

**OFFICIAL
NOTICE OF BOND SALE**

\$4,750,000 OF GENERAL OBLIGATION BONDS, SERIES 2023

OF

CITY OF COVINGTON, STATE OF LOUISIANA

**Electronic bids via PARITY®
will be received until eleven (11:00) o'clock a.m., Central Time (Louisiana Time), on
Wednesday, March 29, 2023**

Electronic bids via PARITY® will be received by the City Council of the City of Covington, State of Louisiana (the "Governing Authority") acting as the governing authority of City of Covington, State of Louisiana (the "Issuer"), at 317 N. Jefferson Avenue, Covington, Louisiana 70433, for the purchase of the above described Bonds aggregating \$4,750,000 (the "Bonds") in accordance with this Notice of Bond Sale.

Date of Sale: Wednesday, March 29, 2023 (or such other date as may be determined an Executive Officer of the Governing Authority).

Hour of Sale: Eleven (11:00) o'clock a.m., Louisiana (Central) Time.

Place of Sale: 317 N. Jefferson Avenue, Covington, Louisiana 70433, telephone (985) 898-4733.

Acceptance and Confirmation of Sale: The Council Clerk, the Council President and/or the Finance Director of the Governing Authority has been authorized by the Governing Authority to accept the winning bid as provided for herein and award the sale of the Bonds. The Governing Authority will confirm the award at its meeting to be held at Six o'clock (6:00) p.m., Louisiana (Central) Time, on Tuesday, April 4, 2023.

Date of Bonds: Delivery date of the Bonds, anticipated to be April 26, 2023.

Form and Denomination: The Bonds will be issued as fully registered bonds in "book-entry only" form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. The Bonds will be in the denomination of Five Thousand Dollars (\$5,000) each.

Maximum Interest Rate Allowable: Six per centum (6%) per annum.

Paying Agent and Registrar: Argent Trust Company, Ruston, Louisiana.

Interest Payment Dates: March 1 and September 1. The Bonds will bear interest from their delivery date until paid, payable on March 1, 2024 and semiannually on each March 1 and September 1 thereafter.

Manner and Place of Payment: Principal of the Bonds will be payable in lawful money of the United States of America by the Paying Agent.

Maturity Schedule: Bonds will mature on March 1 of each of the following years and in the principal amounts as follows:

<u>DUE</u> <u>(March 1)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>DUE</u> <u>(March 1)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>
2026	\$ 5,000	2035	\$300,000
2027	10,000	2036	315,000
2028	10,000	2037	325,000
2029	225,000	2038	340,000
2030	235,000	2039	355,000
2031	250,000	2040	365,000
2032	260,000	2041	380,000
2033	275,000	2042	395,000
2034	290,000	2043	415,000

Prior to accepting bids, the Issuer reserves the right to postpone the sale to a later date, or to cancel the sale of the Bonds based upon market conditions as discussed herein. Notice of a change or cancellation will be announced via Thomson Municipal News at the internet website address www.tm3.com not later than 10:00 a.m., Central Time, on the business day preceding the bid opening. Such notice will specify the later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight (48) hours' notice via Thomson Municipal News service at the internet website address www.tm3.com.

Redemption: The Bonds maturing March 1, 2034 and thereafter shall be subject to redemption at the option of the Issuer, prior to their stated maturities, on and after March 1, 2033, in whole or in part at any time and if less than a full maturity then by lot within such maturity at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date. Bonds are not required to be redeemed in inverse order of maturity.

In the event a Bond to be redeemed is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. In the event of redemption of less than all of the outstanding Bonds of like maturity, such Bonds shall be redeemed by lot or in such other manner as shall be deemed fair and equitable by the Paying Agent for random selection.

Notice of redemption shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail (postage prepaid), or delivering notice via other accepted means of electronic communication, not less than twenty (20) days prior to the date fixed for

redemption to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the Bond Register.

If a Bidder shall elect to specify Term Bonds as provided in “Special Bidders’ Option” below, the Bonds subject to mandatory sinking fund redemption shall also be subject to the terms and conditions described in the Official Statement of the Issuer prepared in connection with the Bonds (the “Official Statement”).

Security: The Bonds are being issued pursuant to the provisions of Article VI, Section 33 of the Constitution of the State of Louisiana of 1974, Part II of Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the “Act”), having been authorized at a special election held in the Issuer on December 10, 2022, for the purpose of making capital improvements in the City, including, but not limited to, constructing, renovating, acquiring, and/or improving (i) roads, street and bridges; (ii) public buildings, parks and recreational facilities; (iii) drains and drainage facilities; (iv) public safety facilities; (v) sewerage collection and treatment, including acquiring all necessary land, equipment and furnishings, title to which shall be in the public and paying the costs of issuance thereof. The full faith and credit of the Issuer is pledged for the payment of the principal of and interest on the Bonds, and the Issuer is obligated under the aforesaid provisions of law to impose and collect annually in excess of all other taxes, a tax on all the property subject to such taxation in the Issuer, in the manner prescribed by such provisions, in an amount sufficient to pay such principal and interest.

Bond Insurance: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the Bonds resulting by reason of the same, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for said Bonds in accordance with terms of the purchase contract.

Electronic Bids: Electronic bids will be received via PARITY®, in the manner described below, until 11:00 a.m., Louisiana Time, Central Time, on Wednesday, March 29, 2023.

No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. For further information about PARITY®, potential bidders may contact PARITY® at i-Deal (212) 849-5021.

Disclaimer: Each prospective electronic bidder shall be solely responsible to register to bid via PARITY® as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Bond Sale. Neither the Issuer nor PARITY®, shall have any duty or obligation to provide or assure access to PARITY® to any prospective bidder, and neither the Issuer nor PARITY® shall be responsible for a bidder’s failure to register to bid or for proper operation of, or have any liability for any delays

or interruptions of, or any damages caused by, PARITY®. The Issuer is using PARITY® as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. No other form of electronic bid or provider of electronic bidding services will be accepted. The Issuer is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Bond Sale and in particular the "Bid Requirements" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via PARITY® are the sole responsibility of the bidders; and the Issuer is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, he should telephone PARITY® at i-Deal or (212) 849-5021 and notify the Issuer's Municipal Advisor, Raymond James & Associates, Inc., 909 Poydras Street, Suite 1300, New Orleans, Louisiana 70112 or (504) 595-3272.

Electronic Bidding Procedures: Electronic bids must be submitted for the purchase of the Bonds (all or none) via PARITY®. Bids will be communicated electronically to the Issuer at 11:00 a.m., Louisiana time, on Wednesday, March 29, 2023. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the Issuer, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time.

Bid Requirements: Each bid (i) shall be for the full amount of \$4,750,000 in aggregate principal amount of the Bonds, (ii) shall name the rate or rates of interest to be borne by the Bonds, (iii) shall prescribe one rate of interest for the Bonds of any one maturity, not to exceed six per centum (6%) per annum for any maturity, (iv) shall limit the interest due on each Bond for each interest period to a single rate and (v) shall be unconditional. No bid for less than par will be accepted.

Special Bidders' Option: Bidders may specify that all the principal amount of Bonds on any two or more consecutive annual payment dates on or after March 1, 2034, may, *in lieu* of maturing on each of such dates, be combined to comprise one or more maturities of Bonds scheduled to mature on the latest of such annual payment dates and be subject to redemption through mandatory sinking fund installments at the principal amount thereof in the manner described in the Official Statement, on each of the annual payment dates, except for that principal amount of Bonds scheduled to mature on the latest such annual payment date, which Bonds shall mature on such annual payment date ("Term Bonds"). Bidders may specify one or more of such Term Bonds.

Award of Bid: The Bonds will be awarded to the bidder whose bid offers the lowest "true interest cost" to the Issuer, to be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments on the Bonds from the payment dates to the date of delivery of the Bonds, such that the sum of such present values is equal to the price bid, including any premium bid or less any discount (the preceding calculation is sometimes

referred to as the “Canadian Interest Cost Method” or “Present Value Method”). In the case of a tie bid, the winning bid will be awarded by lot.

Establishment of Issue Price: The Issuer expects to comply with the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i); however, in the event the Issuer does not receive sufficient qualified bids to satisfy such requirement, which would allow the Issuer to treat the reasonably expected initial offering price to the public as of the sale date as the issue price of the Bonds, the “Hold-the-Offering-Price Rule” of Treasury Regulation § 1.148-1(f)(2)(ii) (the “Hold-the-Offering-Price Rule”), shall apply, which will allow the Issuer to treat the initial offering price to the public of each maturity as of the sale date as the issue price of that maturity. So long as the Hold-the-Offering-Price Rule applies to any maturity of the Bonds, the winning bidder by submitting its bid agrees that it will neither offer nor sell that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (i) the date on which the winning bidder has sold at least 10 percent of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public or (b) the close of the fifth (5th) business day after the sale date. The winning bidder agrees to promptly report to the Financial Advisor when it has sold 10 percent of a maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth (5th) business day after the sale date.

In order to provide the Issuer with information required to comply with certain conditions of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, the winning bidder will be required to complete, execute and deliver to the Issuer (on or before the date of delivery of the Bonds) a certification regarding the “issue price” of the Bonds substantially in the form attached as an appendix to the Preliminary Official Statement for the Bonds, subject to modification in a manner acceptable to the Issuer. Each bidder, by submitting its bid, agrees to complete, execute and deliver such a certificate by the date of delivery of the Bonds, if its bid is accepted. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to the Issuer.

By submitting a bid for the Bonds, each bidder certifies it has an established industry reputation for underwriting new issuances of municipal bonds. The Issuer will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

Costs Paid by Issuer: The costs of preparing, selling and delivering the Bonds shall be paid by the Issuer.

Rejection of Bids: The Issuer reserves the right to reject any and all bids.

Waiver of Informalities: The Issuer reserves the right to waive any informalities or irregularities in any bid.

Good Faith Deposit: In the event a bid for the Bonds is accepted, the acceptance of such bid shall be subject to the receipt of a good faith deposit (the "Deposit") from the Purchaser in the amount of one percent (1%) of the principal amount of the Bonds (\$47,500). The Deposit shall be made via wire transfer to the Issuer by 3:30 o'clock p.m., Louisiana (Central) Time, on the day of the sale. The Deposit will be deposited by the Issuer and the proceeds credited against the purchase price of the Bonds. In the case of neglect or refusal to comply with such bid, the deposit will be forfeited to the Issuer as and for liquidated damages. No interest will be allowed on the amount of the Deposit.

The Municipal Advisor to the Issuer will communicate the instructions for delivery of the Deposit to the Purchaser upon the award of the sale of the Bonds.

Delivery of the Bonds: The Bonds will be delivered to DTC on or as soon as practicable after April 26, 2023, in "book-entry only" form. The Purchaser shall pay in Federal Funds on the date of delivery the balance of the purchase price of the Bonds. The Bonds will be delivered in New Orleans, Louisiana, unless another place shall be mutually agreed upon.

Legal Opinion of Bond Counsel and Closing Documents: The approving legal opinion of Foley & Judell, L.L.P., who has supervised the proceedings, the Bonds and the transcript of record as passed upon will be furnished without cost to the Purchaser. Said transcript will contain the usual closing proofs, including (i) a certificate that up to the time of delivery no litigation has been filed questioning the validity of the Bonds or the taxes necessary to pay the same, and (ii) a Continuing Disclosure Certificate as hereinafter described.

CUSIP Numbers: It is anticipated that the American Bankers' Association Committee on Uniform Security Identification Procedures (CUSIP) identification numbers will be printed on the Bonds, but the failure to print such numbers shall not constitute cause for refusal by the Purchaser to accept delivery of and to pay for the Bonds. No CUSIP identification number shall be deemed to be part of any Bond or a part of the contract evidenced thereby, and no liability shall hereafter attach to the Issuer or any of the officers or agents thereof because of or on account of such numbers. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the Issuer. However, the CUSIP Service Bureau charge for the assignment of such

numbers shall be the responsibility of and shall be paid by the Purchaser. The Financial Advisor will request the assignment of CUSIP numbers in accordance with MSRB Rule G-34.

Continuing Disclosure: In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Issuer will undertake, pursuant to the ordinance providing for the issuance of the Bonds and a Continuing Disclosure Certificate, to provide annual reports and notices of certain listed events. A description of this undertaking is set forth in the Official Statement. The Annual Reports are due on or before June 30 of each year.

Additional Information and Official Statements: Further information and particulars, including the required procedures for bidding and the Official Statement relating to the Bonds, will be furnished electronically and upon application to the undersigned. The Purchaser will be furnished a reasonable number of final Official Statements on or before the seventh business day following the sale of the Bonds.

The Official Statement and this Notice of Bond Sale will be available in electronic format on the following website: <http://www.i-dealprospectus.com>.

Ms. Nina Sweeney, Finance Director
City of Covington
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Covington, Louisiana 70433
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