

**CHIPPEWA VALLEY SCHOOLS
COUNTY OF MACOMB
STATE OF MICHIGAN**

SCHOOL IMPROVEMENT BOND PROPOSITION

Shall the Chippewa Valley Schools, County of Macomb, State of Michigan, borrow the sum of not to exceed Eighty Nine Million Nine Hundred Fifty Thousand (\$89,950,000) Dollars and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of paying for the cost of the following projects:

- Remodeling, equipping, re-equipping, furnishing, re-furnishing school buildings, playgrounds, athletic fields and other facilities to enhance safety and security and for other purposes;
- Acquiring and installing technology equipment and technology infrastructure in school buildings and other facilities; and
- Preparing, developing and improving sites at school buildings, playgrounds, athletic fields and other facilities and the purchase of school buses?

The maximum number of years any series of bonds may be outstanding, exclusive of refunding, is not more than twenty-five (25) years; the estimated millage that will be levied to pay the proposed bonds in the first year is 0.50 mills (which is equal to \$0.50 per \$1,000 of taxable value); and the estimated simple average annual millage that will be required to retire each series of bonds is 1.34 mills annually (\$1.34 per \$1,000 of taxable value).

If approved by the voters, the bonds will be guaranteed by the State under the School Bond Qualification and Loan Program (the "Program"). The School District currently has \$424,095,000 of qualified bonds outstanding and approximately \$31,696,908 of qualified loans outstanding under the Program. The School District expects to borrow from the Program to pay debt service on these bonds. The estimated total principal amount of additional borrowing is \$22,578,684 and the estimated total interest thereon is \$56,364,019. The estimated duration of the millage levy associated with that borrowing is 23 years and the estimated computed millage rate for such levy is 9.14. The estimated computed millage rate may change based on changes in certain circumstances.

(Pursuant to State law, expenditure of bond proceeds must be audited, and the proceeds cannot be used for teacher, administrator or employee salaries, repair or maintenance costs or other operating expenses.)