BONDING PROPOSAL

Shall East Grand Rapids Public Schools, Kent County, Michigan, borrow the sum of not to exceed Thirty Million Nine Hundred Five Thousand Dollars ($30,905,000) and issue its general obligation unlimited tax bonds therefor, for the purpose of:

> erecting, furnishing and equipping additions to school buildings; remodeling, equipping and re-equipping and furnishing and refurnishing school buildings; acquiring, installing, equipping and re-equipping school buildings for instructional technology; and developing, improving and equipping sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2014, under current law, is 2.50 mills ($2.50 on each $1,000 of taxable valuation). The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-five (25) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 2.52 mills ($2.52 on each $1,000 of taxable valuation).

The school district expects to borrow from the State School Bond Qualification and Loan Program to pay debt service on these bonds. The estimated total principal amount of that borrowing is $3,787 and the estimated total interest to be paid thereon is $30,591. The estimated duration of the millage levy associated with that borrowing is twenty-one (21) years and the estimated computed millage rate for such levy is 10.45 mills. The estimated computed millage rate may change based on changes in certain circumstances.

The total amount of qualified bonds currently outstanding is $57,995,000. The total amount of qualified loans currently outstanding is approximately $19,458,218.

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