

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

1. Date and Hour of Award. The City of Rolling Fields, Kentucky (the “City”) will, until 11:00 A.M. E.T. on April 27, 2021, receive in the office of Rubin & Hays, 450 South Third Street, Louisville, Kentucky 40202, electronic or sealed competitive bids for the purchase of \$855,000 (subject to adjustment upward by an amount not to exceed \$85,000 or downward by any amount) principal amount of its tax-exempt City of Rolling Fields, Kentucky General Obligation Bonds (Country Lane Park Project), Series 2021, dated the date of initial delivery thereof (the “Bonds”), maturing on May 1 of the years 2022 to 2051, inclusive, as set forth in the Official Statement. Minimum bid is \$837,900 (98% of par). Bids will be opened by the City, at the time stated above and verbal confirmation of the successful bid will be given shortly thereafter. Formal award and approval of the successful bid will be made by the Mayor by 3:00 P.M. (E.T.) on said April 27, 2021 by Sale Certificate. Prior to the sale, sealed bids can be submitted via electronic transmission through PARITY®.

2. Description and Maturities of Bonds. The Bonds shall bear interest from the date of initial delivery thereof, payable semiannually, on May 1 and November 1 of each year, beginning on November 1, 2021, shall be in the denomination of \$5,000 or any multiple thereof within the same maturity (as designated by the purchasers), are numbered R-1 and upward, and will be scheduled to mature on May 1 in each of the respective years as set forth in **Exhibit A** attached hereto (subject to adjustment as hereinafter provided in the sole discretion of the City).

The Bonds are to be issued in fully registered form (both principal and interest). Upon their issuance, the Bonds will be issued in book-entry form, registered in the name of Cede & Co. as the nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds, as described in the Preliminary Official Statement. Purchases of beneficial interests in the Bonds may be made in book-entry form only, in the principal amount of \$5,000 or any multiple of \$5,000. U.S. Bank National Association, Louisville, Kentucky, the Registrar, Transfer Agent, and Paying Agent, will pay principal of, premium, if any, and interest on the Bonds by wire transfer to DTC or its nominee.

3. Optional Redemption. The Bonds maturing prior to May 1, 2031 shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after May 1, 2031, are subject to optional redemption, in whole or in part, by the City prior to their stated maturities, at any time falling on or after May 1, 2030, and in any order of maturities (less than all Bonds of a single maturity to be selected by the Bond Registrar by lot in such manner as may be determined in the discretion of the Bond Registrar) upon payment of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

4. Authority and Purpose. The Bonds have been authorized by an ordinance (the “Bond Ordinance”), duly enacted by the City Commission of the City, under authority of the Constitution of the Commonwealth of Kentucky, particularly Sections 158 and 159 thereof, and applicable laws, as amended, including Sections 66.011 through 66.171 of the Kentucky Revised Statutes, as amended (the “Act”), to provide funds necessary for the acquisition, construction, renovation, and equipping of a new municipal park to be located in and for the use of the City (the “Project”).

5. Legal Opinion. The Bonds are offered for sale on the basis of the principal of the Bonds not being subject to Kentucky ad valorem taxation and on the basis of interest on the Bonds, with certain exceptions, not being subject to federal or Kentucky income taxation on the date of their delivery to the successful bidder, and subject to the final approving Legal Opinion of Rubin & Hays, Municipal Bond Attorneys, Louisville, Kentucky, based on the assumption that the City complies with the covenants made by the City with respect to compliance with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and based on the assumption of compliance by the City with the requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Bonds, if such requirements become applicable to such Bonds. Based on the foregoing assumptions, Bond Counsel is of the opinion that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code. The Purchaser will be furnished said Opinion, printed bond forms, and the usual closing documents, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the issue affecting the validity of the Bonds.

In order to assure the Purchasers of the Bonds that interest thereon will continue to be excludable from gross income for federal and Kentucky income taxation (subject to certain exceptions set out below), the City covenants to and with the Holders of such Bonds that (1) the City will take all actions necessary to comply with the provisions of the Code, (2) the City will take no actions that will violate any of the provisions of the Code, or would cause the Bonds to become “private activity bonds” within the meaning of the Code, (3) none of the proceeds of the Bonds will be used for any purpose that would cause the interest on the Bonds to become subject to federal income taxation, and the City will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of certain investment earnings on the proceeds of the Bonds.

The City certifies that the Bonds are not “private activity bonds” within the meaning of the Code, and the City has been advised by Bond Counsel and therefore believes that interest on the Bonds is not included as an item of tax preference in calculating the alternative minimum tax.

The City, and all subordinate entities thereof, does not reasonably anticipate issuing “qualified tax-exempt obligations” (other than private activity bonds) during the calendar year in which the Bonds are being issued in excess of \$10,000,000, and, therefore, the City shall designate the Bonds as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.

If, prior to the delivery of the Bonds, any event should occur which alters the tax-exempt status of the Bonds, the Purchaser shall have the privilege of voiding the purchase contract by giving immediate written notice to the City, whereupon the amount of the good faith deposit of the purchaser will be returned to the Purchaser, and all respective obligations of the parties will be terminated.

6. No Litigation Certification. The City will certify that to the best of the City’s knowledge, there is no controversy or litigation of any nature now pending or threatened (i) restraining or enjoining the issuance, sale, execution or delivery of the Bonds; (ii) in any way contesting or affecting the validity of the Bonds or any proceedings of the City Commission or City taken with respect to the issuance of sale thereof, or the pledge or application of any moneys

or security provided for the payment of the Bonds or the due existence or powers of the City Commission or City; or (iii) which, if successful, would have a material adverse effect on the financial condition of the City Commission or City.

7. No Untrue Statement of Material Fact. The City will certify that in connection with the offering by the City of the Bonds and the subsequent sale and award thereof, that to the best of knowledge and belief of the relevant City official, at the time of acceptance of the purchase proposal for, and at the time of delivery of the Bonds, the Official Statement, and any information furnished by the City supplementary thereto, did not and does not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading in any material respect.

8. Rule 15c2-12 Requirements. The City has agreed in the Continuing Disclosure Certificate to provide or cause to be provided (the “Undertaking”), in accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, timely notice of the occurrence of certain material events with respect to the Bonds. The Purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, in form and substance reasonably satisfactory to the Purchaser, evidence that the City has agreed to the Undertaking in a written agreement or contract for the benefit of the holders of the Bonds.

9. Bidding Requirements. The terms and conditions of the sale of the Bonds are as follows:

- A. If electronic bids for the Bonds cannot be submitted for the bonds as provided in paragraph J below, bids shall be required to be submitted upon a standard official “Bid Form” in order to provide for the uniformity in submission of bids and ready determinations of the best bid.
- B. A minimum price is required for the entire issue of not less than \$837,900 (98% of par) and a maximum price of not more than \$897,500 (105% of par).
- C. The determination of the best bid will be made on the basis of the lowest true interest cost (“TIC”) of all bids submitted for exactly \$855,000 of Bonds as offered for sale under the terms and conditions herein specified. The Mayor will accept or reject such best bid, provided, however, the City reserves the right to adjust the principal amounts of the Bonds to determine the maturities of its final bond issue and thereafter to increase or decrease the total amount of Bonds sold to such best bidder (in \$5,000 denominations)

In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required and the underwriting discount bid by the successful bidder shall be held constant. Underwriting discount is hereby defined as the difference between the purchase price of the Bonds submitted by the successful bidder and the price at which the Bonds are reoffered to the public, divided by the par amount of the Bonds that were bid. Underwriting discount shall be calculated from information submitted by the successful bidder.

- D. The successful bidder will be required to deposit with U.S. Bank, National Association, Louisville, Kentucky, immediately available funds in the amount of 2% of the final principal amount of the Bonds prior to the close of business on April 28, 2021, which amount shall represent the good faith deposit. The amount of the good faith deposit will be deducted from the purchase price at the time of delivery of the Bonds.
- E. Bidders for the Bonds may require that a portion of the Bonds be term bonds maturing on one or more dates (the "Term Bonds"); provided, however, that the City may require such Term Bonds to be subject to mandatory redemption by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth on the Bid Form executed by the Mayor awarding the purchase of the Bonds to the successful bidder.
- F. Bidders must state an interest rate or rates in a multiple of 1/8 or 1/20 of 1%, or both.
- G. There is no limit on the number of different rates that may be specified by any bidder and there is no maximum differential between the highest and lowest interest rates stipulated in any bid, however, no interest rate may exceed five percent (5%).
- H. All Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.
- I. The right to reject bids for any reason deemed advisable to the City, and the right to waive any possible informalities, irregularities or defect in any bid which, in the judgment of the City, shall be minor or immaterial, are expressly reserved.
- J. Electronic bids for the Bonds must be submitted through PARITY[®] and no other provider of electronic bidding services will be accepted. Subscription to the PARITY[®] Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by PARITY[®] shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in PARITY[®] conflict with the terms of the Official Terms and Conditions of Bond Sale, this Official Terms and Conditions of Bond Sale shall prevail. Electronic bids made through the facilities of PARITY[®] shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the City. The City shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY[®]. The use of PARITY[®] facilities are at the sole risk of the prospective bidders. For further information regarding PARITY[®], potential bidders may contact PARITY[®], telephone (800) 850-7422.

In the event of a system malfunction in the electronic bidding process or at the sole discretion of a bidder, bids must be made on forms which, together with an Official Statement, may be obtained at the office of Rubin & Hays, 450 South Third Street, Suite 300, Louisville, Kentucky 40202, telephone: (502) 569-7525. Bids must be enclosed in sealed envelopes marked "Bid for City of Rolling Fields, Kentucky General Obligation Bonds (Country Lane Park Project), Series 2021" and bids must be received by the City prior to the date and hour set for the sale.

- K. The City will provide to the successful purchaser of the Bonds a final Official Statement in accordance with SEC Rule 15c2-12 in portable document format (".pdf"), in sufficient time to meet the delivery requirements of the successful purchaser under SEC or Municipal Securities Rulemaking Board Delivery Requirements.
- L. The purchasers of the Bonds will pay the CUSIP Service Bureau charge for the assignment of CUSIP numbers, which numbers will be printed on the Bonds at no expense or cost to the Purchasers. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchasers thereto to accept delivery of and pay for the Bonds in accordance with the terms of the purchase agreement.
- M. The closing will be on or about May 5, 2021, provided, however, the Purchasers shall bear any bank service charge, if any, for processing the delivery of the Bonds and closing the transaction. If the Purchaser desires the Bonds to be shipped to Depository Trust Corporation, New York, New York, it shall be at the expense of the Purchaser. It shall also pay any charges of Depository Trust Corporation.
- N. The Bonds will be registered in the name of CEDE & CO., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases will be made in book-entry form only, except as permitted by the Bond Ordinance. Purchasers of the Bonds will not receive physical delivery of bond certificates. So long as CEDE & CO. is the registered owner of the Bonds, as nominee of DTC, interest, together with the principal of and redemption premium, if any, on the Bonds will be paid directly to DTC by the Paying Agent.
- O. Upon wrongful refusal of the Purchasers to take delivery of and pay for the Bonds when tendered for delivery, the amount of the good faith deposit shall be forfeited by such Purchasers, and such amount shall be deemed liquidated damages for such default, provided, however, if said Bonds are not ready for delivery and payment within forty-five (45) days from the date of sale herein provided for, said Purchasers shall be relieved of any liability to accept the Bonds hereunder.
- P. Said Bonds are offered for sale on the basis of the principal of said Bonds not being subject to Kentucky ad valorem taxation (except inheritance taxes) and on the basis of the interest on said Bonds not being subject to Kentucky income taxation and not being includable in gross income for purposes of Federal income taxation, on

the date of their delivery to the Purchasers, as more specifically provided in Section 5 hereof.

- Q. If, prior to the delivery of the Bonds, any event shall occur which alters the tax-exempt status of the Bonds, or excludability status of the interest thereon, the Purchasers shall have the privilege of avoiding the purchase contract by giving immediate written notice to the Mayor, whereupon the amount of the good faith deposit (without interest) of the Purchasers will be returned to the Purchasers, and all respective obligations of the parties will be terminated. The Mayor will accept a bid or reject all bids on the date stated at the beginning of this instrument.
- R. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal and/or interest on the Bonds, the City agrees that it will cooperate with such successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder (with the exception of the costs of a rating by Moody's Investors Service), and the City shall not be liable to any extent therefor.

10. Establishment of Issue Price. The City is offering the Bonds for sale pursuant to the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) and if competitive sale requirements are met the following provisions for the establishment of issue price will apply to the initial sale of the Bonds to the public (the "competitive sale requirements"):

- (1) The City has disseminated these Official Terms and Conditions of Bond Sale to potential bidders/underwriters in a manner that is reasonably designed to reach potential bidders/underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) The City anticipates receiving bids from one or more bidders/underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds with the understanding that in order for the competitive sale requirements to be met, the City shall receive bids from three or more underwriters or purchasers of bonds who have established industry reputations; and
- (4) The City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest true interest cost), as set forth in these Official Terms and Conditions of Bond Sale.

The City shall take all steps that are reasonably necessary to ensure that the initial sale of the Bonds to the public will satisfy the competitive sale requirements.

In the event that the initial sale of the Bonds to the public does not satisfy the competitive sale requirements, the City has determined to treat the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates

apply within a maturity, to each separate CUSIP number within that maturity). The City shall promptly advise the prospective winning bidder, prior to the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the hold-the-offering-price rule.

Because the City has determined to apply the hold-the-offering-price rule to any maturity of the Bonds, the winning bidder shall agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to which the hold-the-offering-price rule shall apply 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:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City or Bond Counsel when the underwriters have sold 10% of that 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.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer who is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer who is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

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 Bonds 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 who is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if and for so long as directed by the winning bidder and in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or

will contain language obligating each underwriter who is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer who is a party to such retail distribution agreement to comply with the hold-the-offering-price rule, if and for so long as directed in the related pricing wires.

Sales of any Bonds to any person who is a related party to an underwriter shall not constitute sales to the public for purposes of these Official Terms and Conditions of Bond Sale. Further, for purposes of these Official Terms and Conditions of Bond Sale:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person who 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 Bonds to the public and (B) any person who agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds 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 Bonds to the public), and

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to more than 50% common ownership.

The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an “issue price” certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, in a form agreed to by the winning bidder, the City and Bond Counsel and substantially in the form as set forth in the attached Exhibit B (Certificate of Underwriter).

11. Firm Bids. Any bid received shall be considered a firm offer for the purchase of the Bonds identified in these Official Terms and Conditions of Sale and shall not be subject to any conditions, except as permitted under these Official Terms. Bids shall not be revocable.

Bond Counsel has reviewed the information contained in the Official Statement describing the Bonds and the provisions of the Bond Ordinance and related proceedings authorizing the Bonds, but Bond Counsel has not reviewed any of the financial data, computations, tabulations, balance sheets, financial projections and general information concerning the City, and expresses no opinion thereon, assumes no responsibility for same, and has not undertaken independently to verify any information contained therein. *David Dunn, Mayor of the City of Rolling Fields, Kentucky.*

**EXHIBIT A TO THE
OFFICIAL TERMS AND CONDITIONS OF BOND SALE**

Re: City of Rolling Fields, Kentucky General Obligation Bonds (Country Lane Park Project), Series 2021

Maturing <u>May 1</u>	Principal <u>Amount*</u>
2022	\$20,000
2023	20,000
2024	25,000
2025	25,000
2026	25,000
2027	25,000
2028	25,000
2029	25,000
2030	25,000
2031	25,000
2032	25,000
2033	25,000
2034	25,000
2035	25,000
2036	25,000
2037	30,000
2038	30,000
2039	30,000
2040	30,000
2041	30,000
2042	30,000
2043	30,000
2044	30,000
2045	35,000
2046	35,000
2047	35,000
2048	35,000
2049	35,000
2050	35,000
2051	40,000

** Amounts Subject to Revision*