

BOOK-ENTRY-ONLY

OFFICIAL NOTICE OF SALE
\$7,360,000
MASON PUBLIC SCHOOLS
COUNTY OF INGHAM
STATE OF MICHIGAN
2014 REFUNDING BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

BIDS for the purchase of the above 2014 Refunding Bonds (the "Bond" or "Bonds") will be received by Mason Public Schools, Ingham County, Michigan (the "Issuer") at 400 South Cedar Street, Mason, Michigan 48854, on Monday, the 10th day of February, 2014, until 11:00 o'clock in the morning, prevailing Eastern Time, at which time and place said bids will be publicly opened and read. BIDS will also be received on the same date and the same hour by an agent of the undersigned at the offices of the Municipal Advisory Council, Buhl Building, 535 Griswold, Suite 1850, Detroit, MI 48226, where the bids will simultaneously be opened and read. Bidders may choose either location to present bids and good faith checks but not at both locations. Award of the bids will be considered by the Board of Education of the Issuer at 7:00 o'clock in the evening, prevailing Eastern Time, on that date.

FAXED BIDS: Bidders may submit signed bids via facsimile transmission to the Issuer at (517) 676-6058 or the Municipal Advisory Council at (313) 963-0943 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 (517) 676-2484 or the Municipal Advisory Council at (313) 963-0420. Bidders submitting bids by fax must satisfy the requirements of the Good Faith Deposit obligations described herein.

ELECTRONIC BIDS may be presented via *PARITY* on the dates and at the times shown above provided that such bidders must also comply with the good faith deposit requirements provided herein. To the extent any instructions or directions set forth in *PARITY* conflict with this Notice, the terms of this Notice shall control. For further information about *PARITY*, potential bidders may contact H.J. Umbaugh & Associates at (517) 321-0110 or *PARITY* at (212) 849-5021.

PURPOSE AND SECURITY: The Bonds are being issued for the purpose of refunding certain prior outstanding obligations of the Issuer (the "Refunded Bonds"). The Bonds will pledge the full faith, credit and resources of the Issuer for payment of the principal and interest thereon, and will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount as provided by Article IX, Section 6, and Article IX, Section 16, of the Michigan Constitution of 1963.

DTC BOOK-ENTRY-ONLY: The Bonds are being initially offered as registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC") under DTC's Book-Entry-Only system of registration. Purchasers of interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry-only. As long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, payments of principal and interest payments will be made directly to such registered owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

BOND DETAILS: Said Bonds will be fully registered Bonds, of the denomination of \$5,000 each or multiples thereof up to the amount of a single maturity, dated the date of delivery, numbered in order of issue from 1 upwards and will bear interest from their dated date payable on November 1, 2014, and semiannually thereafter.

The Bonds will mature on May 1 as follows:

<u>Year</u>	<u>Amount</u>
2015	\$1,920,000
2016	1,885,000
2017	1,705,000
2018	1,325,000
2019	525,000

TERM BOND OPTION: Bidders shall have the option of designating Bonds as serial bonds or term bonds, or both. The bidder must designate whether each of the principal amounts shown above represent a serial maturity or a mandatory redemption requirement for a term bond maturity. There may be more than one term bond maturity. In any event, the above principal amount schedule shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made within twenty-four (24) hours of the Bond sale.

MATURITY ADJUSTMENT: The aggregate principal amount of this issue is believed to be the amount necessary to provide, in part, adequate funds to retire the Refunded Bonds and transactional costs. The Issuer reserves the right to increase or decrease the aggregate principal amount of the Bonds by not more than \$750,000 after receipt of the bids and prior to final award. Such adjustment, if necessary, will be made in increments of \$5,000, will not exceed \$150,000 per maturity and may be made in any maturity.

ADJUSTMENT TO PURCHASE PRICE: The purchase price of the Bonds will be adjusted proportionately to the adjustment in principal amount of the Bonds and in such manner as to maintain as comparable an underwriter spread as possible to the winning bid.

PAYING AGENT: Principal and interest shall be payable at a bank or trust company qualified to act as a paying agent in Michigan (the "Paying Agent"), or such other Paying Agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any change in Paying Agent. In the event the Bonds cease to be held in book entry form only, the Paying Agent will serve as bond registrar and transfer agent, interest shall be paid by check mailed to the owner as shown by the registration books of the Issuer as of the close of business on the 15th day of the month preceding any interest payment date and the Bonds will be transferable only upon the registration books of the Issuer kept by the Paying Agent. See "DTC Book-Entry-Only" above.

PRIOR REDEMPTION:

A. Mandatory Redemption.

-Principal designated by the original Purchaser of the Bonds as a term maturity shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on the redemption dates corresponding to the maturities hereinbefore scheduled. When term Bonds are purchased by the Issuer

and delivered to the Paying Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of the term Bonds affected shall be reduced by the principal amount of the Bonds so redeemed or purchased in the order determined by the Issuer.

B. Optional Redemption.

Bonds of this issue are not subject to redemption at the option of the Issuer prior to maturity.

INTEREST RATE AND BIDDING DETAILS: The Bonds shall bear interest at a rate or rates not exceeding five percent (5%) per annum, to be fixed by the bids therefor, expressed in multiples of 1/8 or 1/100 of 1%, or both. The interest on any one Bond shall be at one rate only. All Bonds maturing in any one year must carry the same interest rate. THE PURCHASE PRICE OF THE BONDS SHALL BE NOT LESS THAN 99% NOR GREATER THAN 106% OF THE PAR VALUE. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR SHALL NOT BE LESS THAN THE INTEREST RATE BORNE BY BONDS MATURING IN THE PRECEDING YEAR.

STATE QUALIFICATION: The Bonds are expected to be fully qualified pursuant to Act 92, Public Acts of Michigan, 2005, as amended, enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963. Under the terms of said constitutional and statutory provisions, if for any reason the Issuer will be or is unable to pay the principal and interest on the Bonds when due, then the Issuer shall borrow, and the State of Michigan shall lend to it, an amount sufficient to enable the Issuer to make the payment.

GOOD FAITH: A cashier's check in the amount of one percent (1%) of the par amount of the Bonds may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of one percent (1%) of the par amount of the Bonds shall be made by the winning bidder by federal wire transfer as directed by H.J. Umbaugh & Associates, Certified Public Accountants, LLP to be received by the Issuer not later than noon, prevailing Eastern Time, on the next business day following the award as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Bonds. Any award made to the low bidder is conditional upon receipt of the good faith deposit. The good faith deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the good faith deposit will be retained by the Issuer. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Bonds shall be made at the closing. Good faith checks of unsuccessful bidders will be returned by overnight delivery for next day receipt sent not later than the first business day following the sale.

AWARD OF BONDS: The Bonds will be awarded to the bidder whose bid produces the lowest true interest cost which is the rate that will discount all future cash payments so that the sum of the present value of all cash flows will equal the Bond proceeds computed from March 5, 2014.

LEGAL OPINION: Bids shall be conditioned upon the unqualified approving opinion of Thrun Law Firm, P.C., East Lansing, Michigan, bond counsel, the original of which will be furnished without expense to the Purchaser of the Bonds at the delivery thereof. The fees of Thrun Law Firm, P.C. for services rendered in connection with such approving opinion are expected to be paid from Bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the above Bonds, Thrun Law Firm, P.C. has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, marketing or issuance of the Bonds and, therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

TAX MATTERS: In the opinion of bond counsel, assuming continued compliance by the Issuer with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes, as described in the opinion, and the Bonds and interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The Issuer has designated the Bonds as "**QUALIFIED TAX-EXEMPT OBLIGATIONS**" within the meaning of the Code, and has covenanted to comply with those requirements of the Code necessary to continue the exclusion of interest on the Bonds from gross income for federal income tax purposes.

OFFICIAL STATEMENT: Upon the sale of the Bonds, the Issuer will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sales date, but in no event later than seven (7) business days after such date, the Issuer will provide the successful bidder with a reasonable number of final Official Statements. Such final Official Statements may be obtained without cost to the successful bidder in a reasonable amount from the financial consultant as set forth herein. The successful bidder agrees to supply to the Issuer all necessary pricing information and any underwriter identification necessary to complete the Official Statement within twenty-four (24) hours after the award of Bonds. Additional copies of the final Official Statement may be obtained up to three months following the sale of the Bonds by a request and payment of costs to the financial consultant. The Issuer agrees to provide to the successful bidder at closing a certificate executed by appropriate officers of the Issuer acting in their official capacities, to the effect that as of the date of delivery the information contained in the Official Statement, and any supplement to the Official Statement, relating to the Issuer and the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE: As more particularly described in the Official Statement, the Issuer will agree in the bond resolution or sales resolution to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, (i) on or prior to the 180th day after the end of the fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2014, certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the Bonds, (ii) timely notice of the occurrence of certain significant events with respect to the Bonds and (iii) timely notice of a failure by the Issuer to provide the required annual financial information on or before the date specified in (i) above.

CERTIFICATE REGARDING "ISSUE PRICE": The successful bidder will be required to furnish, prior to the delivery of the Bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. In addition, if the successful bidder will obtain a municipal bond insurance policy or other credit enhancement for the Bonds in connection with their original issuance, the successful bidder will be required, as a condition of delivery of the Bonds, to certify whether the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or

other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

DELIVERY OF BONDS: The Issuer will furnish Bonds ready for execution at its expense. Bonds will be delivered without expense to the Purchaser at a place to be mutually agreed upon with the Purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of the delivery of the Bonds. If the Bonds are not tendered for delivery by noon, prevailing Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if the 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the Bonds, withdraw the proposal by serving notice of cancellation in writing, on the undersigned, in which event the Issuer shall promptly return the good faith deposit. Accrued interest to the date of delivery of the Bonds shall be paid by the Purchaser at the time of delivery. Payment for the Bonds shall be made in federal reserve funds. Unless the Purchaser furnishes the Paying Agent with a list giving the denominations and names in which it wishes to have the certificates issued at least five (5) business days prior to delivery of the Bonds, the Bonds will be delivered in the form of a single certificate for each maturity registered in the name of the Purchaser.

CUSIP numbers will be imprinted on the Bonds at the expense of the Issuer. An improperly imprinted number or failure to print CUSIP numbers shall not constitute basis for the Purchaser to refuse to accept delivery of the Bonds. The Purchaser shall be responsible for requesting assignment of numbers and for the payment of any charges for the assignment of numbers. If the Purchaser requires CUSIP numbers on the Bonds, the Purchaser shall request assignment of CUSIP numbers for the Bonds and provide the numbers to H.J. Umbaugh & Associates and Thrun Law Firm, P.C., within forty-eight (48) hours of the bond sale.

FURTHER INFORMATION may be obtained from H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 2150 Association Drive, Suite 100, Okemos, Michigan 48864. Telephone: (517) 321-0110.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for Mason Public Schools 2014 Refunding Bonds."

Laura Fenger
Secretary, Board of Education