

## SOLICITATION FOR BIDS

**\$400,000**

**BIG BAY DE NOC SCHOOL DISTRICT  
COUNTIES OF DELTA AND SCHOOLCRAFT  
STATE OF MICHIGAN  
TAX ANTICIPATION NOTES  
(GENERAL OBLIGATION - LIMITED TAX)**

Unconditional and firm bids for the purchase of the above Tax Anticipation Notes (the “Note” or “Notes”) will be received by Big Bay de Noc School District, Delta and Schoolcraft Counties, Michigan (the “Issuer”), at the administrative offices of the Issuer, 8928 00.25 Road, Cooks, Michigan 49817-9608, on Tuesday, the 27th day of September, 2022, until 1:00 o’clock in the p.m., prevailing Eastern Time, at which time and place said bids will be opened and read. Award of the bid will be made on behalf of the Issuer by an authorized officer of the Issuer on that date.

**ELECTRONIC BIDS:** Bidders submitting signed bids electronically to the Issuer via email to [bmiller@dsisd.net](mailto:bmiller@dsisd.net) must ensure their bids are received prior to the time and date fixed for receipt of bids. Bidders submitting bids electronically bear the full risk of failed or untimely transmission of their bids, and bidders are encouraged to confirm the timely receipt of their full and complete bids by telephoning the Issuer at (906) 644-2773.

**NOTE DETAILS; INTEREST RATE; PAYING AGENT AND PAYING AGENT FEES; AND DENOMINATION:** The Notes will be dated October 17, 2022, or date of delivery, will mature March 15, 2023, and will bear interest at a rate not exceeding six percent (6%) per annum. Interest upon the Notes will be calculated on a 360-day year, 30-day month. Both principal and interest will be payable at a bank or trust company located in the State of Michigan to be designated by the original purchaser of the Notes, which paying agent qualifies as such under the statutes of the State of Michigan or of the Federal Government. The purchaser may also designate a co-paying agent or agents, similarly qualified, which may be located outside of Michigan. Paying agent fees, if any, are to be paid by the purchaser of the Notes. The Notes shall be issued in denominations as designated at the option of the purchaser.

**PRIOR REDEMPTION:** The Notes shall not be subject to redemption prior to maturity.

**AWARD OF NOTES:** For the purpose of awarding the Notes, the interest cost of each unconditional and firm bid will be computed on a 360-day year, 30-day month basis by determining, at the rate specified therein, the total dollar value of all interest on the Notes from October 17, 2022, to their maturity and deducting therefrom any premium. The Notes will be awarded to the bidder whose unconditional and firm bid on the above computation produces the lowest dollar interest cost to the Issuer. No proposal for the purchase of less than all the Notes or at a price less than their par value will be considered. Any and all fees or charges of the bidder must be incorporated into the rate.

**PURPOSE AND SECURITY:** The Notes are issued in anticipation of the receipt of operating taxes due and payable on December 1, 2022. The Board of Education has voted and

pledged as security for the tax note borrowing to levy taxes on December 1, 2022, for operating purposes in an amount not less than 200% of the amount of this tax note borrowing. The Issuer is required to set aside in a separate depository account a portion of each dollar of said operating taxes collected, which is not less than 125% of the percentage that the principal amount of the Notes bears to the amount of the operating taxes for the fiscal year ending June 30, 2023. In case of the insufficiency of the taxes pledged for the payment thereof, the Issuer is required to pay the Notes from any funds legally available therefor including subsequent tax levies of the Issuer. The Issuer does not have the power to levy taxes for the payment of the Notes in excess of its constitutional and statutory tax rate limits.

The rights or remedies of noteholders may be affected by bankruptcy laws or other creditors' rights legislation now existing or hereafter enacted.

**ADDITIONAL BORROWING:** The Issuer reserves the right to borrow additional monies to meet operating expenses and payroll. Any future borrowing against operating taxes will be secured by a lien equal in standing to the lien herein created against such operating taxes.

**LEGAL OPINION:** Bids shall be conditioned upon the unqualified opinion of Thrun Law Firm, P.C., attorneys of East Lansing, Michigan, note counsel, which opinion will be furnished without expense to the purchaser prior to the delivery thereof approving the legality of the Notes.

**TAX MATTERS:** In the opinion of note counsel, assuming continued compliance by the Issuer with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excluded from gross income for federal income tax purposes, as described in the opinion, and the Notes and interest thereon are excluded from taxable income for State of Michigan income tax purposes. Further, the Notes and the interest thereon are subject to inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The Issuer has designated the Notes 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 Notes from gross income for federal income tax purposes.

**CERTIFICATE REGARDING "ISSUE PRICE":** The successful bidder will be required to furnish, prior to the delivery of the Notes, a certificate in a form acceptable to note counsel as to the "issue price" of the Notes within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. By submitting a bid, the bidder represents to the Issuer that it intends to hold the Notes for its own account with no present intention to reoffer the Notes unless the bidder has notified Note counsel, in writing, at least 72 hours before the bid deadline that the bidder intends to reoffer the Notes.

**CLOSING DOCUMENTS:** Drafts of all closing documents, including the form of Note and note counsel's legal opinion, may be requested from Thrun Law Firm, P.C. Final closing documents will be in substantially the same form as the drafts provided. Closing documents will not be modified at the request of a bidder, regardless of whether the bidder's proposal is accepted.

**DELIVERY OF NOTES:** The Issuer shall furnish notes ready for execution at its expense. Notes will be delivered without expense to the purchaser at a place located within the State of Michigan to be mutually agreed upon between the purchaser and the Issuer. Delivery can also be

made outside the State of Michigan, but at the EXPENSE of the PURCHASER. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Notes, will be delivered at the time of delivery of the Notes. Accrued interest to the date of delivery of the Notes, if any, shall be paid by the purchaser at the time of delivery. Payment for the Notes shall be made in Federal Reserve Funds.

**BIDDER CERTIFICATION - NOT "IRAN-LINKED BUSINESS":** By submitting a bid, the bidder shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act 517, Public Acts of Michigan, 2012; MCL 129.311, et seq.

**THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.**

The bids should be plainly marked "Proposal for Big Bay de Noc School District Tax Anticipation Notes."

Beau Miller  
Business Manager