the School District (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the School District in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the School District to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

(j) *Municipal Advisory Council of the State of Michigan.* The School District shall also file by electronic or other means any information or notice required to be filed with the MSRB through EMMA pursuant to this Undertaking in a timely manner with the Municipal Advisory Council of the State of Michigan.

IN WITNESS WHEREOF, the School District has caused this Undertaking to be executed by its authorized officer.

SCHOOL DISTRICT OF THE CITY OF ROYAL OAK
County of Oakland
State of Michigan

By _____

Dated: _____, 20__

EXHIBIT C

NOTICE OF INTENDED BORROWING

NOTICE IS HEREBY GIVEN that at the meeting of the Board Education of the School District of the City of Royal Oak, County of Oakland, State of Michigan (the "School District"), to be held on the 9th day of December, 2010, a decision will be made or discussed with respect to the issuance of the School District's proposed bonds that will contain a limited tax full faith and credit pledge of the School District.

Superintendent
School District of the City of Royal Oak

MILLER, CANFIELD, PADDOCK AND STONE, P.L.L.C.

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