



OMAC
OHIO MUNICIPAL ADVISORY COUNCIL

Ohio Municipal Advisory Council

Not an agency of the State of Ohio

9321 Ravenna Road, Suite K, Twinsburg, Ohio 44087-2461

Telephone: (330) 963-7444 (800) 969-OMAC

Fax (330) 963-7553

MASON CITY, OHIO

(Warren County)

Federal Identification Number – 31-6001070

Report No. N68-19

Date – April 5, 2019

OMAC Fee – Paid by Issuer

Rating: Not Rated

\$4,000,000

Recreational Facilities (general obligation limited tax)

Dated May 14, 2019

Refunding Bond Anticipation Notes, Series 2019

Due May 14, 2020

Coupon: _____

Yield: _____

Price: _____

Sale Date

April 24, 2019

Fiscal Officer

Joe Reigelsperger

Sale Time

Until 11:00 a.m. EDST.

Director of Finance

Type of Bid

Electronic (via BiDCOMP/Parity) and written (including facsimile or electronic mail).

Telephone No.

513-229-8530

Bids Received at:

Director of Finance's Office

Award

Same day, Baker Tilly Municipal Advisors, LLC, the Municipal Advisor to the City, and the Director of Finance will consider the proposals submitted and will award the Notes.

6000 Mason-Montgomery Rd.
Mason, Ohio 45040

Attention:

Joe Reigelsperger, Director of Finance

Facsimile:

513-229-8531

E-mail:

jreigelsperger@masonoh.org

Denominations – The Notes will be issued in such denominations as requested by the original purchaser and approved by the Director of Finance, provided that the Notes shall be issued in the minimum denominations of \$100,000 each or in any denomination that is the sum of (i) \$100,000 and (ii) \$5,000 or any whole multiple thereof.

Purpose – The Notes are to be issued in anticipation of the issuance of bonds for the purpose of refunding outstanding bond anticipation notes issued to pay the cost of acquiring a golf course in the City and paying related costs. These Notes retire \$4,500,000 Notes due 5/16/19.

Bank Qualified – Yes.

Security – The bonds in anticipation of which the Notes are issued, unless paid from other sources and subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally, to the application of equitable principles, whether considered in a proceeding at law or in equity, to the exercise of judicial discretion, and to limitations on legal remedies against public entities, are to be paid from the proceeds of the levy of ad valorem taxes on all property subject to ad valorem taxes levied by the City, which taxes are within the ten-mill limitation imposed by law. The City anticipates the Notes will be retired at maturity from proceeds from the sale of the long-term bonds in anticipation of which the Notes are issued, proceeds from the sale of renewal bond anticipation notes and other available funds of the City, or a combination of such sources. The ability of the City to retire the Notes from the proceeds of the sale of either renewal notes or bonds will be dependent on the marketability of such notes or bonds under market conditions prevailing at the time they are offered for sale.

Opinion – Dinsmore & Shohl LLP
Attorney – Brenda A. Wehmer
Whose Expense – City’s.

Municipal Advisor – Baker Tilly Municipal Advisors, LLC (Baker Tilly is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, Baker Tilly is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer).
(Brian S. Cooper)

Whose Expense – City’s.

Paying Agent/Registrar – The Notes will be payable in Federal Reserve funds of the United States of America at the designated corporate trust office of U.S. Bank National Association, in Cincinnati, Ohio, or at such other office of a bank or trust company designated by the Director of Finance after determining that the payment at that bank or trust company will not endanger the funds or securities of the City and that proper procedures and safeguards are available for that purpose, or at the office of the Director of Finance if agreed to by the Director of Finance and the original purchaser.

Electronic Bids

- Electronic bids must be submitted via BiDCOMP/Parity and in accordance with the provisions of the Invitation.
- No other form of electronic bid or provider of electronic bidding services will be accepted.
- For purposes of the electronic bidding process, the time as maintained by BiDCOMP/Parity shall constitute the official time with respect to all bids submitted electronically.
- To the extent any instructions or directions set forth in BiDCOMP/Parity conflict with the Invitation, the terms of the Invitation shall control.
- Each bidder submitting an electronic bid agrees that: (i) it is solely responsible for all arrangements with BiDCOMP/Parity; (ii) BiDCOMP/Parity is not acting as the agent of the City; and (iii) the City is not responsible for ensuring or verifying bidder compliance with any of the procedures of BiDCOMP/Parity.
- The City assumes no responsibility for, and each bidder expressly assumes the risks of and responsibility for, any incomplete, inaccurate or untimely bid submitted by the bidder through BiDCOMP/Parity. Each bidder shall be solely responsible for making necessary arrangements to access the BiDCOMP/Parity system for the purpose of submitting its bid in a timely manner and in compliance with the requirements of the Invitation.
- The City shall not: (i) have any duty or obligation to provide or assure such access to BiDCOMP/Parity to any bidder; or (ii) be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, BiDCOMP/Parity.
- Prospective bidders who intend to submit their bid electronically must be contracted customers of Ipreo’s BiDCOMP/Parity system.
- If a bidder does not have a contract with Ipreo, call (212) 849-5021.
- By submitting a bid for the Notes, a prospective bidder represents and warrants to the City that such bidder’s bid for the purchase of the Notes (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid, binding and enforceable contract for the purchase of the Notes.
- By contracting with Ipreo, a prospective bidder is not obligated to submit a bid in connection with the sale.

Bidding Particulars

- ◇ Bids for the purchase, at not less than 100% of par and accrued interest, of all of the Notes.
- ◇ Single rate of interest rate to maturity to be specified, not to exceed 6.0% per year (computed on the basis of a 360-day year consisting of twelve 30-day months).
- ◇ A suggested proposal form that may, but need not, be used is included with this report.

Written Proposals

- ❖ Written or oral proposals will be received by the Director of Finance at the office of the Director of Finance of the City at the address or phone number stated above.
- ❖ Written proposals may either be delivered to the aforesaid location, or, at the risk of the proposer, may be faxed to the Director of Finance whose fax number is (513) 229-8531 or sent by electronic mail to the Director of Finance whose electronic mail address is jreigelsperger@masonoh.org.
- ❖ **Any proposer that attempts to use facsimile transmission or electronic mail assumes the risk that its proposal is not received or that the proposer is unable to communicate on a facsimile or electronic mail basis, whether such inability is by reason of equipment malfunction, human error, prior use of facsimile equipment or any other cause whatsoever.**

Delivery

- Anticipated to be May 14, 2019, by 10:00 a.m., EDST.
- In Ohio at issuer's expense, elsewhere at purchaser's expense.
- The original purchaser must pay for the Notes no later than 10:00 a.m. EDST on the date of delivery in Federal Reserve funds.

Printing – The Notes will be prepared in typewritten or xerographically reproduced form at the expense of the City. If the original purchaser requests printed Notes, the original purchaser must pay the expense of printing.

Federal Income Tax Clause – Included.

Book Entry – At the request of the original purchaser, the Director of Finance may authorize the Notes to be issued as fully registered securities (for which the City will serve as note registrar) in book entry only form for use in the book entry only system of The Depository Trust Company, New York, New York (“DTC”). Fully registered Notes issued in the book entry only system of DTC will be retained and immobilized in the custody of DTC or its designated agent. For all purposes under the Note proceedings, DTC will be and will be considered by the City and the Paying Agent to be the owner or holder of the Notes. Owners of book entry interests in the Notes (book entry interest owners) will not receive or have the right to receive physical delivery of Notes, and will not be or be considered by the City and the Paying Agent to be, and will not have any rights as, owners or holders of Notes under the Note proceedings. **The original purchaser will be responsible for (i) completing and delivering to DTC, prior to delivery of the Notes, the appropriate DTC “Eligibility Questionnaire” and (ii) any fees and expenses imposed by DTC (see Costs of Issuance).**

Rating – No application for a rating on the Notes has been made by the City.

Costs of Issuance. The successful proposer will be responsible for the fees of CUSIP, DTC and any other industry assessments. The successful proposer will also be responsible for the fees of its legal counsel. Payment of the fees and costs of CUSIP, DTC and any other industry assessments shall be made by the successful proposer directly to the service providers. **The City** will be responsible for the payment of all other issuance costs, including the fees of Bond Counsel, the Municipal Advisor, the Ohio Municipal Advisory Council and the Paying Agent.

CUSIP – Numbers and any charges for the assignment of such numbers are the responsibility of the original purchaser.

No Official Statement – No official statement or other disclosure document meeting the requirement of Rule 15c2-12 of the Securities and Exchange Commission is available and therefore an original purchaser must avail itself of the exemption provided in subparagraph (d)(1) of that Rule limiting sales of the Notes to no more than 35 persons each of whom the original purchaser reasonably believes (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Notes and (ii) is not purchasing the Notes for more than one account or with a view toward distributing or reselling the Notes.

Establishment of Issue Price – See Notice of Sale.

OMAC Fee – The successful proposer, if a member of OMAC, shall be responsible for the payment of the Ohio Municipal Advisory Council fee which is included in the Costs of Issuance.

OMAC was first notified of this sale on Monday, March 25, 2019 at 10:04 a.m., EDST.

Questions. Any questions concerning the Notes should be addressed to the Director of Finance, the City's Municipal Advisor, Baker Tilly Municipal Advisors LLC (Brian S. Cooper – (614) 987-1681) or the City's Bond Counsel, Dinsmore & Shohl LLP (Brenda A. Wehmer – (513) 639-9217).

LOCATION About 8 miles southwest of Lebanon City and 21 miles northeast of downtown Cincinnati.

Area 18.6 sq. miles.

Transportation IORY RR, US 42 and SR 741, just 2 miles east of an IH 75 interchange and one mile west of an IH 71 gate.

Characteristics Mason is a fast growing residential community situated well within the Cincinnati Metropolitan Area.

SALARIES, BILLS & DEBT SERVICE

Believed current with no record of deficit financing, default or refunding.

POPULATION

| | |
|-------------------|--------|
| 2017 Estimated* - | 33,235 |
| 2010 Census* - | 30,712 |
| 2000 Census* - | 22,016 |

MUNICIPAL INCOME TAX *

| <u>Year</u> | <u>Rate</u> | <u>Receipts</u> |
|-------------|-------------|-----------------|
| 2017 | 1.12% | \$ 31,397,148 |
| 2016 | 1.12% | 30,762,943 |
| 2015 | 1.12% | 29,753,190 |

Source: * U.S. Census Bureau

* Source: Annual Financial Report

Age Breakdown of Population**GENERAL FUND ***

| <u>Year</u> | <u>Under 18</u> | <u>18 To 64</u> | <u>65 & Over</u> | <u>Median Age</u> | <u>Year Ending</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--------------|-----------------|-----------------|----------------------|-------------------|---------------------------------|-----------------|-----------------|-----------------|
| 2017* | | | | | Beg. Bal 1/1 | \$ 13,912,652 # | \$ 13,792,749 # | \$ 12,681,135 # |
| National | 22.9 % | 62.2 % | 14.9 % | 37.8 | Receipts | 38,134,965 | 37,576,148 | 35,190,546 |
| State | 22.6 % | 61.5 % | 15.9 % | 39.3 | Other Fin Srcs | 0 | 0 | 28,086 |
| Subdivision | 26.8 % | 59.0 % | 14.2 % | 42.3 | Transfers In | 0 | 0 | 0 |
| 2016* | | | | | Expenditures | 26,152,850 | 27,178,940 | 26,692,487 |
| National | 23.1 % | 62.4 % | 14.5 % | 37.7 | Transfers Out | 15,542,342 | 14,474,927 | 12,290,460 |
| State | 22.8 % | 61.7 % | 15.5 % | 39.3 | End Bal. 12/31 | 10,352,425 | 9,715,030 | 8,916,820 |
| Subdivision | 27.3 % | 58.2 % | 14.5 % | 41.9 | | | | |
| 2015* | | | | | # Adjusted | | | |
| National | 23.3 % | 62.6 % | 14.1 % | 37.6 | * Non-GAAP | | | |
| State | 22.9 % | 62.0 % | 15.1 % | 39.2 | Source: Annual Financial Report | | | |
| Subdivision | 28.7 % | 57.5 % | 13.8 % | 40.4 | | | | |
| 2010 | | | | | | | | |
| National | 24.0 % | 63.0 % | 13.0 % | 37.2 | | | | |
| State | 23.7 % | 62.2 % | 14.1 % | 38.8 | | | | |
| Subdivision | 30.8 % | 59.3 % | 9.9 % | 38.4 | | | | |
| 2000 | | | | | | | | |
| National | 25.7 % | 61.9 % | 12.4 % | 35.3 | | | | |
| State | 25.4 % | 61.3 % | 13.3 % | 36.2 | | | | |
| Subdivision | 32.1 % | 59.5 % | 8.4 % | 34.5 | | | | |

* U.S. Census Bureau, American Community Survey 5 yr. estimate

COMMERCIAL STATISTICS *

| <u>2012</u> | <u>Units</u> | <u>Sales</u> | <u>Payroll</u> | <u>Employees</u> |
|-----------------------|--------------|-----------------|----------------|------------------|
| Retail | 105 | \$428,774,000 | \$46,455,000 | 1,864 |
| Wholesale | 51 | \$1,023,667,000 | \$132,881,000 | 1,783 |
| Accommodations & Food | 98 | \$129,534,000 | \$35,272,000 | 2,588 |
| <u>2007</u> | <u>Units</u> | <u>Sales</u> | <u>Payroll</u> | <u>Employees</u> |
| Retail | 84 | \$226,093,000 | \$23,734,000 | 1,168 |
| Wholesale | 45 | \$634,440,000 | \$80,641,000 | 1,409 |
| Accommodations & Food | 66 | \$87,555,000 | \$25,257,000 | 2,038 |
| <u>2002</u> | <u>Units</u> | <u>Sales</u> | <u>Payroll</u> | <u>Employees</u> |
| Retail | 67 | \$127,110,000 | \$14,518,000 | 772 |
| Wholesale | 50 | \$843,620,000 | \$84,086,000 | 1,992 |
| Accommodations & Food | 44 | \$34,040,000 | \$8,802,000 | 845 |

* U.S. Census Bureau

Note: 2017 Commercial Statistic data scheduled to be released by U.S. Census Bureau in 2020.

HOUSING AND INCOME

2013-2017 American Community Survey Five Year Estimate *

| | <u>Subdivision</u> | <u>County</u> | <u>State</u> | <u>National</u> |
|---|--------------------|---------------|--------------|-----------------|
| Total Housing Units | 12,531 | 84,853 | 5,174,838 | 135,393,564 |
| Occupied Housing Units | 12,192 | 80,704 | 4,633,145 | 118,825,921 |
| Owner Occupied (as % of Occupied) | 81.2% | 77.6% | 66.1% | 63.8% |
| Median Value of Owner Occupied Homes Estimate | \$235,000 | \$200,100 | \$135,100 | \$193,500 |
| Total Units Built 1939 or Earlier | 3.4% | 5.6% | 20.5% | 12.9% |
| Total Units Built 2010 or Later | 4.1% | 5.1% | 1.9% | 3.2% |
| Median Family Income Estimate | \$120,514 | \$94,857 | \$66,885 | \$70,850 |
| Median Household Income | \$93,872 | \$79,397 | \$52,407 | \$57,652 |
| Per Capita Income Estimate | \$46,700 | \$37,479 | \$29,011 | \$31,177 |
| Poverty Level (% of all people) * | 2.3% | 5.1% | 14.9% | 14.6% |

* U.S. Census Bureau

OCCUPATIONAL GROUPS *

Warren County

| June, 2018 | <u>Subdivision</u> | <u>State</u> |
|-------------------|--------------------|--------------|
| Services | 46.9 % | 44.4 % |
| Trade | 16.8 % | 14.9 % |
| Manufacturing | 13.2 % | 13.1 % |
| Government | 10.7 % | 13.5 % |
| Finance | 5.2 % | 5.5 % |
| Construction | 4.1 % | 4.2 % |
| Transportation | 3.0 % | 5.0 % |
| Agriculture | 0.3 % | 0.3 % |
| Utilities | 0.1 % | 0.4 % |
| Mining | N/R | 0.2 % |
| June, 2017 | <u>Subdivision</u> | <u>State</u> |
| Services | 47.7 % | 44.4 % |
| Trade | 16.5 % | 15.2 % |
| Manufacturing | 13.0 % | 12.9 % |
| Government | 10.8 % | 13.6 % |
| Finance | 5.1 % | 5.4 % |
| Construction | 3.7 % | 4.2 % |
| Transportation | 3.1 % | 4.8 % |
| Agriculture | 0.3 % | 0.3 % |
| Utilities | 0.1 % | 0.4 % |
| Mining | N/R | 0.2 % |

"N/R" displayed for statistics not reported.

* Ohio Department of Job and Family Services

UNEMPLOYMENT RATE *

Mason City

| | <u>Subdivision</u> | <u>State</u> | <u>National</u> |
|---------------|--------------------|--------------|-----------------|
| January, 2019 | 4.0 % | 5.4 % | 4.4 % |
| January, 2018 | 3.8 % | 5.1 % | 4.5 % |

* Ohio Department of Job and Family Services

UNEMPLOYMENT CLAIMANTS *

Warren County

| | <u>Initial Claims</u> | <u>Continued Claims</u> |
|----------------|-----------------------|-------------------------|
| February, 2019 | 282 | 3,384 |
| February, 2018 | 349 | 4,063 |

* Ohio Department of Job and Family Services

LARGEST TAXPAYERS *

(2018 Collection Year)

| Taxpayer Name | Assessed Valuation |
|-----------------------------------|---------------------------|
| Duke Energy Ohio Inc. | \$22,031,670 |
| Kings Island Company | 20,614,590 |
| Mason Family Resorts | 17,998,030 |
| Twin Fountains of Mason | 8,044,720 |
| Mason Christian Village | 6,506,830 |
| Cintas Sales Corporation | 5,955,130 |
| Mitsubishi Electric Auto | 4,179,790 |
| L-3 (Warren County Commissioners) | 3,767,440 |
| H J Heinz Co. LLP | 2,772,390 |
| PS Midwest Two, LLC | 2,711,920 |

* Warren County Auditor's Office (per Mason City 2017 Annual Financial Report)

PROPERTY TAX RATES *

| <u>YEAR</u> | <u>TYPE</u> | <u>DEBT</u> | <u>TOTAL</u> | <u>OVERALL</u> | <u>YEAR</u> | <u>TYPE</u> | <u>DEBT</u> | <u>TOTAL</u> | <u>OVERALL</u> |
|-------------|-------------|-------------|--------------|----------------|-------------|-------------|-------------|--------------|----------------|
| 2018-2019 | Stated | 1.74 | 6.72 | 100.49 | 2017-2018 | Stated | 1.74 | 6.72 | 100.81 |
| | Res/Ag | 1.74 | 6.72 | 55.23 | | Res/Ag | 1.74 | 6.72 | 59.16 |
| | Other | 1.74 | 6.72 | 62.87 | | Other | 1.74 | 6.72 | 63.65 |
| <u>YEAR</u> | <u>TYPE</u> | <u>DEBT</u> | <u>TOTAL</u> | <u>OVERALL</u> | <u>YEAR</u> | <u>TYPE</u> | <u>DEBT</u> | <u>TOTAL</u> | <u>OVERALL</u> |
| 2016-2017 | Stated | 1.74 | 6.72 | 102.56 | 2015-2016 | Stated | 1.74 | 6.72 | 102.56 |
| | Res/Ag | 1.74 | 6.72 | 60.94 | | Res/Ag | 1.74 | 6.72 | 61.07 |
| | Other | 1.74 | 6.72 | 65.28 | | Other | 1.74 | 6.72 | 65.48 |

* State Of Ohio

PROPERTY TAX COLLECTIONS *

| | <u>Current Charge</u> | <u>Total Collected</u> | <u>Pct. of Current Charge Collected</u> | <u>Total Unpaid</u> | <u>Unpaid of Current</u> |
|------------------|-----------------------|------------------------|---|---------------------|--------------------------|
| <u>2017-2018</u> | | | | | |
| RE&PU | \$7,697,829 | \$7,749,972 | 101% | \$121,163 | \$105,349 |
| SA | \$139,754 | \$139,843 | 100% | \$255 | \$255 |
| <u>2016-2017</u> | | | | | |
| RE&PU | \$7,435,392 | \$7,429,185 | 100% | \$153,836 | \$133,773 |
| SA | \$141,473 | \$141,249 | 100% | \$569 | \$569 |
| <u>2015-2016</u> | | | | | |
| RE&PU | \$7,274,142 | \$7,354,724 | 101% | \$132,924 | \$111,480 |
| <u>2014-2015</u> | | | | | |
| RE&PU | \$6,707,941 | \$6,660,137 | 99% | \$186,025 | \$160,070 |
| SA | \$922 | \$831 | 90% | \$90 | \$90 |
| <u>2013-2014</u> | | | | | |
| RE&PU | \$6,606,450 | \$6,648,807 | 101% | \$122,340 | \$93,164 |
| SA | \$7,018 | \$6,799 | 97% | \$1,454 | \$815 |

* County/Appraisal Company

RE&PU - Real Estate and Public Utility SA - Special Assessment

Previous Percent RE & PU Collected *

| <u>Year</u> | <u>Percent</u> | <u>Year</u> | <u>Percent</u> | <u>Year</u> | <u>Percent</u> | <u>Year</u> | <u>Percent</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
| 2012-2013 | 102 % | 2007-2008 | 102 % | 2002-2003 | 102 % | 1997-1998 | N/A |
| 2011-2012 | 104 % | 2006-2007 | 100 % | 2001-2002 | 97 % | 1996-1997 | 100 % |
| 2010-2011 | 98 % | 2005-2006 | 99 % | 2000-2001 | 99 % | 1995-1996 | 100 % |
| 2009-2010 | 99 % | 2004-2005 | 99 % | 1999-2000 | 100 % | 1994-1995 | N/A |
| 2008-2009 | 99 % | 2003-2004 | 100 % | 1998-1999 | 100 % | 1993-1994 | 100 % |

* County/Appraisal Company

ASSESSED VALUATION

(Next Reappraisal 2018-2019)

| | <u>2017-2018 *</u> | <u>2016-2017 **</u> | <u>2015-2016 **</u> | <u>2014-2015 **</u> | <u>2013-2014 **</u> |
|-------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| TOTAL | \$1,144,907,950 | \$1,111,326,230 | \$1,088,293,360 | \$999,974,650 | \$987,391,790 |
| Personal Tangible | 0 # | 0 # | 0 # | 0 # | 0 # |
| Real Estate | 1,122,760,390 | 1,090,773,000 | 1,067,993,390 | 980,478,920 | 969,297,640 |
| Public Utility | 22,147,560 | 20,553,230 | 20,299,970 | 19,495,730 | 18,094,150 |

*State of Ohio Initial Release. **State of Ohio Final Release.

#House Bill 66 phased out the tax on the tangible personal property of general businesses, telephone and telecommunications companies and railroads. The tax on general business and railroad property was eliminated 2009, and the tax on telephone and telecommunications property was eliminated 2011.

REAL ESTATE ANALYSIS * - 2017-2018

| | | | | | |
|--------------|------------------------|---------|---|---------------|-------------|
| Residential | \$898,520,860 | 80.03 % | Total Estimated Commercial, Industrial, & Public Utility = | \$243,871,550 | |
| Commercial | 153,630,640 | 13.68 | Percent of Total AV | 21.3% | |
| Industrial | 68,093,350 | 6.06 | Per Capita AV | Subdivision | Ohio Cities |
| Agricultural | 2,498,440 | 0.22 | | \$34,449 | \$19,908 |
| Mineral | 0 | 0.00 | | | |
| Railroad | 17,100 | 0.00 | | | |
| TOTAL | \$1,122,760,390 | | | | |

* State of Ohio

DEBT AS OF 5/17/2019 *

| | <u>PCT</u> | <u>TOTAL</u> | <u>NET DEBT</u> |
|--|------------|---------------------|---------------------|
| Revenue | | | |
| Advance Refunding Bonds | | \$210,000 | |
| Bonds | | \$17,870,000 | |
| Public Utility/General Obligation | | | |
| <u>Limited Tax</u> | | | |
| Storm Sewer Bonds | 100.00% | \$795,000 | |
| Advance Refunding Sewer Bonds | 100.00% | \$14,925,000 | |
| General Obligation | | | |
| <u>Limited Tax</u> | | | |
| Notes | | \$4,000,000 | \$4,000,000 |
| Advance Refunding Bonds | | \$8,315,000 | \$8,315,000 |
| Bonds | | \$9,960,000 | \$9,960,000 |
| Special Assessment | | | |
| <u>Payable From Other Sources</u> | | | |
| Bonds | | \$1,925,000 | |
| TOTAL DEBT | | \$58,000,000 | |
| TOTAL NET DEBT | | | \$22,275,000 |

* OMAC

NET and NET OVERLAPPING DEBT AS OF 5/17/2019 **

(Excluding SS/SA Debt)

| | <u>Amount</u> | <u>Per Cap</u> | <u>Pct. of AV</u> |
|------------------|---------------|----------------|-------------------|
| Net | \$22,275,000 | \$670 | 1.95% |
| Net Overlapping* | \$63,224,895 | \$1,902 | 5.52% |

* Includes:

| <u>Subdivision</u> | <u>Pct.</u> | <u>Amount</u> |
|------------------------------------|-------------|---------------------|
| Mason City | 100.00% | \$22,275,000 |
| Townships | | \$69,639 |
| Deerfield Township | 1.67% | \$69,639 |
| City School Districts | | \$34,775,148 |
| Lebanon City S/D | 0.22% | \$97,922 |
| Mason City S/D | 59.01% | \$34,677,227 |
| School Districts | | \$5,935,958 |
| Kings L S/D | 14.85% | \$5,935,958 |
| Jt. Voc. School District | | \$169,149 |
| Great Oaks Career Center JV S/D | 5.18% | \$160,839 |
| Warren County Career Center JV S/D | 2.77% | \$8,310 |

** OMAC

ADDITIONAL INFORMATIONIndustrial Development Debt #

\$11,575,000

Called And Defeased Debt

(Amount Not Retired As Of 5/17/2019)

| | |
|--|--------------|
| Hospital Revenue Bonds | \$14,795,000 |
| Housing Revenue Bonds | \$1,395,000 |
| Revenue | \$13,890,000 |
| Revenue Refunding Bonds | \$365,000 |
| Sewer Revenue Bonds | \$20,565,000 |
| General Obligation Bonds | \$700,000 |
| General Obligation Bonds (Limited Tax) | \$14,110,000 |

Debt Service Fund Balance

January 1, 2018 \$3,278,889

IDB debt issued through the subdivision, but not an obligation of the subdivision.

**COMPARATIVE NET AND NET OVERLAPPING DEBT
AS OF JANUARY 1ST ***

| | -----NET DEBT----- | | -----NET OVERLAPPING DEBT----- | |
|------|--------------------|--------------------------------|--------------------------------|--------------------------------|
| 2019 | \$ 22,775,000 | (\$ 685 /Cap., 1.99 % of AV) | \$ 63,724,895 | (\$ 1,917 /Cap., 5.57 % of AV) |
| 2018 | \$ 24,165,000 | (\$ 727 /Cap., 2.11 % of AV) | \$ 72,209,677 | (\$ 2,173 /Cap., 6.31 % of AV) |
| 2017 | \$ 26,360,000 | (\$ 793 /Cap., 2.37 % of AV) | \$ 80,480,122 | (\$ 2,422 /Cap., 7.24 % of AV) |
| 2016 | \$ 32,740,000 | (\$ 1,022 /Cap., 3.01 % of AV) | \$ 93,856,856 | (\$ 2,931 /Cap., 8.62 % of AV) |
| 2015 | \$ 31,775,000 | (\$ 1,004 /Cap., 3.18 % of AV) | \$ 98,285,466 | (\$ 3,105 /Cap., 9.83 % of AV) |

* OMAC

DIRECT DEBT LIMITATIONS *

| | <u>Total Outstanding</u> | <u>Limited Tax</u> | <u>Ltd. & Unltd Tax</u> |
|----------------------------|--------------------------|--------------------|-----------------------------|
| Revenue | \$18,080,000 | N/A | N/A |
| Limited Tax | \$37,995,000 | \$22,275,000 | \$22,275,000 |
| Unlimited Tax | \$0 | N/A | \$0 |
| Debt Subject to Limitation | | \$22,275,000 | \$22,275,000 |
| GO Debt Exempt From Limit. | | \$15,720,000 | \$15,720,000 |
| Maximum Allowable | | \$62,969,937 | \$120,215,335 |
| Balance of Limitation | | \$40,694,937 | \$97,940,335 |

* OMAC

INDIRECT TEN MILL LIMITATIONS *

| | | |
|--|-------|--------|
| Maximum Allowable | | 10.000 |
| Warren County | 0.209 | |
| Mason City | 3.877 | |
| Deerfield Township | 0.268 | |
| Kings L School District | 0.284 | |
| Warren County Career Center Jt. Voc. School District | 0.020 | |
| TOTAL | | 4.657 |
| Balance Of Limitation | | 5.343 |

* OMAC

OMAC

*No Rating***INVITATION FOR PROPOSALS**

\$4,000,000

City of Mason, Ohio

Recreational Facilities Refunding Notes, Series 2019

General Obligation Bond Anticipation Notes
(Limited Tax Notes)

Invitation for Proposals. The City of Mason, Ohio (the “City”), is planning to issue \$4,000,000 Recreational Facilities Refunding Notes, Series 2019 (the “Notes”). By this Invitation for Proposals (the “*Invitation*”), the City is inviting electronic proposals (via BiDCOMP/Parity in the manner described under Electronic Proposals) and written proposals (including facsimile or electronic mail) for the purchase, at not less than 100% of par and accrued interest, of all of the Notes. Proposals will be received until **11:00 a.m. (Ohio time) on Wednesday, April 24, 2019**. Each proposal shall specify the single rate of interest that the Notes are to bear. A suggested proposal form that may, but need not, be used is attached as **EXHIBIT A**.

BidCOMP/Parity Electronic Proposals. Electronic bids must be submitted via BiDCOMP/Parity and in accordance with the provisions of this Invitation. No other form of electronic bid or provider of electronic bidding services will be accepted. For purposes of the electronic bidding process, the time as maintained by BiDCOMP/Parity shall constitute the official time with respect to all bids submitted electronically. To the extent any instructions or directions set forth in BiDCOMP/Parity conflict with this Invitation, the terms of this Invitation shall control. Each bidder submitting an electronic bid agrees that: (i) it is solely responsible for all arrangements with BiDCOMP/Parity; (ii) BiDCOMP/Parity is not acting as the agent of the City; and (iii) the City is not responsible for ensuring or verifying bidder compliance with any of the procedures of BiDCOMP/Parity. The City assumes no responsibility for, and each bidder expressly assumes the risks of and responsibility for, any incomplete, inaccurate or untimely bid submitted by the bidder through BiDCOMP/Parity. Each bidder shall be solely responsible for making necessary arrangements to access the BiDCOMP/Parity system for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Invitation. The City shall not: (i) have any duty or obligation to provide or assure such access to BiDCOMP/Parity to any bidder; or (ii) be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, BiDCOMP/Parity.

Prospective bidders who intend to submit their bid electronically must be contracted customers of Ipreo’s BiDCOMP/Parity system. If a bidder does not have a contract with Ipreo, call (212) 849-5021. By submitting a bid for the Notes, a prospective bidder represents and warrants to the City that such bidder’s bid for the purchase of the Notes (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid, binding and

enforceable contract for the purchase of the Notes. By contracting with Ipreo, a prospective bidder is not obligated to submit a bid in connection with the sale.

Proposals. Written or oral proposals will be received by the undersigned at the office of the Director of Finance of the City at the address or phone number stated below. Written proposals may either be delivered to the aforesaid location, or, at the risk of the proposer, may be faxed to the undersigned whose fax number is (513) 229-8531 or sent by electronic mail to the undersigned whose electronic mail address is jreigelsperger@masonoh.org. **Any proposer that attempts to use facsimile transmission or electronic mail assumes the risk that its proposal is not received or that the proposer is unable to communicate on a facsimile or electronic mail basis, whether such inability is by reason of equipment malfunction, human error, prior use of facsimile equipment or any other cause whatsoever.**

Basic Terms of the Notes. The Notes will be dated May 14, 2019; will mature May 14, 2020 without option of call or prior redemption or prepayment; and will bear interest at a rate not to exceed 6.00% per year (computed on the basis of a 360-day year consisting of twelve 30-day months) from their date payable at maturity. The Notes will be issued in such denominations as requested by the original purchaser and approved by the undersigned, provided that the Notes shall be issued in the minimum denominations of \$100,000 each or in any denomination that is the sum of (i) \$100,000 and (ii) \$5,000 or any whole multiple thereof.

The City anticipates the Notes will be retired at maturity from proceeds from the sale of the long-term bonds in anticipation of which the Notes are issued, proceeds from the sale of renewal bond anticipation notes and other available funds of the City, or a combination of such sources. The ability of the City to retire the Notes from the proceeds of the sale of either renewal notes or bonds will be dependent on the marketability of such notes or bonds under market conditions prevailing at the time they are offered for sale.

No Official Statement. No official statement or other disclosure document meeting the requirement of Rule 15c2-12 of the Securities and Exchange Commission is available and therefore an original purchaser must avail itself of the exemption provided in subparagraph (d)(1) of that Rule limiting sales of the Notes to no more than 35 persons each of whom the original purchaser reasonably believes (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Notes and (ii) is not purchasing the Notes for more than one account or with a view toward distributing or reselling the Notes.

Payment of Principal and Interest; Paying Agent. The Notes will be payable in Federal Reserve funds of the United States of America at the designated corporate trust office of U.S. Bank National Association, in Cincinnati, Ohio, or at such other office of a bank or trust company designated by the Director of Finance after determining that the payment at that bank or trust company will not endanger the funds or securities of the City and that proper procedures and safeguards are available for that purpose, or at the office of the Director of Finance if agreed to by the Director of Finance and the original purchaser (the "*Paying Agent*").

Basis of Award. At the time and date stated above, Baker Tilly Municipal Advisors, LLC, the Municipal Advisor to the City, and the Director of Finance will consider the proposals submitted and will award the Notes on the basis of the proposal resulting in the sale of the Notes

at the lowest net interest cost to the stated maturity. The lowest net interest cost will be determined by taking the amount of interest from the date of the Notes to the stated maturity date and deducting therefrom the amount of any premium. In the event of tie proposals, the successful proposal will be selected by lot in a manner determined by the Director of Finance. Any informality or failure to conform to the instructions contained in this Invitation may be waived by the Director of Finance, and the Director of Finance may reject any or all of the proposals presented. All determinations and the award by the Director of Finance shall be final.

Book Entry. At the request of the original purchaser, the Director of Finance may authorize the Notes to be issued as fully registered securities (for which the City will serve as note registrar) in book entry only form for use in the book entry only system of The Depository Trust Company, New York, New York (“DTC”). Fully registered Notes issued in the book entry only system of DTC will be retained and immobilized in the custody of DTC or its designated agent. For all purposes under the Note proceedings, DTC will be and will be considered by the City and the Paying Agent to be the owner or holder of the Notes. Owners of book entry interests in the Notes (book entry interest owners) will not receive or have the right to receive physical delivery of Notes, and will not be or be considered by the City and the Paying Agent to be, and will not have any rights as, owners or holders of Notes under the Note proceedings. **The original purchaser will be responsible for (i) completing and delivering to DTC, prior to delivery of the Notes, the appropriate DTC “Eligibility Questionnaire” and (ii) any fees and expenses imposed by DTC (see Costs of Issuance).**

Purpose, Security and Authorization of Notes. The Notes are to be issued in anticipation of the issuance of bonds for the purpose of to refund outstanding bond anticipation notes issued to pay the cost of acquiring a golf course in the City and paying related costs.

The bonds in anticipation of which the Notes are issued, unless paid from other sources and subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally, to the application of equitable principles, whether considered in a proceeding at law or in equity, to the exercise of judicial discretion, and to limitations on legal remedies against public entities, are to be paid from the proceeds of the levy of ad valorem taxes on all property subject to ad valorem taxes levied by the City, which taxes are within the ten-mill limitation imposed by law.

Rating. No application for a rating on the Notes has been made by the City.

Costs of Issuance. The successful proposer will be responsible for the fees of CUSIP, DTC and any other industry assessments. The successful proposer will also be responsible for the fees of its legal counsel. Payment of the fees and costs of CUSIP, DTC and any other industry assessments shall be made by the successful proposer directly to the service providers.

The City will be responsible for the payment of all other issuance costs, including the fees of Bond Counsel, the Municipal Advisor, the Ohio Municipal Advisory Council and the Paying Agent.

Legal Opinion and Tax Matters. Legal matters incident to the issuance of the Notes and with regard to the status of the interest on the Notes under existing federal and Ohio tax law are

subject to the legal opinion of Dinsmore & Shohl LLP, Bond Counsel to the City, which will be furnished without cost to the original purchaser at the time the Notes are delivered to it.

The legal opinion of Bond Counsel will include an opinion to the effect that under existing law: (a) interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Notes is included in the calculation of a corporation’s adjusted current earnings for purposes of, and thus may be subject to, the corporate alternative minimum tax (applicable only to taxable years beginning before January 1, 2018), and (b) interest on, and any profit made on the sale, exchange or other disposition of, the Notes are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel will express no opinion as to any other tax consequences regarding the Notes.

The Notes are “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the City’s certifications and representations or the continuing compliance with the City’s covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (a) the effect of future changes in the Code and the applicable regulations under the Code or (b) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the City may cause loss of such status and result in the interest on the Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The City has covenanted to take the actions required of it for the interest on the Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Notes, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Notes or the market value of the Notes.

Interest on the Notes is included in the calculation of a corporation's adjusted earnings for purposes of, and thus may be subject to, the federal corporate alternative minimum tax (applicable only to taxable years beginning before January 1, 2018). In addition, interest on the Notes may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Notes. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Note owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

Prospective purchasers of the Notes should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Notes at other than their original issuance should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest or other income on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, the recent federal tax legislation that was enacted on December 22, 2017 reduces corporate tax rates, modifies individual tax rates, eliminates many deductions, repeals the corporate alternative minimum tax (for taxable years beginning after December 31, 2017) and eliminates tax-exempt advance refunding bonds, among other things. This legislation may increase, reduce or otherwise change the financial benefits currently provided to certain owners of state and local government bonds. Additionally, investors in the Notes should be aware that future legislative actions may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rate on the Notes is not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Limited Role of Bond Counsel. In addition to rendering the legal opinion, Bond Counsel, whose legal services have been retained by the City, will assist in the preparation of, and advise the City concerning, documents for the note transcript. Bond Counsel has not been retained to confirm or verify, assumes no responsibility for, and expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in any reports, financial information, offering or disclosure documents or other information relating to the City or the Notes that may be prepared or made available by the City or others to those submitting proposals for or holders of the Notes or others.

Limited Role of Municipal Advisor. The City has also retained Baker Tilly Municipal Advisors, LLC in connection with the preparation of the City's issuance of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of any statements in any reports, financial information or other information relating to the City or the Notes that may be prepared or made available by the City or others to those submitting proposals for or holders of the Notes or others. The Municipal Advisor is an independent municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Form and Delivery of Notes Upon Payment of Purchase Price. The Notes will be prepared in typewritten or xerographically reproduced form at the expense of the City. If the original purchaser requests printed Notes, the original purchaser must pay the expense of printing. Delivery will be made without charge at such place in the State of Ohio as the original purchaser shall designate, provided that mutually satisfactory arrangements for delivery outside the State of Ohio at the expense of the original purchaser may be made. It is anticipated that delivery will be made on May 14, 2019, by 10:00 a.m. (Ohio time). The original purchaser must pay for the Notes no later than 10:00 a.m. (Ohio time) on the date of delivery in Federal Reserve funds of the United States of America.

CUSIP. If a CUSIP number is required by the original purchaser, the charge for the assignment of that CUSIP number and any CUSIP Service Bureau charge will be the responsibility

of the original purchaser (see **Costs of Issuance**). Any delay, error or omission with respect thereto shall not constitute cause for the original purchaser to refuse to accept delivery of and pay for the Notes.

Subsequent Events. In the event that, prior to their delivery, the interest on the Notes should by any act of Congress or otherwise become subject to federal income tax, or any act of Congress should provide that the interest income on the Notes shall be taxable at a future date for federal income tax purposes other than as discussed herein, whether directly or indirectly, the original purchaser may refuse to accept delivery.

Transcript of Proceedings. The City will furnish the transcript of proceedings and a certificate that to the knowledge of the signers no litigation or administrative action or proceeding is pending or threatened at the time of initial delivery to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Notes or the levy and collection of the taxes or the charge and collection of any applicable rates, fees or charges for their payment, or to contest or question the proceedings and authority under which the Notes will have been authorized, issued, sold, signed or delivered or the validity of the Notes or the issuance of the bonds in anticipation of which the Notes are to be issued.

Establishment of Issue Price (10% Test to Apply if Competitive Sale Requirements are Not Satisfied and the Winning Bidder is not Purchasing the Notes for Its Own Account).

(a) The winning bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth: (1) in the case of a winning bidder who will hold the Notes for the winning bidder’s own account, the purchase price of the Notes and a certification that the winning bidder is not purchasing the Notes for resale to others; and (2) in the case of a winning bidder who is an underwriter, as defined below, the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the necessary supporting pricing wires or equivalent communications. The certificate of the winning bidder shall be in substantially the form attached hereto as **EXHIBIT B**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Invitation to establish the issue price of the Notes may be taken on behalf of the City by the City’s Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor. This paragraph (a) of this section shall apply to any winning bidder, and paragraphs (b) – (g) of this section shall also apply to a winning bidder who is an underwriter, as defined below.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “competitive sale requirements”) because:

- (1) The City shall disseminate this Invitation to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) All bidders shall have an equal opportunity to bid;

- (3) The City anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) The City anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Invitation.

Any bid submitted pursuant to this Invitation shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City shall treat the first price at which 10% of the Notes (the “10% test”) is sold to the public as the issue price of the Notes. The winning bidder shall advise the City if the 10% test is satisfied as of the date and time of the award of the Notes. The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of the Notes as the issue price of the Notes in the event that the competitive sale requirements are not satisfied. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that the Notes will be subject to the 10% test in order to establish the issue price of the Notes.

(d) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied, the winning bidder agrees to promptly report to the City the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Notes or until all Notes have been sold.

(e) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the Notes allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes or all Notes have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the Notes allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Notes or all Notes have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(f) Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Invitation. Further, for purposes of this Invitation:

- (1) “*public*” means any person other than an underwriter or a related party;
- (2) “*underwriter*” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public);
- (3) a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
- (4) “*sale date*” means the date that the Notes are awarded by the City to the winning bidder.

(g) Any “underwriter” (as defined in subsection (f)(ii) above), by making a bid pursuant to this Invitation, represents to the City, Bond Counsel and the Municipal Advisor that it has an established industry reputation for underwriting new issuances of municipal bonds.

Questions. Any questions concerning the Notes should be addressed to the undersigned, the City’s Municipal Advisor, Baker Tilly Municipal Advisors, LLC (Brian S. Cooper – (614) 987-1681) or the City’s Bond Counsel, Dinsmore & Shohl LLP (Brenda A. Wehmer – (513) 639-9217).

Dated: April 12, 2019

Joe Reigelsperger
Director of Finance
City of Mason, Ohio
6000 Mason-Montgomery Road
Mason, Ohio 45040
Telephone: (513) 229-8530
Facsimile: (513) 229-8531
E-Mail: jreigelsperger@masonoh.org

EXHIBIT A

SUGGESTED PROPOSAL FORM

PROPOSAL FOR NOTES

City of Mason, Ohio _____, 2019
 c/o Joe Reigelsperger
 Director of Finance
 City of Mason, Ohio
 6000 Mason-Montgomery Road
 Mason, Ohio 45040

For all of your \$4,000,000 Recreational Facilities Refunding Notes, Series 2019 (the “Notes”), dated May 14, 2019, maturing May 14, 2020, and described in your Invitation for Proposals dated April 12, 2019 (the “Invitation”), providing for receipt of proposals by 11:00 a.m. (Ohio time) on April 24, 2019, we, jointly and severally if more than one name is stated below, agree to pay the par value of the Notes (\$4,000,000) plus a premium of \$ _____,* plus accrued interest from the date of the Notes to the date of delivery thereof, with the Notes to bear an interest rate of _____%** per year.

This proposal is made in accordance with and subject to the terms and conditions provided in that Invitation, which is made a part of this proposal.

* If this blank is not filled in with a dollar amount, no premium is to be paid.

** Not to exceed 6.00%.

| | |
|---|---|
| <p>For Information Only (Not a part of this proposal)</p> <p>Gross Interest Cost \$ _____</p> <p>Less Premium or Plus Discount \$ _____</p> <p>Net Interest Cost \$ _____</p> <p>Net Interest Rate _____%</p> | <p>Printed Name of Firm Making Proposal</p> <p>_____</p> <p>Signature of Person Making Proposal as an Authorized Officer or Agent</p> <p>_____</p> <p>Name and Title of Person Signing Proposal as an Authorized Officer or Agent</p> <p>_____</p> <p>Telephone Number of Signer</p> <p>_____</p> |
|---|---|

EXHIBIT B – IF WINNING BIDDER IS AN UNDERWRITER**UNDERWRITER’S CERTIFICATE**

_____ (“*Initial Purchaser*”), for the notes identified above (the “*Issue*”), issued by the City of Mason, Ohio (the “*Issuer*”), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

[If the competitive sale meets the definition in Regulations §1.148-1(f)(3) by attracting at least three bids from underwriters that have established industry reputations for underwriting new issuances of tax-exempt obligations and as reflected in the representations below):

(1) **Issue Price.**

(A) As of the Sale Date, the reasonably expected initial offering price of the Issue to the Public by the Initial Purchaser is _____% (the “*Expected Offering Price*”). The Expected Offering Price is the price for the Issue used by the Initial Purchaser in formulating its bid to purchase the Issue. Attached as **SCHEDULE A** is a true and correct copy of the bid provided by the Initial Purchaser to purchase the Issue.

(B) The Initial Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(C) The bid submitted by the Initial Purchaser constituted a firm offer to purchase the Issue.

(D) The Expected Offering Price multiplied by the principal amount of the Issue is \$_____ (the “*Issue Price*”).

(E) **Definitions.**

“*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

“*Sale Date*” means the first day on which there is a binding contract in writing for the sale of the Issue. The Sale Date of the Issue is April 24, 2019.

“*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Issue to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Issue to the Public).]

[If the competitive sale fails to attract at least three bids from underwriters that have established industry reputations for underwriting new issuances of tax-exempt obligations and the issue price is determined using the general rule (actual sales of at least 10%) in Regulations §1.148-1(f)(2)(i):

(1) **Issue Price.**

(A) As of the date of this certificate, the first price at which at least 10% of the Issue was sold to the Public is \$_____ (the “*Issue Price*”).

(B) **Definitions.**

“*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

“*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Issue to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Issue to the Public).]

All capitalized terms not defined in this Certificate have the meaning set forth in the Issuer’s Tax Compliance Certificate or in Attachment A to it.

(2) **Yield.** The Yield on the Issue is _____%, being the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on the Issue, computed on the basis of a 360-day year and annual compounding, produces an amount equal to the Issue Price of the Issue as stated in paragraph (1).

(3) **Weighted Average Maturity.** The weighted average maturity (defined below) of the Issue is 1.0000 year. The weighted average maturity of an issue is equal to the sum of the products of the issue price of each maturity of the issue and the number of years to the maturity date of the respective maturity (taking into account mandatory but not optional redemptions), divided by the issue price of the entire Issue.

(4) **Initial Purchaser’s Discount.** The Initial Purchaser’s discount is \$_____, being the amount by which the aggregate Issue Price (as set forth in paragraph (1)) exceeds the price paid by the Initial Purchaser to the Issuer for the Issue.

The signer is an officer of the Initial Purchaser and duly authorized to execute and deliver this Certificate of the Initial Purchaser. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Initial Purchaser’s interpretation

of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Issue, and by Dinsmore & Shohl LLP, as bond counsel, in connection with rendering its opinion that the interest on the Issue is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Issue.

Dated: May 14, 2019

[INITIAL PURCHASER]

By: _____

Title: _____

[If the competitive sale requirements are met:

SCHEDULE A

COPY OF INITIAL PURCHASER'S BID

(Attached)

[If the issue price is determined using the 10% rule:

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT B – IF WINNING BIDDER IS NOT AN UNDERWRITER

PURCHASER'S CERTIFICATE

[_____] (the "Purchaser"), as purchaser of the notes identified above (the "Issue"), issued by the City of Mason, Ohio (the "Issuer"), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

(1) **Issue Price.**

a. On the date of this certificate, the Purchaser is purchasing the Issue for the amount of \$[_____] (the "Issue Price"), there being no accrued interest or original issue premium or discount. The Purchaser is not acting as an Underwriter with respect to the Issue. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Issue (or any portion of the Issue or any interest in the Issue). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Issue, and the Purchaser has not agreed with the Issuer pursuant to a written agreement to sell the Issue to persons other than the Purchaser or a related party to the Purchaser. The Purchaser paid no other amounts for the Issue.

b. **Defined Terms.**

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person

described in clause (i) of this paragraph to participate in the initial sale of the Issue to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Issue to the Public).

All capitalized terms not defined in this Certificate have the meaning set forth in the [Tax Compliance Certificate/Tax Certificate and Agreement] executed by the Issuer [and the Borrower] in connection with the issuance of the Issue (“Tax Certificate”) or in Attachment A to the Tax Certificate.

(2) **Yield.** The Yield on the Issue is _____%, being that Yield that, when used in computing the present worth of all payments of principal and interest to be paid on the Issue, computed on the basis of a 360-day year and annual compounding, produces an amount equal to the aggregate Issue Price of the Issue as stated in paragraph (1).

(3) **Weighted Average Maturity.** The weighted average maturity of the Issue is 1.00 year. The weighted average maturity of an issue is equal to the sum of the products of the issue price of each maturity of the issue and the number of years to the maturity date of the respective maturity (taking into account mandatory but not optional redemptions), divided by the issue price of the entire issue.

(4) The Purchaser is not acting in the capacity of a broker, dealer, municipal securities underwriter or financial advisor in connection with its purchase of the Issue, and the Purchaser is not being compensated for its purchase of the Issue.

The signer is an officer of the Purchaser and is duly authorized to execute and deliver this Purchaser’s Certificate. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Issue, and by Dinsmore & Shohl LLP, as bond counsel, in connection with rendering its opinion that the interest on the Issue is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Issue.

Dated: May 14, 2019

[PURCHASER]

By: _____
Title: