

A RESOLUTION OF THE BOARD OF EDUCATION OF THE COVINGTON INDEPENDENT SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF ~~ITS~~COVINGTON INDEPENDENT SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2024A, IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$8,000,000, IN ACCORDANCE WITH SECTIONS 66.011 THROUGH 66.191 AND SECTION 160.160 OF THE KENTUCKY REVISED STATUTES, FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, ~~RENOVATION,~~—EQUIPPING, AND INSTALLATION OF CAPITAL IMPROVEMENTS TO HOLMES MIDDLE AND HIGH SCHOOL AND OTHER DISTRICT FACILITIES; APPROVING THE FORM OF THE BONDS; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE BONDS; PROVIDING FOR THE PAYMENT OF AND SECURITY ~~OFFOR~~ THE BONDS; ESTABLISHING A BOND PAYMENT FUND FOR THE BONDS; ESTABLISHING A SINKING FUND; AUTHORIZING THE ACCEPTANCE OF THE BID OF THE PURCHASER FOR THE BONDS; AND AUTHORIZING AND APPROVING THE EXECUTION OF ANY FURTHER NECESSARY INSTRUMENTS.

Adopted July 25, 2024

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WITNESSETH:

WHEREAS, the Board of Education (the “Board”) of the Covington Independent School District (together with the Board, the “District”), a governmental agency duly organized pursuant to the provisions of Chapter 160 of the Kentucky Revised Statutes, existing by virtue of the laws of the Commonwealth of Kentucky, has determined and does hereby confirm that it is a public purpose of the District to acquire, construct, renovate, equip, and install capital improvements to Holmes Middle and High School and the District’s other facilities (collectively, the “Project”) to fulfill its duties delegated under KRS Chapter 160 to maintain a system of common schools; and

WHEREAS, the plans and specifications related to the Project, if any, have been heretofore prepared by the District’s architect and filed in the office of the District, and contracts for the Project have been or will shortly be awarded, and secured by adequate performance bonds; and

WHEREAS, to achieve the foregoing objectives, the District hereby confirms that it is necessary and desirable for the District to issue its General Obligation Bonds, Series 2024A, in a maximum aggregate principal amount of \$8,000,000 (the “Bonds”), (i) to finance all or a portion of the costs of the Project; (ii) to pay capitalized interest on the Bonds, if desirable; (iii) to pay all or a portion of the costs of credit enhancement for the Bonds, if any; and (iv) to pay all or a portion of the costs of issuance of the Bonds; and

WHEREAS, as provided by the Constitution and laws of the Commonwealth of Kentucky, including, particularly, Sections 66.011 to 66.191, inclusive, of the Kentucky Revised Statutes, as amended (the “General Obligation Act”), and Section 160.160 of the Kentucky Revised Statutes, as amended, any school district may issue bonds, subject to the applicable requirements of the General Obligation Act, for the purpose of paying all or a portion of the costs of the acquisition, construction, rehabilitation, installation, or equipping of any public project, to

the extent that such school district is duly authorized to cause the acquisition, construction, rehabilitation, installation, and equipping thereof; and

WHEREAS, the District desires to cause all or a portion of (i) the costs of the Project; (ii) the costs of any capitalized interest on the Bonds; (iii) the costs of any credit enhancement for the Bonds; and (iv) the costs of issuance of the Bonds to all be financed through the issuance of the Bonds, which are to be sold and awarded to the successful bidder therefor (the “Purchaser”) at public, competitive sale, in accordance with the provisions of Chapter 424 of the Kentucky Revised Statutes, as amended; and

WHEREAS, the Kentucky School Facilities Construction Commission (the “Commission”) is an agency and instrumentality of the Commonwealth of Kentucky established for the purpose of assisting the boards of education of any county or independent school district, in a manner which will ensure an equitable distribution of funds based upon unmet need pursuant to the provisions of KRS 157.611 through 157.640 (the “SFCC Act”); and

WHEREAS, the Commission, in accordance with the SFCC Act and the Regulations of the Commission, has determined that the District is an eligible district as certified by the State Board of Education and as such is entitled to financial assistance from the Commission; and

WHEREAS, the Commission has made an offer of assistance (the “Offer of Assistance”) to the Board with respect to the Bonds, which Offer of Assistance was accepted by the Board in accordance with the Regulations of the Commission; and

WHEREAS, the Offer of Assistance sets forth the Commission’s “Agreed Participation” and the Board’s “Contribution,” each as defined in the Participation Agreement hereinafter defined, such Participation Agreement to be entered into by and between the District and the Commission with respect to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE COVINGTON INDEPENDENT SCHOOL DISTRICT, COVINGTON, KENTUCKY AS FOLLOWS:

Section 1. Affirmation of Preamble. It is hereby found, determined, and declared that the facts, recitals, declarations, and definitions set forth in the preamble of this Bond Resolution are true and correct, and such facts, recitals, declarations, and definitions are hereby affirmed, adopted, and incorporated as a part of this Bond Resolution, and all acts described in the recitals of this Bond Resolution are hereby ratified.

Section 2. Necessity, Authorization, and Purpose. The District hereby declares that it is necessary and desirable to issue, and hereby authorizes the issuance of, its “Covington Independent School District General Obligation Bonds, Series 2024A,” dated their date of initial issuance and delivery, in a maximum aggregate principal amount not to exceed \$8,000,000, (a) to finance all or a portion of the costs of the Project; (b) to pay capitalized interest on the Bonds, if desirable; (c) to pay all or a portion of the costs of credit enhancement for the Bonds, if any; and (d) to pay all or a portion of the costs of issuance of the Bonds.

The exact principal amount of the Bonds shall be established in the Award Certificate (as hereinafter defined).

Section 3. Form of Bonds. The Bonds shall be issued as fully registered bonds and shall bear the designation set forth in Section 2 hereof. Each Bond issued under this Bond Resolution shall (a) express upon its face the purposes for which the Bonds are issued and that the Bonds are issued under the General Obligation Act, and (b) be substantially in the form set forth in Exhibit A attached hereto. If the Bonds are issued in a calendar year after calendar year 2024, their designation may be adjusted to reflect the calendar year and order of issuance.

The Bonds shall be issued in the denominations requested by the Purchaser, which shall be in integral multiples of \$5,000. The Bonds shall be dated their date of initial issuance and delivery, or such other date as may be determined in an award certificate accepting the bid of the Purchaser for the Bonds (the "Award Certificate") to be executed by the Chairperson or the Secretary of the Board on the date of the sale of the Bonds.

Interest on the Bonds shall be payable semiannually on each March 1 and September 1 (each, an "Interest Payment Date"), commencing on March 1, 2025, or such other dates determined by a Designated Officer (as defined herein) on behalf of the District upon the advice of the Independent Registered Municipal Advisor (as defined herein) in the Award Certificate, at the stated interest rate or rates on the principal amounts thereof, to be calculated on the basis of a 360-day year with twelve 30-day months.

The Bonds shall be serial bonds or term bonds maturing or subject to mandatory sinking fund redemption in the years and in the amounts to be established in the Award Certificate, after advertised, competitive sale of the Bonds, based on the interest rates set forth in the successful bid of the Purchaser for the Bonds (the "Bid") and the provisions of this Section; provided that the final maturity date of the Bonds shall be as set forth in the Award Certificate but shall be no later than thirty years after their date of issuance.

The interest rate or rates on the Bonds shall be determined in the Award Certificate, based on the Bid; provided, however, that the aggregate true interest cost of the Bonds shall not exceed ten percent per annum.

The Bonds issued as term bonds shall be subject to mandatory sinking fund redemption on the dates, in the years, and in the amounts as set forth in the Award Certificate.

The Bonds may be subject to optional redemption before their maturity on the dates and in the amounts set forth in the Award Certificate, in whole or in part, in such order of maturity as shall be designated in writing by the District, and by lot within a maturity, at the election of the District upon thirty-five days' written notice to the paying agent and registrar designated in the Award Certificate (as further described in Section 20 herein, the "Paying Agent and Registrar") at a redemption price equal to the principal amount of Bonds to be redeemed, plus accrued interest to the date of redemption and premium, if any.

At least thirty days before the optional or mandatory sinking fund redemption date of any Bonds, the Paying Agent and Registrar shall cause a notice of such redemption, either in whole

or in part, signed by the Paying Agent and Registrar, to be mailed first class, postage prepaid, to the registered owners of the Bonds to be redeemed, at their addresses as they appear on the registration books kept by the Paying Agent and Registrar; provided, however, that the failure to mail any such redemption notice shall not affect the validity of the proceedings for the redemption of any Bonds for which such notice has been sent. Each such redemption notice shall set forth the date fixed for redemption, the redemption price to be paid, and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive series, number, or letters, if any, of such Bonds to be redeemed. In addition to the foregoing, if any Bond is to be redeemed in part only, the redemption notice shall also set forth the portion of the principal amount thereof to be redeemed and include a statement that on or after the date fixed for redemption, upon the surrender of such Bond for redemption, a new Bond will be issued in a principal amount equal to the unredeemed portion of the Bond so redeemed.

On the date so designated for redemption of any of the Bonds, notice of such redemption having been mailed in the manner and under the conditions hereinabove provided and moneys for the payment of the redemption price of the Bonds to be redeemed being held by the Paying Agent and Registrar in the Bond Payment Fund established in accordance with Section 9 hereof for the registered owners of the Bonds to be redeemed, (a) the Bonds so called for redemption shall become and be due and payable, at the redemption price provided for the redemption of such Bonds on such date, (b) interest on the Bonds so called for redemption shall cease to accrue, and (c) the registered owners of the Bonds to be redeemed shall have no right in respect thereof, except for the right to receive payment of the redemption price thereof.

Notwithstanding the foregoing, any optional redemption of the Bonds may be conditioned upon funds in an amount sufficient to carry out such redemption being deposited with the Paying Agent and Registrar on or before the applicable redemption date. Any failure to make such a deposit shall not constitute an event of default under this Bond Resolution or the Bonds, and in such event, the optional redemption shall be cancelled. If the District knows in advance of an applicable optional redemption date that the necessary deposit will not occur, the District shall notify the Paying Agent and Registrar with instructions to give notice of the cancellation of the redemption to the registered owners of the Bonds so called for redemption, and the redemption shall be of no force or effect.

The Bonds may be issued in book-entry only form through the services of the Depository Trust Company (“DTC”). If the District decides to issue the Bonds in book-entry only form through DTC, the Designated Officers (as hereinafter defined) of the District are hereby authorized to execute all documents necessary to accomplish such form of issuance.

Section 4. Execution and Delivery. Each Bond shall be duly executed by the manual, facsimile, or electronic signature of the Chairperson of the Board and shall be duly attested by the manual, facsimile, or electronic signature of the Secretary of the Board (which, together with any other person as may be authorized by resolution, including the Treasurer of the Board or the Finance Director of the District, are referred to herein as the “Designated Officers”). In addition, each Bond shall bear the manual authenticating signature of an authorized representative of the Paying Agent and Registrar. The Designated Officers are hereby further authorized and directed

(a) to deliver the Bonds to the Purchaser upon the terms and conditions provided herein, in the Award Certificate, and in the winning Bid for the Bonds; (b) to receive the proceeds of the Bonds, and (c) to execute and deliver such certificates and other closing documents and take such other action as may be necessary or appropriate in order to effectuate the proper issuance, sale, and delivery of the Bonds.

The District hereby authorizes and directs the Paying Agent and Registrar to authenticate the Bonds and to deliver the Bonds to the Purchaser upon the payment by the Purchaser of the purchase price thereof.

Section 5. Payment. Payment of, or on account of, the principal of the Bonds shall be made at the designated corporate trust office of the Paying Agent and Registrar, upon delivery of the Bonds to the Paying Agent and Registrar, or by any other transfer of funds acceptable to the Paying Agent and Registrar and the registered owners of the Bonds. Interest on the Bonds shall be payable on each Interest Payment Date, by check, mailed to each person whose name appears as a registered owner of any Bonds on the bond registration records on the fifteenth day preceding an Interest Payment Date, or by any other transfer of funds acceptable to the registered owner and the Paying Agent and Registrar. The principal of and interest on the Bonds shall be payable in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid.

Section 6. Filing. The Designated Officers are hereby authorized to undertake and cause all filings which may be required by law to be filed by the District with respect to the Bonds.

Section 7. Bond Payment Fund; Payment of Bonds. There is hereby established with the Paying Agent and Registrar a bond payment fund in the name of the District to be designated as the “Covington Independent School District General Obligation Bonds, Series 2024A – Bond Payment Fund” (the “Bond Payment Fund”), into which the District covenants to deposit, and into which the Designated Officers are hereby authorized and directed to deposit, from the District’s Sinking Fund and from monies received from the Commission in accordance with the Participation Agreement, on or before the twenty-fifth day of each month which precedes an Interest Payment Date, the amount required to pay all of the principal and interest due on the Bonds on such Interest Payment Date. On each Interest Payment Date, the Paying Agent and Registrar shall, without any further authorization from the District, withdraw from the Bond Payment Fund the amount necessary to pay the principal and interest due on the Bonds on such date to the registered owners thereof.

The Paying Agent and Registrar is hereby appointed as the depository of the Bond Payment Fund for the Bonds.

If the District shall fail or refuse to make any required deposit in the Bond Payment Fund from the Sinking Fund described in Section 9 hereof, the Paying Agent and Registrar shall (a) notify any agency or political subdivision of the Commonwealth of Kentucky that may collect and distribute taxes or revenues for the District to seek any available remedial action; (b) upon being indemnified against all costs and expenses, exercise any remedy provided in the General

Obligation Act or any other remedy provided at law or in equity, for the benefit of the registered owners of the Bonds or their assignees; and (c) disburse all moneys so collected to the registered owners of the Bonds as payment for any amounts due on such Bonds.

Section 8. General Obligation. The Bonds shall be full general obligations of the District and the full faith, credit, and taxing power of the District are hereby pledged for the prompt payment of the Bonds and the interest thereon. During the period the Bonds are outstanding, there shall be and there hereby is levied, annually, on all of the taxable property in the District, in addition to all other taxes, without limitation as to rate, a direct tax in an amount sufficient to pay the principal of and interest on the Bonds as and when due, it being hereby found and determined that the current tax rates of the District are within all applicable limitations. The tax shall be, and hereby is, ordered to be computed, certified, levied, and extended upon the tax duplicate, and shall be collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of the years are certified, extended, and collected. The tax shall be placed before and in preference to all other items and for the full amount thereof; provided, however, that in each year, to the extent that any other lawfully available funds of the District are available for the payment of the Bonds and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the District shall be reduced by the amount of such other funds so available and appropriated.

Section 9. Establishment of Sinking Fund. There is hereby established with the District a sinking fund in the name of the District to be designated as the “Covington Independent School District General Obligation Bonds Sinking Fund” (the “~~Bond Payment~~Sinking Fund”). The Sinking Fund established by the District is hereby ordered to be continued and maintained as long as any of the Bonds shall remain outstanding. The funds derived from the tax levy required by Section 8 hereof or any other lawfully available funds of the District shall be placed in the Sinking Fund and, together with interest collected on the same, are hereby irrevocably pledged for the payment of the principal of and interest on all bonds issued by the District under the General Obligation Act and all Tax-Supported Leases, as defined in the General Obligation Act, as and when the same become due and payable. Funds on deposit in the Sinking Fund shall be transferred to the Bond Payment Fund at the times and in the amounts required by Section 7 hereof.

Section 10. Sale of Bonds; Award Certificate. The Designated Officers are hereby authorized and directed to sell the Bonds to the Purchaser at advertised, competitive sale, with the final terms of the Bonds, including the final principal amount, the principal amortization, the annual principal maturities, any sinking fund maturities, the interest rate or rates, the optional redemption dates and amounts, and the identity of the Paying Agent and Registrar, to be established in accordance with the requirements of Section 2, Section 3, and Section 4 hereof by the adoption of the Award Certificate. Any Designated Officer is hereby authorized to execute the Award Certificate establishing the terms of the Bonds in accordance with this Section, without any further action by the Board.

The District shall comply with the requirements of Chapter 66 and Chapter 424 of the Kentucky Revised Statutes by advertising for bids for the purchase of the Bonds. The specific terms, bidding conditions, and restrictions governing the sale of the Bonds shall be as set forth in the forms of “Official Terms and Conditions of Bond Sale” and “Official Bid Form” which have

been prepared by Dinsmore & Shohl LLP, Bond Counsel, Covington, Kentucky, and are attached to and made a part of this Resolution as Exhibit B and Exhibit C, respectively, and which forms having been examined and considered, are hereby ratified and approved. The Chairperson and the Secretary of the Board are each hereby directed to utilize the forms in connection with the sale of the Bonds, and all actions heretofore taken in such regard are ratified and approved. The Chairperson and the Secretary of the Board are each hereby authorized to accept the bid such officer determines to be the best bid in accordance with the Official Terms and Conditions of Sale; shall, in accepting the successful bid, determine the exact principal amount of Bonds to be issued and the rates of interest which the Bonds shall bear; and shall evidence such acceptance and determination by the completion and execution of the Official Bid Form submitted by the successful bidder.

All actions taken by the District in connection with the preparation of any instruments and the distribution of any information as shall be necessary to accomplish the foregoing, including the preparation of a Preliminary Official Statement and an Official Statement, as set forth in Section 19 herein, which Preliminary Official Statement and Official Statement shall be deemed final by the Chairperson and the Secretary of the Board in accordance with Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"), are hereby ratified and approved.

Section 11. Registered Owners of Bonds; Transfer; Exchange. As long as any of the Bonds executed and delivered hereunder shall remain outstanding, the Paying Agent and Registrar shall maintain an office for the registration of the Bonds and shall keep books for such registration and transfers at such office. The registered owner of any of the Bonds, as shown on the registration books maintained by the Paying Agent and Registrar on the fifteenth day of the month preceding an Interest Payment Date, or its assignees, shall, for purposes of this Bond Resolution, to the extent of its interest, be treated as the owner of the applicable Bond and shall be entitled to all rights and security of the owner of the Bonds hereunder.

Upon the surrender of any of the Bonds at the office of the Paying Agent and Registrar for registration of transfer, together with a written instrument of transfer satisfactory to the Paying Agent and Registrar and duly executed by the registered owner or the registered owner's duly authorized attorney, the Paying Agent and Registrar shall execute and deliver, in the name of the designated transferee or transferees, one or more Bonds of any authorized denomination and of like tenor and effect as the Bond so transferred.

Any of the Bonds, upon surrender thereof at the office of the Paying Agent and Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any authorized denomination.

In all cases in which the privilege of exchanging or transferring the Bonds is exercised, the Paying Agent and Registrar shall execute and deliver new Bonds in accordance with the provisions of this Section. Every such exchange or transfer of Bonds, whether temporary or definitive, shall be without charge; provided, however, that the Paying Agent and Registrar may impose a charge sufficient to reimburse itself for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, which charge or charges shall be

paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Section 12. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be deposited, together with any other available funds of the District, as follows: (a) accrued interest and a rounding amount, if any, shall be deposited in the Bond Payment Fund; (b) an amount sufficient to pay the costs of issuing the Bonds shall be deposited in a special cost of issuance fund hereby directed to be established and designated as the “Covington Independent School District General Obligation Bonds, Series 2024A – Cost of Issuance Fund” (the “Cost of Issuance Fund”); (c) the remainder of the proceeds shall be deposited in a special construction fund hereby directed to be established and designated as the “Covington Independent School District General Obligation Bonds, Series 2024A – Construction Fund” (the “Construction Fund”) to be established and held by the District and used to pay the costs incurred in connection with the acquisition, construction, installation, and equipping of the Project.

The money in the Construction Fund shall be expended by payments made to defray the costs of the acquisition, construction, installation, and equipping of the Project, the payments to be made upon checks drawn upon by the Treasurer or the Finance Director of the District after approval by the Board.

The Treasurer and the Finance Director of the District are hereby authorized to execute such checks from time to time in the necessary amounts upon the aforesaid being presented to and approved by the Board. Such checks shall be fully negotiable, and any bank shall be authorized to honor and pay the checks, provided it assumes the responsibility for the propriety of all endorsements, or all endorsements to it are guaranteed by a bank. Upon the completion of the Project, any surplus remaining in the Construction Fund may be transferred to the Bond Payment Fund and the Board shall receive credit against the payment of interest and principal on the Bonds.

Money in the Bond Payment Fund or Construction Fund shall be invested for the benefit of the respective accounts in such portions and in such manner as is consistent with the investment policies of the District and Section 66.480 of the Kentucky Revised Statutes and as designated by the Designated Officers.

Any such investments shall mature not later than the time funds may be needed for the payments of Bond requirements or for construction purposes, respectively. Any deposit in either account in excess of FDIC coverage not so invested shall be earmarked and secured by a pledge of an equivalent amount of United States Government obligations or Bonds of the issue herein authorized until expended. In the event checks are required to accomplish the investment of funds in the Bond Payment Fund and Construction Fund, such checks shall be signed by the Treasurer or the Finance Director of the District, although such checks are not now contemplated. To the extent that the investment of Bond Payment Fund monies generate funds in excess of the then current principal and interest requirements on the Bonds, the District’s obligation to pay principal and interest on the Bonds shall be reduced in a like amount.

Section 13. Acceptance of Offer; Participation Agreement. The District acknowledges it is entitled to financial assistance from the Commission under Sections 157.611 through

157.640 of the Kentucky Revised Statutes. The acceptance of the Offer of Assistance to the Board from the Commission, as amended, is hereby authorized, ratified, and affirmed. The Commission and the Board will enter into a Participation Agreement to be dated as of the dated date of the Bonds (the "Participation Agreement") to implement the Commission's assistance to the District through the annual payment of an Agreed Participation, as defined in the Participation Agreement, which is to be applied directly to the payment of a portion of the principal and interest requirements for the Bonds. The Participation Agreement, the form of which is attached hereto as Exhibit F, is hereby incorporated by reference in this Resolution as fully as if copied herein. The Chairperson and the Secretary of the Board are hereby each separately authorized and directed to execute the Participation Agreement on behalf of the District.

Section 14. Architects and Plans. The architect's plans which were presented to the Board for approval pursuant to the provisions of Section 162.160 of the Kentucky Revised Statutes and which have been examined and considered by all members of the Board are hereby approved.

Section 15. Appointment of Independent Registered Municipal Advisor and Bond Counsel. Compass Municipal Advisors, LLC, Lexington, Kentucky is hereby officially appointed as Independent Registered Municipal Advisor to the District (the "Independent Registered Municipal Advisor") and Dinsmore & Shohl LLP, Covington, Kentucky is hereby appointed as Bond Counsel in connection with the issuance of the Bonds. The Chairperson and the Secretary of the Board are authorized and directed to execute such documents and instruments as may be necessary to evidence the appointments herein made.

Section 16. Further Actions. In connection with the undertaking and implementation by the District of the plan of financing described herein, which undertaking and implementation is hereby expressly directed, the Designated Officers are hereby authorized and directed to take and carry out such further actions as are necessary, desirable, or appropriate to effect such plan of financing.

Section 17. Discharge of Bond Resolution; Defeasance of Bonds. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the registered owners of the Bonds, the total principal and interest due or to become due on the Bonds through the final maturity of the Bonds, in the manner stipulated in the Bonds and in this Bond Resolution, then the pledges made under this Bond Resolution and all of the covenants, agreements, and other obligations of the District hereunder shall thereupon cease, terminate, and become void and shall be discharged and satisfied.

Any Bond may be defeased in accordance with the provisions of this Resolution. Upon the defeasance of a Bond in accordance with this Section, (i) this Resolution shall cease, determine, and become null and void with respect to such Bond; (ii) the covenants, agreements, and other obligations of the District under this Resolution shall be satisfied and discharged with respect to such Bond; (iii) the District shall execute and deliver all instruments as may be desirable to evidence such discharge and satisfaction; and (iv) the Paying Agent shall pay over or

deliver to the District all moneys or securities held by the Paying Agent under this Resolution that are not required for the defeasance of any other Bonds.

Any Bonds, or any installments of interest thereon, for the payment or redemption of which moneys shall have been set aside and held in trust by the Paying Agent or another fiduciary (through the deposit by the District of moneys for such payment or redemption, or otherwise) shall, at the Stated Maturity, the applicable Redemption Date, or the immediately succeeding interest payment date of such Bonds, be deemed to have been paid and defeased within the meaning and with the effect expressed in subsection (a) of this Section. All outstanding Bonds shall, before the Stated Maturity or Redemption Date thereof, be deemed to have been paid and defeased within the meaning and with the effect expressed in subsection (a) of this Section if (i) with respect to any Bonds to be redeemed on any date before their Stated Maturity, the District shall have given notice of the redemption of such Bonds in accordance with Section 3 hereof or shall have provided for the giving of such notice at the appropriate time, and (ii) there shall have been deposited with the Paying Agent or another fiduciary either (A) moneys in an amount which shall be sufficient, or (B) Defeasance Obligations, the principal of and the interest on which, when due, will provide moneys in an amount which, together with any moneys deposited with the Paying Agent or such fiduciary at the same time, shall be sufficient, in either case, to pay, when due, the principal or redemption price, if any, and interest due and to become due on such Bonds on and before the Stated Maturity, the applicable Redemption Date, or the immediately succeeding interest payment date thereof, as the case may be. Neither any Defeasance Obligations, nor any moneys deposited with the Paying Agent or another fiduciary in accordance with this Section, nor any principal or interest payments received from any Defeasance Obligations shall be withdrawn or used for any purposes other than, and shall be held in trust for, the payment of the principal or redemption price, if any, of any of the Bonds and any interest thereon; provided, however, that any cash received from such principal or interest payments on such Defeasance Obligations and deposited with the Paying Agent or another fiduciary under this Section, if not then needed for such purposes, shall, to the extent practicable, (1) be reinvested in Defeasance Obligations maturing at such times and in such amounts as shall be sufficient to pay, when due, the principal or redemption price, if any, and interest to become due on any Bonds on and before the Stated Maturity, applicable Redemption Date, or interest payment date thereof, as the case may be, and (2) be paid over to the District, following the full discharge and payment of such Bonds, free and clear of any trust, lien, or pledge.

For purposes of this Section:

“Defeasance Obligations” means:

(a) non-callable direct obligations of the United States of America, including U.S. Treasury bills, notes, bonds, and zero coupon bonds, U.S. Treasury Obligations – State and Local Government Series (SLGS), and direct obligations of the U.S. Treasury that have been stripped by the Treasury itself, including CATS, TIGRS, and similar securities;

(b) non-callable obligations issued or guaranteed by the Government National Mortgage Association which are backed by the full faith and credit of the United States of America; and

(c) non-callable senior debt obligations issued or guaranteed by any Federal Home Loan Bank or any Federal Home Loan Bank Board or by the Farm Credit System, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association.

“Redemption Date” means (a) with respect to any Bond, the date upon which such Bond, or portion thereof, is to be redeemed in accordance with the notice of such redemption given as provided in Section 3 hereof.

“Stated Maturity,” when used with respect to any Bond or any installment of interest thereon, means the date specified in such Bond or the Award Certificate as the fixed principal installment dates or interest payment dates for such Bond.

Notwithstanding anything in this Resolution to the contrary, any moneys held in trust by the Paying Agent or another fiduciary for the payment and discharge of any Bond which remains unclaimed for six years after (i) the date when all of the Bonds shall have become due and payable, either at their Stated Maturities, by call for earlier redemption or notice of prepayment, or otherwise, if such moneys were held by the Paying Agent or such fiduciary at such date, or (ii) the date of deposit of such moneys, if such moneys were deposited with the Paying Agent or such fiduciary after the date when all of the Bonds became due and payable, shall, in either case, at the written request of the District, be repaid by the Paying Agent or such fiduciary to the District, as its absolute property and free from trust, and thereupon, the Paying Agent or such fiduciary shall be released and discharged; provided, however, that before being required to make any such payment to the District, the Paying Agent or such fiduciary shall, at the expense of the District, cause to be published in accordance with Chapter 424 of the Kentucky Revised Statutes, at least twice, at an interval of not less than seven days between each publication, notice that such moneys remain unclaimed and that after the date specified in such notice, which date shall be not less than ten nor more than twenty days after the date of the first publication of such notice, the balance of such moneys remaining unclaimed will be returned to the District.

Section 18. Tax Matters; Covenant against Arbitrage. The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the Bonds shall, for the purposes of Federal income taxation, be exempt from income taxation under any valid provision of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder (the “Code”).

The District shall not permit at any time or times any of the proceeds of the Bonds to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any such Bonds to be “arbitrage bonds” as defined in Sections 103(b)(2) and 148 of the Code, as then in effect.

In order to assure compliance with this Section, thereby better securing and protecting the holders of the Bonds, the District covenants that it will not purchase any obligation or invest the

proceeds of the Bonds in any obligations that produce a yield in excess of the applicable maximum yield as may be permitted by the Code.

The District further covenants that prior to the issuance of the Bonds and as a condition precedent to such issuance, the Board shall certify by issuance of a certificate of the Chairperson and the Secretary of the Board, supplemental to this Bond Resolution, that on the basis of the facts, estimates and circumstances in existence on the date of issue of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner which would cause such obligations to be “arbitrage bonds” under the Code.

The District hereby certifies that it does not reasonably anticipate that less than 95% of the proceeds of the Bonds will be used for “local government activities” of the District, or that the aggregate face amount of all tax-exempt bonds issued during the calendar year ending December 31 in which the Bonds are issued will exceed the greater of (i) \$5,000,000 or (ii) \$5,000,000 plus the principal amount of tax-exempt obligations issued for the purpose of financing the construction of public school facilities, but not to exceed \$15,000,000.

The District further covenants that it will cause to be filed with the Internal Revenue Service the reporting statements required by the Code.

The Designated Officers, with advice from Bond Counsel, are hereby authorized to designate the Bonds as “qualified tax-exempt obligations” for the purposes set forth in § 265(b)(3) of the Internal Revenue Code of 1986 as amended, if the Designated Officers determine that the total amount of qualified tax-exempt obligations that the District will issue during the calendar year during which the Bonds are issued is not reasonably expected to exceed \$10,000,000.

Section 19. Preliminary Official Statement and Official Statement. Compass Municipal Advisors, LLC, Lexington, Kentucky, Independent Registered Municipal Advisor for the Board, having assisted in the preparation of a Preliminary Official Statement in conjunction with Bond Counsel and the Board in regard to the sale of the Bonds containing all pertinent information concerning the Bonds, and the Preliminary Official Statement having been reviewed by the Board, same is hereby authorized, ratified and approved and deemed “final” within the meaning of the Rule. The Chairperson and the Secretary of the Board are hereby each separately authorized to acknowledge same and to deem the Preliminary Official Statement “final” within the meaning of the Rule. The Independent Registered Municipal Advisor is further directed to prepare a Final Official Statement complying with the requirements of the Rule and the Chairperson and the Secretary of the Board are each hereby directed and authorized to assist with the preparation of the Final Official Statement and to take such actions as may be necessary to insure compliance with the Rule.

Section 20. Paying Agent and Registrar. A bank or trust company as may be authorized shall be designated by a Designated Officer in the Award Certificate as the paying agent and registrar (the “Paying Agent and Registrar”). The Paying Agent and Registrar shall have the rights and duties set forth in the Paying Agent and Registrar Agreement with the Board (the “Agreement”), attached hereto as Exhibit D and made a part of this Resolution, and shall receive compensation for its services in accordance with the Agreement. The Chairperson and

the Secretary of the Board are each hereby authorized and empowered to execute the Agreement on behalf of the Board.

Section 21. Continuing Disclosure; Policies and Procedures. In accordance with the Rule, this Board hereby covenants and agrees that it will execute, comply with and carry out all provisions of a continuing disclosure certificate dated as of the date of initial issuance and delivery (the “Continuing Disclosure Certificate”), the form of which is attached hereto as Exhibit E. The Chairperson and the Secretary of the Board are hereby each separately authorized and directed to execute the Continuing Disclosure Certificate on behalf of the District. The Chairperson and the Secretary of the Board further confirm the policies and procedures to ensure continuing compliance with the District’s continuing disclosure undertakings.

Section 22. Severability. If any one or more of the provisions of this Bond Resolution should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed to be severable from all remaining provisions of this Bond Resolution and shall not affect the validity of such other provisions.

Section 23. Inconsistent Actions. All prior resolutions, orders, or parts thereof inconsistent herewith are hereby repealed.

Section 24. Open Meetings Compliance. All meetings of the Board of Education and its committees and of any other public bodies at which the formal actions in connection with the issuance of the Bonds were taken, or at which deliberations that resulted in such formal actions were held, were open meetings, and such formal actions were taken and any such deliberations took place while such meetings, after proper notice, were open to the public, in full compliance with all legal requirements, including Sections 61.810 through 61.850, inclusive, of the Kentucky Revised Statutes.

Section 25. Effective Date. This Bond Resolution shall take effect from and after its passage and publication, as provided by law.

[Remainder of this page intentionally left blank]

SIGNATURE PAGE TO BOND RESOLUTION

Adopted by the Board of Education of the Covington Independent School District this July 25, 2024.

Chairperson Chair, Board of Education

Attest:

Secretary, Board of Education

CERTIFICATE

I, the undersigned, the duly qualified and acting Secretary of the Board of Education of Covington Independent School District, Covington, Kentucky, certify that the foregoing is a true copy of a Bond Resolution adopted at a regular meeting of the Board of Education held on July 25, 2024, that all actions taken in connection with the Bond Resolution were in compliance with the requirements of KRS 61.810, 61.815, 61.820 and 61.823, and that the Bond Resolution is now in full force and effect, all as appears from the official records of the Board in my custody and under my control.

Witness my hand as Secretary of the Board of Education of Covington Independent School District, Covington, Kentucky this _____, 2024.

Secretary, Board of Education

EXHIBIT A
TO
BOND RESOLUTION

FORM OF BOND

* * * * *

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”) to issuer or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.
--

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
~~BOARD OF EDUCATION OF THE~~
COVINGTON INDEPENDENT SCHOOL DISTRICT
GENERAL OBLIGATION BOND, SERIES 2024A

Number R-[____] \$[_____]

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
[____]%	[____] 1, 20[____]	[____], 2024	[____]-[____]

Registered Owner: Cede & Co.

Principal Amount: [____] Dollars

KNOW ALL PERSONS BY THESE PRESENTS: That the ~~Board of Education~~ Covington Independent School District (the “District”), for value received, hereby acknowledges itself obligated to, and promises to pay to the Registered Owner identified above, or its registered assigns, the Principal Amount specified above (or, if any part thereof has been paid, the balance thereof remaining unpaid) on the Maturity Date set forth above, and to pay interest on the Principal Amount (or, if any part thereof has been paid, the balance thereof remaining unpaid), at the Interest Rate per annum identified above, from the Date of Original Issue set forth above, calculated on the basis of a 360-day year with twelve 30-day months, on each March 1 and September 1, commencing March 1, 2025, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto. The Principal Amount of and interest on this Bond are payable, without any deduction for exchange, collection, or service charges, in lawful money of the United States of America. The Principal Amount of this Bond is payable at the designated corporate trust office of U.S. Bank Trust Company, National Association, Louisville, Kentucky, or any successor (the “Paying Agent and Registrar”), upon delivery of this Bond to the Paying Agent and Registrar, or by any other transfer of funds acceptable to the Paying Agent and Registrar and the Registered Owner hereof. All interest on this Bond payable prior to the Maturity Date shall be paid by check or draft mailed to the Registered Owner hereof, as of the record date, at the address shown on the registration records

kept by the Paying Agent and Registrar, or by any other transfer of funds acceptable to the Paying Agent and Registrar and the Registered Owner hereof. The record date shall be the fifteenth day of the month preceding each interest payment date.

This Bond is one of an issue of Bonds of like tenor and effect, except as to denomination and maturity, numbered from R-1 upward, inclusive, of the denomination of \$5,000 or any integral multiple thereof originally aggregating [_____] dollars (\$[____]) in principal amount, issued for the purposes of (i) to finance all or a portion of the costs of acquiring, constructing, renovating, equipping and installing capital improvement to Holmes Middle and High School and the District’s other facilities (collectively, the “Project”); (ii) to pay capitalized interest on the Bonds, if desirable; (iii) to pay all or a portion of the costs of credit enhancement for the Bonds, if any; and (iv) to pay all or a portion of the costs of issuance of the Bonds, all under and in full compliance with the general laws of the Commonwealth of Kentucky, including, particularly Sections 66.011 to 66.191, inclusive, of the Kentucky Revised Statutes, as amended (~~the “General Obligation Act”~~), and Section 160.160 of the Kentucky Revised Statutes, and under and in accordance with a resolution duly adopted by the Board of Education of the District on July 25, 2024 (the “Bond Resolution”) upon the affirmative vote of at least a majority of the members of the Board of Education at a public meeting duly and regularly held, and after filing proper notice with the State Local Debt Officer of the Commonwealth of Kentucky.

This Bond and the issue of which it forms a part is a general obligation of the District and the full faith, credit, and taxing power of the District are pledged to the prompt payment of all amounts due hereunder. **THIS BOND IS CONTINUALLY SECURED BY THE FULL FAITH, CREDIT, AND TAXING POWER OF THE DISTRICT.**

The Bonds mature on March 1 of the following years, in the respective principal amounts and bear interest at the following rates of interest:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate Per Annum</u>
March 1, 2025	[\$_____]	[_____]%
March 1, 2026	[\$_____]	[_____]%
March 1, 2027	[\$_____]	[_____]%
March 1, 2028	[\$_____]	[_____]%
March 1, 2029	[\$_____]	[_____]%
March 1, 2030	[\$_____]	[_____]%
March 1, 2031	[\$_____]	[_____]%
March 1, 2032	[\$_____]	[_____]%
March 1, 2033	[\$_____]	[_____]%
March 1, 2034	[\$_____]	[_____]%
March 1, 2035	[\$_____]	[_____]%
March 1, 2036	[\$_____]	[_____]%
March 1, 2037	[\$_____]	[_____]%
March 1, 2038	[\$_____]	[_____]%
March 1, 2039	[\$_____]	[_____]%
March 1, 2040	[\$_____]	[_____]%

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
March 1, 2041	[\$_____]	[_____]%
March 1, 2042	[\$_____]	[_____]%
March 1, 2043	[\$_____]	[_____]%
March 1, 2044	[\$_____]	[_____]%
March 1, 2045	[\$_____]	[_____]%
March 1, 2046	[\$_____]	[_____]%
March 1, 2047	[\$_____]	[_____]%
March 1, 2048	[\$_____]	[_____]%
March 1, 2049	[\$_____]	[_____]%

The Bonds maturing on or after March 1, 20[___] shall be subject to optional redemption before their maturity on any date on or after March 1, 20[___], in whole or in part, in such order of maturity as shall be designated in writing by the District, and by lot within a maturity, at the election of the District upon thirty-five days' written notice to the Paying Agent and Registrar, at a redemption price equal to the principal amount of Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

[INSERT ANY MANDATORY SINKING FUND REDEMPTION REQUIREMENTS]

At least thirty days before the redemption date of any Bonds, the Paying Agent and Registrar shall cause a notice of such redemption signed by the Paying Agent and Registrar, to be mailed first class, postage prepaid, to all registered owners of the Bonds to be redeemed, at their addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for the redemption of any Bonds for which such notice has been sent. Each such redemption notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive number or letters, if any, of such Bonds to be redeemed.

On the date so designated for redemption, notice of such redemption having been mailed in the manner and under the conditions hereinabove provided and moneys for the payment of the redemption price being held in the Bond Payment Fund by the Paying Agent and Registrar for the registered owners of the Bonds to be redeemed, (i) the Bonds so called for redemption shall become and be due and payable, at the redemption price provided for the redemption of such Bonds on such date, (ii) interest on the Bonds so called for redemption shall cease to accrue, and (iii) the registered owners of the Bonds to be redeemed shall have no right in respect thereof, except to receive payment of the redemption price thereof.

Notwithstanding the foregoing, any optional redemption may be conditioned upon funds in an amount sufficient to carry out such optional redemption being deposited with the Paying Agent and Registrar on or before the applicable optional redemption date. Any failure to make such deposit shall not constitute an event of default under this Bond or the Bond Resolution, and in such event, the optional redemption shall be cancelled. If the District knows in advance of an applicable optional redemption date that the necessary deposit will not occur, the District shall

notify the Paying Agent and Registrar with instructions to give notice of the cancellation of the optional redemption to the registered owner of the Bonds called for optional redemption, and the optional redemption shall be of no force or effect.

No recourse shall be had for the payment of the Principal Amount of or the interest on this Bond or for any claim based hereon against any past, present, or future officer, agent, or employee of the District, as such, either directly or through the District, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise. All such liability of such officers, agents, or employees of the District is hereby renounced, waived, and released as a condition of and as consideration for the issuance, execution, and acceptance of this Bond.

It is hereby certified (i) that all acts, conditions, and things required to be done, to occur, or to be performed precedent to and in the issuance of this Bond, or in the creation of the obligations of which this Bond is evidence, have been done, have occurred, and have been performed in regular and due form, in the manner required by law; (ii) that the full faith, credit, and taxing power of the District have been irrevocably pledged for the prompt payment of the Principal Amount hereof and the interest hereon; (iii) that the repayment obligation represented by this Bond does not exceed any constitutional or statutory limitation; and (iv) that due provision has been made for the levy and collection of a tax sufficient in amount to pay the interest on this Bond as it falls due and to provide for the redemption of this Bond at maturity or upon earlier redemption.

[Remainder of this page intentionally left blank]

SIGNATURE PAGE TO BOND

IN WITNESS WHEREOF, the ~~Board of Education of the~~ Covington Independent School District has caused this Bond to be executed in its name by the manual, facsimile, or electronic signature of the ~~Chairperson~~Chair of the Board of Education of the District and attested by the manual, facsimile, or electronic signature of the Secretary of the Board of Education of the District, all as of the date set forth above.

BOARD OF EDUCATION OF THE
COVINGTON INDEPENDENT SCHOOL
DISTRICT

By: _____
~~Chairperson, Board of Education~~
Chair

Attest:

By: _____
Secretary, ~~Board of Education~~

CERTIFICATE OF AUTHENTICATION

This is to certify that this Bond is one of the Bonds described hereinabove.

Authorized Signature
U.S. Bank Trust Company, National
Association,
Paying Agent and Registrar

Date of Authentication: _____

ASSIGNMENT

The following abbreviations, when used in the inscription on this Bond or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property
- UNIF TRANS
- MIN ACT - _____ Custodian _____
(Custodian) (Minor)
under Uniform Transfers to Minors Act

(State)

Additional abbreviations may be used although not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto:

(please print or typewrite social security number or other identifying number and name and address of transferee)

the within Bond and does hereby irrevocably constitute and appoint _____
_____ or its successor as Paying Agent and Registrar to transfer the Bond on the books kept for registration thereof with full power of substitution in the premises.
Signature guaranteed: _____

(Type or Print Name)

(Signature)

NOTE: The signature of the assignor must be guaranteed by an eligible guarantor institution which is a member of or participant in a signature guarantee program under Securities and Exchange Commission Rule 17Ad-15 or any successor provision.

EXHIBIT B
TO
BOND RESOLUTION

FORM OF OFFICIAL TERMS AND CONDITIONS OF BOND SALE

* * * * *

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

\$(PAR)*

~~BOARD OF EDUCATION OF THE~~
COVINGTON INDEPENDENT SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2024A

Notice is hereby given that electronic bids will be received by the Board of Education of the Covington Independent School District (the “District”), until [__:__] [a.m./p.m.], E.S.T. on August 28, 2024, at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Frankfort, Kentucky 40601, receive sealed competitive bids for the bonds described herein (the “Bonds”) ~~described herein~~. To be considered, Bids must be submitted on an Official Bid Form and must be delivered to the Secretary at the address indicated on the date of sale no later than the hour indicated. Bids will be opened by the Secretary and may be accepted without further action by the District’s Board of Education.

STATUTORY AUTHORITY, PURPOSE OF ISSUE, AND SECURITY

The Bonds are authorized by Sections 66.011 to 66.191, inclusive, of ~~Kentucky Revised Statutes, as amended (the “General Obligation Act”), and Section 160.160 of the~~ Kentucky Revised Statutes, as amended, and Section 160.160 of the Kentucky Revised Statutes, as amended, and are being issued under and in accordance with a Bond Resolution adopted by the Board of Education of the District on July 25, 2024 (the “Bond Resolution”). The Bonds are general obligation bonds and constitute a direct indebtedness of the District. The Bonds are secured by the District’s ability to levy, and its pledge to levy, an ad valorem tax on all property within the District in a sufficient amount to pay the principal of and interest on the Bonds when due.

The Bonds are being issued for the purposes of (i) financing all or a portion of the costs of acquiring, constructing, renovating, equipping, and installing capital improvements to Holmes Middle and High School and the District’s other facilities (collectively, the “Project”); (ii) paying capitalized interest on the Bonds, if desirable; (iii) paying all or a portion of the costs of credit enhancement for the Bonds, if any; and (iv) paying all or a portion of the costs of issuance of the Bonds.

* Preliminary, subject to change.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS, AND PAYING AGENT

The Bonds shall be dated their date of initial issuance and delivery and shall bear interest at the rates set forth on the cover page hereof, payable semiannually on March 1 and September 1, beginning March 1, 2025.

The Bonds are scheduled to mature on March 1, in each of the years as follows:

<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>
March 1, 2025	[\$_____]	March 1, 2038	[\$_____]
March 1, 2026	[_____]	March 1, 2039	[_____]
March 1, 2027	[_____]	March 1, 2040	[_____]
March 1, 2028	[_____]	March 1, 2041	[_____]
March 1, 2029	[_____]	March 1, 2042	[_____]
March 1, 2030	[_____]	March 1, 2043	[_____]
March 1, 2031	[_____]	March 1, 2044	[_____]
March 1, 2032	[_____]	March 1, 2045	[_____]
March 1, 2033	[_____]	March 1, 2046	[_____]
March 1, 2034	[_____]	March 1, 2047	[_____]
March 1, 2035	[_____]	March 1, 2048	[_____]
March 1, 2036	[_____]	March 1, 2049	[_____]
March 1, 2037	[_____]		

The Bonds maturing on and after March 1, 20[___] are subject to optional redemption on any date on and after March 1, 20[___], in whole or in part, in such order of maturity as shall be designated in writing by the District and by lot within a maturity, at the election of the District upon thirty-five days' written notice to U.S. Bank Trust Company, National Association, Louisville, Kentucky, as Paying Agent and Bond Registrar for the Bonds (the "Paying Agent and Bond Registrar") at a redemption price equal to the par amount thereof, plus accrued interest to the date of redemption.

At least thirty days before the redemption date of any Bonds, the Paying Agent and Bond Registrar shall cause a notice of such redemption either in whole or in part, signed by the Paying Agent and Bond Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed at their addresses as they appear on the registration books kept by the Paying Agent and Bond Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive number or letters, if any, of such Bonds to be redeemed.

BIDDING CONDITIONS AND RESTRICTIONS

The terms and conditions of the sale of the Bonds are as follows:

Bid Form. Bids shall be for the entire issue and shall be made on the Official Bid Form in order to provide for uniformity in submission of bids and ready determination of the lowest and best bid.

Minimum Bid. Bidders are required to bid for the entire issue of Bonds at a minimum price of not less than \$7,840,000 (98% of par), PAYABLE IN IMMEDIATELY AVAILABLE FUNDS.

Award; Adjustment. The determination of the best purchase bid for each of the Bonds will be made on the basis of the lowest true interest rate to be calculated as that rate (or yield) that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds, as set forth in the Official Bid Form, for exactly \$[Par] principal amount of Bonds offered for sale hereunder. Upon determination of the lowest true interest rate, the principal amounts of the Bonds shall be immediately adjusted by the District to determine the maturities of the final bond issue. The successful bidder will be required to accept the Bonds in the amounts so computed, whether the principal amount has been increased by up to ten percent (10%) or decreased in an amount deemed by the District to be in its best interest (the “Permitted Adjustment”) and to pay the purchase price based upon the aggregate amount of the final issue.

The District also has the right to adjust individual principal maturity amounts, even if the total amount of the Bonds does not change, in order to promote desired annual debt service levels. In the event that the principal amount of any maturity of the Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter’s Discount of the Bonds, as submitted by the successful bidder, will be held constant. The Underwriter’s Discount is defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be offered to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid.

Good Faith Deposit. The successful purchaser shall be required (without further advice from the District) to wire transfer an amount equal to 2% of the par amount of the Bonds to the Paying Agent Bank by the close of business of the day following the award as a good faith deposit. Said amount will be applied (without interest) to the purchase price upon delivery and will be forfeited if the purchaser fails to take delivery.

Interest Rates. Bidders must stipulate an interest rate or rates in multiples of 1/8, 1/10 or 1/20 of 1%. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. There is no limit on the number of different interest rates. Interest rates may not exceed 5% per annum.

Submission of Bids. Each bid on the Official Bid Form shall be placed in a sealed envelope addressed to the District, and on the outside of the envelope, there shall appear a legend identifying the same as being a bid for the “Covington Independent Schools, District General Obligation Bonds, Series 2024A.” No bid will be given consideration unless it is actually received or is in the process of telephonic transfer in the office of the District before the time set forth at the beginning of these Official Terms.

Notice is hereby given that electronic proposals will be received via BIDCOMP™/PARITY™, in the manner described below, until [__:__] [a.m./p.m.], E.S.T., on August 28, 2024. Bids may be submitted electronically via BIDCOMP™/PARITY™ pursuant to these Official Terms until [__:__] [a.m./p.m.], E.S.T., but no bid received after the time for receiving bids above. To the extent any instructions or directions set forth in BIDCOMP™/PARITY™ conflict with these Official Terms, the terms of these Official Terms shall control. For further information about BIDCOMP™/PARITY™, potential bidders may contact the Independent Registered Municipal Advisor or BIDCOMP™/PARITY™ at ~~40 West 23rd Street, 5th~~ 1359 Broadway, 2nd Floor, New York, ~~NY~~ New York 10010~~8~~, ~~Telephone:~~ (212) 404-8102 850-7422.

Term Bond Option. The purchaser of the Bonds may specify to the District that any of the Bonds may be combined with immediately succeeding sequential maturities into a Term Bond or Term Bonds, bearing a single rate of interest, with the maturities set forth above (or as may be adjusted as provided herein) comprising mandatory sinking fund redemption amounts for such Term Bond(s).

Bond Insurance. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal and/or interest on the Bonds, the District agrees that it will cooperate with the successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder and the District shall not be liable to any extent therefor.

DTC. The successful bidder may likewise elect to notify the Independent Registered Municipal Advisor within twenty-four hours of the award that standard bond certificates be issued. If no such election is made, the Bonds will be delivered using the ~~BOOK-ENTRY-ONLY-SYSTEM~~ book-entry only system administered by The Depository Trust Company.

Acceptance of Bid. The District will accept a bid or reject all bids on the date stated at the beginning of this Official Terms and Conditions of Bond Sale.

Right to Reject. The right to reject bids for any reason deemed advisable by the Board of Education of the District and the right to waive any possible informalities or irregularities in any bid which in the judgment of the District shall be minor or immaterial is expressly reserved.

Official Statement. The District will provide the successful purchaser with a Final Official Statement, in accordance with Securities and Exchange Commission Rule 15c2-12, as amended. The Final Official Statement will be provided in electronic form to the successful bidders, in sufficient time to meet the delivery requirements of the SEC and the Municipal Securities Rulemaking Board. The successful bidders will be required to pay for the printing of Final Official Statements.

CUSIPS. CUSIP identification numbers will be printed on the Bonds at the expense of the District. Improper imprintation or the failure to imprint CUSIP numbers shall not constitute

cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms of any accepted proposal for the purchase of the Bonds.

Rights Reserved. The District reserves the right to reject any and all bids, to waive any informality in any bid or, upon 24 hours advance notice before the sale date given through the BiDCOMP™/PARITY™ system, to postpone the sale date of the Bonds. The District reserves the right to reject any and all bids or to waive any informality in any bid. The Bonds are offered for sale subject to the principal and interest of the Bonds not being subject to federal income taxation nor being subject to Kentucky income taxation or Kentucky ad valorem taxation on the date of their delivery to the successful bidders, all in accordance with the final approving legal opinion of Dinsmore & Shohl LLP, ~~Louisville~~Covington, Kentucky, which opinion will be qualified in accordance with the section hereof ~~entitled~~entitled TAX TREATMENT.

Independent Registered Municipal Advisor. Bidders are advised that Compass Municipal Advisors, LLC, Lexington, Kentucky has been employed as an Independent Registered Municipal Advisor in connection with the issuance of the Bonds. Its fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof.

Purchaser Certification. The winning bidder for the Bonds shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under these Official Terms and Conditions of Bond Sale to establish the issue price of the Bonds may be taken on behalf of the District by the District’s Independent Registered Municipal Advisor identified herein and any notice or report to be provided to the District shall be provided to the District’s Independent Registered Municipal Advisor.

The District intends that the provisions of Treasury Regulation § 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series Bonds) will apply to the initial sale of each of the Bonds (the “competitive sale requirements”) because:

- (1) the District shall disseminate these Official Terms and Conditions of Bond Sale 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 District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the District anticipates awarding the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in these Official Terms and Conditions of Bond Sale.

Any bid submitted pursuant to this these Official Terms and Conditions of Bond Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

If the competitive sale requirements are not satisfied, the District shall so advise the applicable winning bidder. The District will 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). Bids will not be subject to cancellation in the event that the District determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

If the competitive sale requirements are not satisfied, the winning bidder for the Bonds shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate setting forth the hold-the-offering-price rule as the issue price of that maturity, 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) substantially in the form attached hereto as Exhibit A-2, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District, and Bond Counsel.

The District acknowledges that, in making the representations 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 that 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 District 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 that 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 that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case 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 Bonds 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 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

CONTINUING DISCLOSURE

In accordance with Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”) the District will agree, pursuant to a Continuing Disclosure Undertaking to be dated as of the date of issuance and delivery of the Bonds (the “Disclosure Undertaking”), to cause the following information to be provided:

(i) to the Municipal Securities Rulemaking Board (“MSRB”), or any successor thereto for purposes of the Rule, through the continuing disclosure service portal provided by the MSRB’s Electronic Municipal Market Access (“EMMA”) system as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the Securities and Exchange Commission, certain annual financial information and operating data, including audited financial statements and additional information consistent with the information contained under the following headings of Appendix [___] of the Official Statement - “Assessed Value of Property,” “Historical Tax Rates,” “Tax Collection History,” “Top Ten Taxpayers,” “Attendance,” and “SEEK Report.” The Annual Financial Information shall be provided on or before 270 days after the end of each fiscal year ending June 30, commencing with the fiscal year ending June 30, 2024; provided that the audited financial statements may not be available by such date, but will be made available immediately upon delivery thereof by the auditors for the District;

(ii) to the MSRB through EMMA, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;

- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
- (g) Modifications to rights of security holders, if material;
- (h) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the securities, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership, or similar event of the District (Note: For the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);
- (m) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (o) Incurrence of a material financial obligation by the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(iii) in a timely manner, to the MSRB through EMMA, notice of any failure (of which the District has knowledge) of the District to provide the required Annual Financial Information on or before the date specified in the Disclosure Undertaking.

The Disclosure Undertaking provides bondholders, including beneficial owners of the Bonds, with certain enforcement rights in the event of a failure by the District to comply with the terms thereof; however, a default under the Disclosure Undertaking does not constitute an event of default under the Bond Resolution. The Disclosure Undertaking may be amended or terminated under certain circumstances in accordance with the Rule, as more fully described therein.

For purposes of this transaction with respect to events as set forth in the Rule:

- (a) there are no debt service reserve funds applicable to the Bonds;
- (b) there are no credit enhancements applicable to the Bonds;
- (c) there are no liquidity providers applicable to the Bonds; and
- (d) there is no property securing the repayment of the Bonds.

The District intends to file all future Annual Financial Information within the time requirements specified in the Disclosure Undertaking and has adopted policies and procedures to ensure the timely filing thereof including retaining Dinsmore & Shohl LLP, to serve as disclosure agent to the District. The District's policies and procedures are available to public upon request.

TAX TREATMENT

In the opinion of Bond Counsel for the Bonds, based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the Bonds will be excludible from gross income for federal income tax purposes under 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 imposed on individuals. Further, Bond Counsel is of the opinion that interest on the Bonds is exempt from income taxation and that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

The District [has/has not] designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

A copy of the opinion of Bond Counsel for the Bonds is set forth in Appendix [__] to the Official Statement.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion of interest on obligations such as the Bonds from gross income for federal income tax purposes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the related issues of Bonds will not be includable in gross income for federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in income for federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes

compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Bond documents and any other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Dinsmore & Shohl LLP.

Although Bond Counsel is of the opinion that interest on the Bonds will be excludible from gross income for federal income tax purposes and that interest on the Bonds is excludible from gross income for Kentucky income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a bondholder's federal, state, or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the bondholder or the bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion and each bondholder or potential bondholder is urged to consult with tax counsel regarding the effects of purchasing, holding, or disposing the Bonds on the tax liabilities of the individual or entity.

Receipt of tax-exempt interest, ownership, or disposition of the Bonds may result in other collateral federal, state, or local tax consequences for certain taxpayers. Such effects may include, without limitation, (i) increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, (ii) increasing the federal tax liability of certain insurance companies under Section 832 of the Code, (iii) increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, (iv) increasing the federal tax liability of certain individual recipients of Social Security or the Railroad Retirement benefits under Section 86 of the Code, and (v) limiting the amount of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of any of the Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain other taxpayers, pursuant to Section 265 of the Code. Finally, residence of the holder of the Bonds in a state other than Kentucky or being subject to tax in a state other than Kentucky may result in income or other tax liabilities being imposed by such states or their political subdivisions based on the interest or other income from the Bonds.

BOARD OF EDUCATION OF THE
COVINGTON INDEPENDENT SCHOOL
DISTRICT

By: _____
Chairperson, Board of Education

Chair

EXHIBIT A-1
TO
OFFICIAL TERMS AND CONDITIONS OF BOND SALE
FORM OF ISSUE PRICE CERTIFICATE

[In case of receipt of at least three qualified bids for the Bonds]

ISSUE PRICE CERTIFICATE

Dated September 11, 2024

Re: \$[Final Par] ~~Board of Education of the~~ Covington Independent School
District General Obligation Bonds, Series 2024A, dated September 11,
2024

The undersigned, on behalf of [Underwriter Name] (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in Schedule I attached hereto (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. A true and correct copy of the bid provided by the Underwriter to purchase the Bonds is attached hereto as Schedule II.

(b) The Underwriter was not given the opportunity to review any other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

2. Yield on the Bonds. It computed the yield on the Bonds, [Yield]%, as that yield (determined on the basis of semiannual compounding) which, when used in computing the present worth of all payments of principal and interest to be made with respect to particular obligations, produces an amount equal to their purchase price, which, in the case of the Bonds, is the Expected Offering Prices, determined without taking into account issuance expenses and Underwriter’s discount.

3. Weighted Average Maturity. The weighted average maturity of the Bonds has been calculated to be [WAM] years. The weighted average maturity is the sum of the products of the respective Expected Offering Price of each Maturity and the number of years to maturity (determined separately for each Maturity and by taking into account mandatory redemptions), divided by the aggregate Expected Offering Prices of the Bonds as of the date hereof.

4. Defined Terms.

(a) “Issuer” means the ~~Board of Education of the~~ Covington Independent School District.

(b) “Maturity” means any Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

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

(d) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 28, 2024.

(e) “Underwriter” means (i) any person that agrees, under a written contract with the Issuer (or the lead underwriter to form an underwriting syndicate), to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees, under a written contract, directly or indirectly, with a person described in clause (i) of this paragraph, 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).

The representations set forth in this certificate are limited to factual matters only. Nothing contained in this certificate represents the Underwriter’s interpretation of any laws, including, specifically, Section 103 and Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations issued thereunder. The Underwriter understands that the information set forth in this certificate will be relied upon (i) by the Issuer with respect to certain representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and (ii) by Dinsmore & Shohl LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and any other federal income tax advice that it may give to the Issuer from time to time in connection with the Bonds.

[UNDERWRITER NAME]

By: _____

Name: _____

Title: _____

SCHEDULE I
TO
ISSUE PRICE CERTIFICATE
EXPECTED OFFERING PRICES
(See attachment)

SCHEDULE II
TO
ISSUE PRICE CERTIFICATE

COPY OF BID

(See attachment)

EXHIBIT A-2
TO
OFFICIAL TERMS AND CONDITIONS OF BOND SALE
FORM OF ISSUE PRICE CERTIFICATE

[In case of receipt of less than three qualified bids for the Bonds]

ISSUE PRICE CERTIFICATE

Dated September 11, 2024

Re: \$[Final Par] ~~Board of Education of the~~ Covington Independent School
District General Obligation Bonds, Series 2024A, dated September 11,
2024

The undersigned, [Underwriter Name] (the “Transaction Underwriter”), hereby certifies as set forth below with respect to the sale of the above-captioned bonds (the “Bonds”).

1. Issue Price.

(a) As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule I attached hereto (the “Sale Price,” as applicable to each Maturity of the General Rule Maturities).

(b) The Transaction Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I attached hereto (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule II.

(c) As set forth in the Official Terms and Conditions of Bond Sale, the Transaction Underwriter has agreed in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Under the Official Terms and Conditions of Bond Sale or any selling group agreement or any third-party distribution agreement, no Underwriter (as defined herein) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(d) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is \$[Issue Price] (the “Issue Price”).

2. Yield on the Bonds. It computed the yield on the Bonds, [Yield]%, as that yield (determined on the basis of semiannual compounding) which, when used in computing the present worth of all payments of principal and interest to be made with respect to particular obligations, produces an amount equal to their purchase price, which, in the case of the Bonds, is the Issue Price, determined without taking into account issuance expenses and Underwriter's discount.

3. Weighted Average Maturity. The weighted average maturity of the Bonds has been calculated to be [WAM] years. The weighted average maturity is the sum of the products of the respective Sale Price of each Maturity and the number of years to maturity (determined separately for each Maturity and by taking into account mandatory redemptions), divided by the aggregate Sale Price of the Bonds as of the date hereof.

4. Defined Terms.

(a) "General Rule Maturities" means those Maturities of the Bonds listed as the "General Rule Maturities" in Schedule I attached hereto.

(b) "Hold-the-Offering-Price Maturities" means those Maturities of the Bonds listed as the "Hold-the-Offering-Price Maturities" in Schedule I attached hereto.

(c) "Holding Period" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day following the Sale Date, or (ii) the date on which the Transaction Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) "Issuer" means the ~~Board of Education of the~~ Covington Independent School District.

(e) "Maturity" means any Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or any Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) "Official Terms and Conditions of Bond Sale" means the Official Terms and Conditions of Bond Sale prepared for distribution to potential bidders prior to the Sale Date of the Bonds.

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

(h) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 28, 2024.

(i) “Underwriter” means (i) any person that agrees, under a written contract with the Issuer (or the lead underwriter to form an underwriting syndicate), to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees, under a written contract, directly or indirectly, with a person described in clause (i) of this paragraph, 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).

The representations set forth in this certificate are limited to factual matters only. Nothing contained in this certificate represents the Transaction Underwriter’s interpretation of any laws, including, specifically, Section 103 and Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations issued thereunder. The Transaction Underwriter understands that the foregoing information will be relied upon (i) by the Issuer with respect to certain representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and (ii) by Dinsmore & Shohl LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and any other federal income tax advice that it may give to the Issuer from time to time in connection with the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

[TRANSACTION UNDERWRITER
NAME]

By: _____

Name: _____

Title: _____

SCHEDULE I
TO
ISSUE PRICE CERTIFICATE

SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE BONDS

General Rule Maturities

<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	Actual Sale Price of <u>First 10%</u>	<u>Issue Price</u>	<u>CUSIP</u>
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Hold-the-Offering-Price Maturities

<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	Initial <u>Offering Price</u>	<u>Issue Price</u>	<u>CUSIP</u>
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SCHEDULE II
TO
ISSUE PRICE CERTIFICATE

COPY OF PRICING WIRE

(See attachment)

EXHIBIT C
TO
BOND RESOLUTION

FORM OF OFFICIAL BID FORM

* * * * *

OFFICIAL BID FORM

~~BOARD OF EDUCATION OF THE~~
COVINGTON INDEPENDENT SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2024A

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for \$[Par]* of General Obligation Bonds, Series 2024A (the “Bonds”), dated their date of initial issuance and delivery offered for sale by the ~~Board of Education of the~~ Covington Independent School District (the “District”) in accordance with the Preliminary Official Statement dated August 21, 2024 and the Notice of Bond Sale, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase the Bonds.

We hereby bid for the \$[Par]* principal amount of the Bonds, the total sum of \$_____ (not less than \$_____) at the following annual rate(s), payable semiannually (rates of any maturity may be less than any preceding maturity, number of interest rates unlimited):

<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>
March 1, 2025	\$[_____]	_____%	March 1, 2038	\$[_____]	_____%
March 1, 2026	\$[_____]	_____%	March 1, 2039	\$[_____]	_____%
March 1, 2027	\$[_____]	_____%	March 1, 2040	\$[_____]	_____%
March 1, 2028	\$[_____]	_____%	March 1, 2041	\$[_____]	_____%
March 1, 2029	\$[_____]	_____%	March 1, 2042	\$[_____]	_____%
March 1, 2030	\$[_____]	_____%	March 1, 2043	\$[_____]	_____%
March 1, 2031	\$[_____]	_____%	March 1, 2044	\$[_____]	_____%
March 1, 2032	\$[_____]	_____%	March 1, 2045	\$[_____]	_____%
March 1, 2033	\$[_____]	_____%	March 1, 2046	\$[_____]	_____%
March 1, 2034	\$[_____]	_____%	March 1, 2047	\$[_____]	_____%
March 1, 2035	\$[_____]	_____%	March 1, 2048	\$[_____]	_____%
March 1, 2036	\$[_____]	_____%	March 1, 2049	\$[_____]	_____%
March 1, 2037	\$[_____]	_____%			

The Bonds maturing in the following years: _____ are sinking fund redemption amounts for term bonds due _____. The Bonds maturing in the

* Preliminary, subject to change.

following years: _____ are sinking fund redemption amounts for term bonds due _____.

Bids may be submitted electronically via BiDCOMP™/PARITY™ pursuant to this Notice until the appointed date and time, but no bid will be received after such time. Notwithstanding the foregoing, completed bid forms may be submitted until the appointed date and time (i) in a sealed envelope marked “Official Bid for Bonds” or (ii) by facsimile transmission, in each case delivered to the office of the Executive Director of the Kentucky School Facilities Construction [Commission](#), 700 Louisville Road, Frankfort, Kentucky 40601. Neither the District nor the Independent Registered Municipal Advisor assumes any responsibility whatsoever with regard to the receipt of bids, or that adequate personnel and/or equipment are available to accept all facsimile transfers of bids before the appointed date and time of sale. Bidders have ~~the~~ sole responsibility of assuring that their bids have been received via facsimile or delivered before the appointed date and time of sale. Any bids in progress by facsimile at the appointed time will be considered as received by the appointed time. No bids will be received via telephone.

We understand this bid may be accepted with variations in maturing amounts at the same price per \$1,000 of Bonds, with the variation in such amount occurring in any maturity of all maturities, such variations to be determined by the District at the time of acceptance of the best bid.

It is understood that the District will furnish the final, approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, [LouisvilleCovington](#), Kentucky.

No certified or bank cashier’s check will be required to accompany the bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the day following the award. The good faith amount will be applied (without interest) to the purchase price when the Bonds are tendered for delivery.

If we are the successful bidder, we agree to accept and make payment for the Bonds in federal funds within forty five days from the date of sale in accordance with the terms of the sale.

Respectfully submitted,

Bidder

Address

By: _____
Signature

Total interest cost: Date of Delivery (estimated to be September 11,

2024) to Final Maturity \$ _____
 (Less Premium) or Plus Discount, if any \$ _____
 Aggregate interest cost \$ _____
 True interest cost (i.e. TIC) _____%

The above computation of true interest cost is submitted for information only and is not a part of this Bid.

Accepted by the ~~Chairperson~~Chair of the Board of Education of the Covington Independent School District for \$ _____ principal amount of Bonds at the price of \$ _____ as follows:

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
March 1, 2025	\$ _____	_____ %	March 1, 2038	\$ _____	_____ %
March 1, 2026	\$ _____	_____ %	March 1, 2039	\$ _____	_____ %
March 1, 2027	\$ _____	_____ %	March 1, 2040	\$ _____	_____ %
March 1, 2028	\$ _____	_____ %	March 1, 2041	\$ _____	_____ %
March 1, 2029	\$ _____	_____ %	March 1, 2042	\$ _____	_____ %
March 1, 2030	\$ _____	_____ %	March 1, 2043	\$ _____	_____ %
March 1, 2031	\$ _____	_____ %	March 1, 2044	\$ _____	_____ %
March 1, 2032	\$ _____	_____ %	March 1, 2045	\$ _____	_____ %
March 1, 2033	\$ _____	_____ %	March 1, 2046	\$ _____	_____ %
March 1, 2034	\$ _____	_____ %	March 1, 2047	\$ _____	_____ %
March 1, 2035	\$ _____	_____ %	March 1, 2048	\$ _____	_____ %
March 1, 2036	\$ _____	_____ %	March 1, 2049	\$ _____	_____ %
March 1, 2037	\$ _____	_____ %			

~~Chairperson~~Chair, Board of Education
 Covington Independent School District

Dated: August 28, 2024

EXHIBIT D
TO
BOND RESOLUTION

FORM OF PAYING AGENT AND REGISTRAR AGREEMENT

* * * * *

PAYING AGENT AND REGISTRAR AGREEMENT

This PAYING AGENT AND REGISTRAR AGREEMENT (this “Agreement”) is made and entered into as of September 11, 2024, under the circumstances summarized in the following recitals, by and between U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, Louisville, Kentucky (the “Paying Agent and Registrar”), a national banking association duly organized and validly existing under the laws of the United States of America, and the BOARD OF EDUCATION OF THE COVINGTON INDEPENDENT SCHOOL DISTRICT (the “District”), a school district and political subdivision duly organized and validly existing under the laws of the Commonwealth of Kentucky, in connection with the issuance and servicing of the \$[Final Par] ~~Board of Education of the~~ Covington Independent School District General Obligation Bonds, Series 2024A (the “Bonds”).

A. The issuance, sale, authentication, and delivery of the Bonds have all been authorized by the resolution duly adopted by the Board of Education of the District on July 25, 2024 (the “Bond Resolution”).

B. In accordance with the Bond Resolution and the Award Certificate of the District dated August 28, 2024, the District has appointed the Paying Agent and Registrar as its agent to act as the paying agent, registrar, authenticating agent, and transfer agent for and in connection with the Bonds, and has authorized and directed the Paying Agent and Registrar to keep and maintain all books and records necessary for the registration, exchange, and transfer of the Bonds (the “Bond Register”).

- (i) a certified copy of the Bond Resolution passed and adopted by the Board of Education;
- (ii) specimens of the signatures of the officers of the District whose manual, facsimile, or electronic signatures are required to be delivered at the Closing;
- (iii) bond forms with appropriate blank spaces to be filled in (the "Bond Forms"), in sufficient quantity to cover all future exchanges and transfers, as agreed upon by the District and the Paying Agent and Registrar;
- (iv) the names and addresses of the registered owners of the Bonds (the "Owners"), the Bond Forms to be delivered at the Closing;
- (v) an opinion of Dinsmore and Shohl LLP, Bond Counsel, addressed to the Board of Education and that the Bonds are valid and legally binding obligations of the Board of Education;
- (vi) a copy of this Agreement duly executed by the Board of Education.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the District and the Paying Agent and Registrar hereby agree as follows:

Section 1. In connection with the original issuance and delivery of the Bonds:

(a) The District shall deliver, or otherwise cause to be delivered, to the Paying Agent and Registrar, no later than three business days before the day set for delivery of the Bonds to the original purchaser thereof (the "Closing"):

(b) The Paying Agent and Registrar shall complete the Bonds to be delivered at the Closing by inserting the appropriate information into the Bond Forms and shall record the names and addresses of the Owners in the Bond Register, all so as to permit delivery of the Bonds at the time and place of the Closing.

(c) At the time and place of the Closing, or at any other time and place agreed to by the District and the Paying Agent and Registrar, the Paying Agent and Registrar, through one or more of its duly authorized officers or employees or through any other authorized person acting as an agent of the Paying Agent and Registrar and approved by the District, shall sign the Certificate of Authentication on each of the Bonds to be delivered at the Closing.

(d) The Paying Agent and Registrar shall deliver the Bonds on behalf of the District in accordance with the instructions provided by [Underwriter Name], as the original purchaser of the Bonds.

Section 2. The Paying Agent and Registrar shall hold in safekeeping the Bond Forms delivered to it by the District that are not delivered at the Closing, and shall notify the District of any need for any additional Bond Forms in sufficient time to permit an adequate supply of Bond Forms to be available for any exchange or transfer of the Bonds.

Section 3. So long as any of the Bonds are outstanding, the Paying Agent and Registrar shall keep and maintain the Bond Register at its principal office, upon which the

Paying Agent and Registrar shall maintain a current and accurate record of the names and addresses of the Owners of the Bonds, and shall perform, without limitation, the authentication, registration, exchange, transfer, and paying agent functions with respect to the Bonds and all related mechanical, clerical, and record or bookkeeping functions in connection with the Bonds, all in accordance with this Agreement, the Bond Resolution, and all applicable laws of the Commonwealth of Kentucky.

Section 4. In accordance with the Bond Resolution, the Paying Agent and Registrar shall:

(a) Exchange or transfer any Bonds upon the presentation and surrender thereof at the principal office of the Paying Agent and Registrar, together with a request for exchange or an assignment signed by the Owner of such Bond or by any person legally empowered to sign such request, in form satisfactory to the Paying Agent and Registrar, and shall complete, authenticate, and deliver new Bonds to the Owners of the transferred Bonds, in an authorized denomination equal, in the aggregate, to the unmatured principal amount of the surrendered Bonds, which new Bonds shall bear interest at the same rate and mature on the same date as the surrendered Bonds.

(b) Record the exchange or transfer of any Bond on the Bond Register.

Section 5. Every exchange and transfer of the Bonds will be made without charge to the Owners, except that the District and the Paying Agent and Registrar may impose a charge sufficient to reimburse themselves for any tax or other governmental charge required to be paid in connection with such exchange or transfer. The Paying Agent and Registrar may require that such charges, if any, be paid before it begins the procedure for the exchange or transfer.

If less than all of the outstanding Bonds are called for redemption at one time, the maturities of the Bonds to be called for redemption shall be designated by the District in writing. If less than all of the outstanding Bonds of a single maturity are to be redeemed at one time, the selection of the Bonds of that maturity to be redeemed shall be made by lot by the Paying Agent and Registrar in accordance with Section 3 of the Bond Resolution.

Notice of the call for redemption of any Bonds, identifying (a) the Bonds, or portion thereof, to be redeemed, by designation, letter, number, or any other distinguishing mark; (b) the redemption price to be paid; (c) the date fixed for redemption; and (d) the place where the amounts shall be payable on the redemption date, shall be given by the Paying Agent and Registrar, on behalf of the District, by mailing a copy of a redemption notice to the Owners of the Bonds to be redeemed, as of the close of business on the date of mailing, at the addresses of such Owners then appearing on the Bond Register. Any failure to receive such notice by mail or any defect in such notice, as to any Bond, shall not affect the validity of the proceedings for the redemption of any other Bond.

In case of a partial redemption of the Bonds when the Bonds to be redeemed are outstanding in denominations greater than the minimum denomination, as set forth in the Bond Resolution, each unit of principal of a Bond shall be treated as though it were a separate Bond. If one or more, but not all, of the units of principal of a Bond are called for redemption, then upon

notice of the call for redemption of one or more of the units, the Owner of that Bond shall, at or after the redemption date, surrender the Bond for (i) payment of the redemption price of the unit or units thereof called for redemption, and (ii) issuance of a new Bond or Bonds, as provided in Section 3 of the Bond Resolution.

Section 6. The Paying Agent and Registrar shall complete, authenticate, deliver, and register new Bonds to replace any Bonds that are lost, stolen, destroyed, or mutilated, upon receipt by the Paying Agent and Registrar of written instructions to do so from an authorized officer of the District, together with indemnity from the Owners of such lost, stolen, destroyed, or mutilated Bonds, each in form satisfactory to the District and the Paying Agent and Registrar.

Section 7. The Paying Agent and Registrar shall cancel any Bonds surrendered to it under the Bond Resolution for payment or retirement or for exchange, replacement, or transfer, and shall provide the District with written reports regarding the surrender and cancellation of the Bonds at least twice each calendar year. Unless otherwise directed by the District or any other lawful authority, all cancelled Bonds shall be retained and stored by the Paying Agent and Registrar for a period of seven years. After the end of the seven year period, or at any earlier time as may be authorized by the District, the Paying Agent and Registrar shall destroy all of the cancelled Bonds by shredding or cremation, and shall thereupon provide the District with certificates of destruction describing the Bonds that were destroyed and the manner of destruction.

Section 8. The Paying Agent and Registrar shall retain and store the Bond Register for seven years after the payment in full of all of the Bonds. At any time, upon any request therefor by the District, the Paying Agent and Registrar shall permit the District to inspect the Bond Register and shall provide the District with a copy thereof. If the Paying Agent and Registrar receives a request to inspect the Bond Register from a person other than the District, the Paying Agent and Registrar shall notify the District of such request and shall not permit that inspection unless it is approved by the District; provided, however, that the Paying Agent and Registrar may permit any inspection under and in accordance with an order of a court of competent jurisdiction.

Section 9. The Paying Agent and Registrar shall pay the principal of and interest on the Bonds in accordance with the Bond Resolution, but only from money deposited with the Paying Agent and Registrar by the District for that purpose. The District shall cause moneys to be on deposit with the Paying Agent and Registrar, into the Bond Payment Fund, in an amount sufficient and available to pay all of the interest, or the principal and interest, then to be due, no later than 10:00 a.m. (Covington, Kentucky time) one day before the day on which that payment is to be made.

Section 10. If the Paying Agent and Registrar does not have moneys on deposit in an amount sufficient and available to pay all of the interest, or the principal and interest, due on the Bonds on the day on which that payment is to be made, the Paying Agent and Registrar shall notify the District, by telephone, that the required payment has not been made; provided, however, that such notice shall be subsequently confirmed in writing by first class mail.

Section 11. The Paying Agent and Registrar hereby agrees to undertake all of the duties and obligations set forth in this Agreement and to perform all services contemplated to be performed under this Agreement. The District shall pay the Paying Agent and Registrar for its performance of such services in accordance with the Schedule of Fees attached hereto.

Section 12. In the absence of any bad faith on its part in the performance of its services under this Agreement, the Paying Agent and Registrar shall be protected in acting upon any notice, request, certificate, affidavit, letter, telegram, or other paper or document reasonably believed by it to be genuine and correct and to have been signed by the proper party or parties.

Section 13. The Paying Agent and Registrar may resign as Paying Agent and Registrar for the Bonds at any time by giving thirty days written notice of its resignation to the District. The Paying Agent and Registrar may be removed at any time by written notice to that effect specifying the date and time of termination, signed on behalf of the District by the Chairperson of the Board of Education, and delivered to the Paying Agent and Registrar. Upon the effectiveness of any such resignation or termination, the Paying Agent and Registrar shall deliver to the District the Bond Register, the Bond Forms, the cancelled Bonds, and all other records (or copies of such records) pertaining to the Bonds.

Section 14. The Bonds are originally being issued as book-entry only bonds under The Depository Trust Company, New York, New York (“DTC”) system. To the extent required by DTC, the Paying Agent and Registrar hereby represents that it is qualified to participate in the DTC system as it relates to the Bonds and hereby agrees to comply with the requirements of DTC that apply to the Bonds. Notwithstanding the provisions set forth in this Agreement regarding the payment, exchange, transfer, registration, and presentment of Bonds, so long as any outstanding Bonds are held in book-entry form, the DTC Operational Arrangements, as published by DTC from time to time, shall govern such matters, and if any conflict exists between any of the provisions of this Agreement and the DTC Operational Arrangements, the DTC Operational Arrangements shall prevail.

Section 15. Notice from one party to the other party hereunder shall be sufficient if such notice is contained in a writing mailed by first class mail, postage prepaid, (a) to the District at: Board of Education of the Covington Independent School District, 25 East 7th Street, Covington, Kentucky 41011, Attention: Finance Director; and (b) to the Paying Agent and Registrar at: U.S. Bank Trust Company, National Association, 435 North Whittington Parkway, Louisville, Kentucky 40222, Attention: Charles Lush; or to any other address which may be designated from time to time by either party in writing and delivered to the other party.

Section 16. Neither this Agreement nor any provisions hereof may be changed, revised, or amended, except by a writing signed by the Chairperson of the Board of Education, on behalf of the District, and by the Paying Agent and Registrar.

Section 17. If any section or provision of this Agreement or any agreement, obligation, act or action, or part thereof made, assumed, entered into, done, or taken under this Agreement, or any applications thereof, is held to be illegal or invalid for any reason, or shall be inoperable at any time, that illegality, invalidity, or inoperability shall not affect the remainder of this Agreement, any other section or provision of this Agreement, or any other agreement, obligation,

act or action, or part thereof made, assumed, entered into, done, or taken under this Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid, or inoperable portion were not contained therein. Any such illegality, invalidity, or inoperability shall not affect any legal, valid, and operable section, provision, agreement, obligation, act, action, part thereof, or application thereof, all of which shall be deemed to be effective, operative, made, assumed, entered into, done, or taken in the manner and to the full extent permitted by law from time to time.

Section 18. This Agreement is, and shall be deemed to be, a contract for services made under the laws of the Commonwealth of Kentucky and, for all purposes, shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors. This Agreement may be signed in several counterparts, each of which shall be deemed an original.

[Remainder of this page intentionally left blank]

SIGNATURE PAGE TO PAYING AGENT AND REGISTRAR AGREEMENT

IN WITNESS WHEREOF, the parties hereto have signed this Paying Agent and Registrar Agreement as of the day and year first above written.

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION

By: _____
Authorized Officer

BOARD OF EDUCATION OF THE
COVINGTON INDEPENDENT SCHOOL
DISTRICT

By: _____
~~Chairperson, Board of Education~~
Chair

SCHEDULE OF FEES

[To be provided by the Paying Agent and Registrar]

EXHIBIT E
TO
BOND RESOLUTION

FORM OF CONTINUING DISCLOSURE CERTIFICATE

* * * * *

CONTINUING DISCLOSURE CERTIFICATE

Relating to:

[\$Final Par]

~~BOARD OF EDUCATION OF THE~~
COVINGTON INDEPENDENT SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2024A

Dated as of: September 11, 2024

This CONTINUING DISCLOSURE CERTIFICATE (this “Certificate”) is executed and delivered as of September 11, 2024, by the ~~Board of Education of the~~ Covington Independent School District (the “Issuer”), in connection with the issuance and delivery of its \$[Final Par] Covington Independent School District, Series 2024A (the “Obligations”). The Obligations are being issued under and in accordance with a resolution adopted by the [Board of Education of the](#) Issuer on July 25, 2024 (the “Authorizing Legislation”). The Issuer hereby certifies, covenants, and agrees as follows:

Section 1. Purpose of this Certificate.

This Certificate is being executed and delivered by the Issuer to provide for the disclosure of certain information concerning the Obligations on an ongoing basis, as set forth herein, for the benefit of the Holders (as hereinafter defined) of the Obligations, in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the “Rule”).

Section 2. Definitions; Scope of this Certificate.

All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Authorizing Legislation and the Obligations. Notwithstanding the foregoing, the term “Disclosure Agent” shall mean the Issuer or any disclosure agent appointed or engaged by the Issuer, and any successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:

“Annual Financial Information” means a copy of the annual comprehensive financial report prepared for the Issuer, which shall include, if prepared, a balance sheet, a statement of revenues and expenditures, and a statement of changes in fund balances, generally consistent with the information set forth in Appendix [] of the Offering Document. All of such Annual Financial Information shall be prepared using generally accepted accounting principles as applied to governmental units; provided, however, that the Issuer may change the accounting principles used to prepare such Annual Financial Information so long as the Issuer includes, as information provided to the public, a statement to the effect that different accounting principles are being used, stating the reason for such change, and explaining how to compare the financial information provided by the differing accounting principles. Any of the items listed above may be set forth in other documents which have been transmitted to the MSRB, including Offering Documents of debt issues of the Issuer or any related public entities, or may be included by specific reference to any documents available to the public on the MSRB’s Electronic Municipal Market Access (EMMA) system or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

“Beneficial Owner” means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Obligations

(including any persons holding the Obligations through nominees, depositories, or other intermediaries).

“Event,” with respect to the Obligations, means any of the following events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on any debt service reserves, reflecting financial difficulties;
- (iv) Unscheduled draws on any credit enhancements, reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of any proposed or final determinations of taxability, any Notices of Proposed Issue (IRS Form 5701-TEB), or any other material notices or determinations with respect to the tax status of the security, or any other material events affecting the tax-exempt status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers (except for any mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (ix) Defeasances;
- (x) Release, substitution, or sale of any property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership, or any other similar event of the Issuer (Note – This event is considered to occur upon the occurrence of any of the following events: The appointment of a receiver, fiscal agent, or other similar officer for the Issuer in any proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over all or substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession of the assets or business of the Issuer but subject to the supervision and orders of a court or governmental authority, or the entry of any order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having

supervision or jurisdiction over all or substantially all of the assets or business of the Issuer);

- (xiii) The consummation of any merger, consolidation, or other acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into any definitive agreement to undertake any of such actions, or the termination of any definitive agreement relating to any such actions, other than in accordance with its terms, if material;
- (xiv) Appointment of any successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of any Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or any other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, acceleration event, termination event, modification of terms, or any other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi), although some of such events may not be applicable to the Obligations.

“Financial Obligation” means (a) any debt obligation; (b) any derivative instrument entered into in connection with, or pledged as the security or a source of payment for, any existing or planned debt obligation; or (c) a guarantee of either (a) or (b). The term Financial Obligation shall not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Holders” means any holder or Beneficial Owner of the Obligations.

“MSRB” means the Municipal Securities Rulemaking Board.

“Offering Document” means the Official Statement dated August 28, 2024.

“Operating Data” means an update of the operating data of the Issuer, limited to the information set forth under the following headings (or their functional equivalents) of Appendix [__] of the Offering Document - “Assessed Value of Property,” “Historical Tax Rates,” “Tax Collection History,” “Top Ten Taxpayers,” “Attendance,” and “SEEK Report.”

“Participating Underwriter” means any of the original underwriters of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

“SEC” means the Securities and Exchange Commission.

Section 3. Disclosure of Information.

(A) Information Provided to the Public. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 4 hereof, the Issuer shall make, or shall cause the Disclosure Agent to make, public the information set forth in subsections (i), (ii), and (iii) below:

(i) Annual Financial Information and Operating Data. The Annual Financial Information and Operating Data of the Issuer, at least annually, on or before 270 days after the end of each fiscal year ending June 30, commencing with the fiscal year ended June 30, 2024, and continuing with each fiscal year thereafter. If the Disclosure Agent is an entity or person other than the Issuer, then the Issuer shall provide the Annual Financial Information and Operating Data to the Disclosure Agent no later than fifteen Business Days before the disclosure date set forth above. The Annual Financial Information and Operating Data may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information; provided that the audited financial statements of the Issuer may be submitted separately from the other Annual Financial Information.

(ii) Event Notices. Notice of the occurrence of an Event, in a timely manner, not in excess of ten business days after the occurrence of the Event.

(iii) Failure to Provide Annual Financial Information or Operating Data. Notice of the failure of the Issuer to provide the Annual Financial Information or Operating Data by the disclosure date required by subsection (A)(ii) of this Section.

(B) Dates Information is to be Provided to the Public. The Annual Financial Information and Operating Data of the Issuer and, subject to the timing requirement set forth in subsection (A)(ii) of this Section, notices of Event occurrences shall be made public on the same day as notice thereof is given to the Holders of the outstanding Obligations, if such notice is required in accordance with the terms of the Authorizing Legislation or the Obligations, and such information shall not be made public before the date of any such notice.

(C) Means of Making Information Public.

(i) Information shall be deemed to have been made public by either the Issuer or the Disclosure Agent under this Certificate if such information is transmitted as provided in subsection (C)(ii) of this Section, by the following means:

(a) to all of the Holders of the outstanding Obligations, by first class mail, postage prepaid;

(b) to the MSRB, in an electronic format prescribed by the MSRB, and accompanied by the identifying information prescribed by the MSRB; or

(c) to the SEC, by (1) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (2) first class mail, postage prepaid; provided, however, that the Issuer and the Disclosure Agent are authorized to transmit information to the SEC by any means that are mutually acceptable to the Issuer or the Disclosure Agent, as the case may be, and the SEC.

(ii) The following information shall be transmitted to the following parties:

(a) All information required to be provided to the public in accordance with subsection (A) of this Section shall also be transmitted to the MSRB.

(b) All information required to be provided to the public in accordance with subsection (A) of this Section shall also be made available, upon request therefor, to any Holders of the Obligations, but need not be transmitted to the Holders of the Obligations who do not so request.

(iii) To the extent the Issuer is obligated to file any Annual Financial Information and Operating Data with the MSRB under this Certificate, such Annual Financial Information and Operating Data may be set forth in a document or a set of documents transmitted to the MSRB or may be included by specific reference to any documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system or filed with the SEC.

(iv) The Issuer or the Disclosure Agent may require payment from the Holders of the Obligations in connection with any request from a Holder for any periodic information regarding the finances or operational data of the Issuer or for any information regarding the occurrence of an Event, as provided by subsection (C)(ii)(b) of this Section, by charging any Holder which makes such a request for (1) the reasonable costs incurred by the Issuer or the Disclosure Agent in duplicating and transmitting the requested information to such Holder, and (2) the reasonable administrative expenses incurred by the Issuer or the Disclosure Agent in providing the requested information to such Holder.

Section 4. Amendment or Modification.

Notwithstanding any other provision of this Certificate to the contrary, the Issuer may amend this Certificate and waive any provision hereof, so long as such amendment or waiver is supported by an opinion of nationally recognized bond counsel with expertise in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause any of the undertakings set forth herein to violate the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in the Rule or in the official interpretation thereof, as well as any change in circumstance.

Section 5. Miscellaneous.

(A) Termination of Certificate. The obligations of the Issuer and the Disclosure Agent, if any, under this Certificate shall terminate when all of the Obligations are, or are

deemed to be, no longer outstanding by reason of the redemption or legal defeasance of the Obligations or upon the maturity thereof.

(B) Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (i) disseminating any other information using the means of dissemination set forth herein or by any other means of communication, or (ii) including any other information, in addition to the information that is required by this Certificate, in any Annual Financial Information, Operating Data, or notice of the occurrence of an Event provided hereunder. If the Issuer chooses to include any other information in any Annual Financial Information, Operating Data, or notice of the occurrence of an Event in addition to that which is specifically required under this Certificate, the Issuer shall have no obligation hereunder to update any such additional information or to include it in any future Annual Financial Information, Operating Data, or notice of the occurrence of an Event provided under this Certificate.

(C) Defaults; Remedies. If the Issuer or the Disclosure Agent fails to comply with any of the provisions of this Certificate, any Holder of the Obligations may take any such action as may be necessary and appropriate, including seeking an action in mandamus or for specific performance, to cause the Issuer or the Disclosure Agent, as the case may be, to comply with its respective obligations hereunder. Any default under this Certificate shall not constitute a default on the Obligations, and the sole remedy available in any proceeding to enforce this Certificate shall be an action to compel specific performance.

(D) Beneficiaries. This Certificate shall inure solely and only to the benefit of the Issuer, the Disclosure Agent, if any, the Participating Underwriter, and the Holders or Beneficial Owners of the Obligations and shall create no rights in any other person or entity.

Section 6. Additional Disclosure Obligations.

The Issuer hereby acknowledges and understands that other state and federal laws, including, but not limited to, the Securities Act of 1933, the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, may apply to the Issuer and that, under some circumstances, compliance with this Certificate, without additional disclosures or other action, may not fully discharge all of the duties and obligations of the Issuer under such laws.

Section 7. Notices.

Any notices or communications to the Issuer may be given as follows:

To the Issuer: Covington Independent School District
25 East 7th Street
Covington, Kentucky 41011
Attention: Finance Director
Telephone: 859.392.1000

[Remainder of this page intentionally left blank]

SIGNATURE PAGE TO CONTINUING DISCLOSURE CERTIFICATE

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Certificate as of the day and year first above written.

BOARD OF EDUCATION OF THE
COVINGTON INDEPENDENT SCHOOL
DISTRICT

By: _____

~~Chairperson, Board of Education~~
Chair

EXHIBIT F
TO
BOND RESOLUTION

FORM OF PARTICIPATION AGREEMENT

* * * * *

PARTICIPATION AGREEMENT

By and between

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

and

BOARD OF EDUCATION OF COVINGTON INDEPENDENT SCHOOL DISTRICT

Dated as of September 11, 2024

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[Continued on the following page]

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT, made and entered into as of September 11, 2024, by the KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION, an independent corporate agency and instrumentality of the Commonwealth of Kentucky (the “Commission”) and the BOARD OF EDUCATION OF COVINGTON INDEPENDENT SCHOOL DISTRICT, a political subdivision of the Commonwealth of Kentucky (the “Board”);

WITNESSETH:

WHEREAS, the Commission has been established, in accordance with Sections 157.611 through 157.640 of the Kentucky Revised Statutes (the “Act”), for the purpose of assisting local school districts in meeting the school construction needs of the Commonwealth of Kentucky in a manner which will ensure an equitable distribution of funds based upon unmet need, and

WHEREAS, pursuant to Section 157.622 of the Act, the Commission in reliance upon certified statements from the State Department of Education acting on behalf of the State Board of Education required under Section 157.620 of the Act, has determined that the Board is entitled to financial assistance from the Commission in meeting the unmet need of the Board as that term is defined in the Act and has made an Offer of Assistance to the Board to provide financial assistance through the payment of a portion of the principal and interest requirements (the “Agreed Participation”) of Covington Independent School District General Obligation Bonds, Series 2024A (the “Bonds”), issued by the Covington Independent School District (the “District”); and

WHEREAS, the Commission, based upon the criteria contained in the Act and its Regulations, has determined that the Board has met the requirements of Section 157.620(1) of the Act and that the Board is entitled to an Agreed Participation, as hereinafter defined, subject to the terms of this Participation Agreement, to be applied to the payment of principal and interest requirements of general obligation bonds to be issued by the District in accordance with the provisions of Sections 66.011 to 66.191, inclusive, of the Kentucky Revised Statutes, as amended (the “General Obligation Act”), and Section 160.160 of the Kentucky Revised Statutes, as amended, in order to finance the costs of the acquisition, construction, renovation, installation and equipping of capital improvements to Holmes Middle and High School and the District’s other facilities (collectively, the “Project”); and

WHEREAS, the Board, in order to carry out the duty and authority vested in the Board, desires to maintain adequate school facilities for the District and has applied under the Act for assistance and has accepted the Commission’s Offer of Assistance in financing the Project; and

WHEREAS, it is desired that the ~~Corporation, acting on behalf of the Board, District~~ authorize, sell, issue, and deliver its “Covington Independent School District General Obligation Bonds, Series 2024A,” dated September 11, 2024” (the “Bonds”) ~~on behalf of the Board in accordance with General Obligation Act”~~, and Section 160.160 of the Kentucky Revised Statutes; and

WHEREAS, the Board has agreed to allocate the Board's Contribution to the financing of the Project from its own funds in order to qualify for assistance from the Commission;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed between the parties hereto as follows:

ARTICLE I DEFINITIONS

“Act” means Sections 157.611 through 157.640 of the Kentucky Revised Statutes.

“Adjusted Agreed Participation” means the Agreed Participation or Amended Participation as applied to the principal and interest requirements of Refunding Bonds in accordance with Article IX hereof.

“Agreed Participation” means that portion of the Percentage Discount or Rate of Participation to which the Board has been determined to be entitled by the Commission for the Project; the amount set forth in the Schedule of Principal and Interest Requirements, is the maximum annual amount which the Commission will pay toward principal and interest requirements of the Bonds.

“Agreement” means this Participation Agreement.

“Architect” means the firm of licensed Kentucky architects employed by the Board for the design and supervision of the construction of the Project, currently [_____].

“Available Local Revenue” means the amount required under the Act, as determined by the Department, in order for the Board to qualify as an Eligible District under the Act.

“Board” means the Board of Education of Covington Independent School District, Covington, Kentucky.

“Board's Contribution” means that part of the “Available Local Revenue” under the Act and the Regulations of the Commission which the Board is required to expend for the Project in order to qualify as an “Eligible District” under the Act and the Regulations of the Commission; consisting of a “Cash Contribution” in the amount of \$-0- and an annual amount equal to the difference between the interest and principal requirements of the Bonds and the Agreed Participation as the “Board's Debt Service.”

“Bond Fund” or “Sinking Fund” means the separate and special debt service fund established with the Paying Agent under the Bond Resolution for the purpose of paying the principal of and interest on the Bonds.

“Bond Registrar” or “Paying Agent” means U.S. Bank Trust Company National Association, Louisville, Kentucky, so designated under the Bond Resolution.

“Bond Resolution” means the Resolution passed and adopted by the Board on July 25, 2024 authorizing the Bonds.

“Bonds” means \$[Final Par] aggregate principal amount of “Covington Independent School District General Obligation Bonds, Series 2024A,” dated September 11, 2024, authorized pursuant to the Bond Resolution of the Board and this Agreement.

“Commonwealth” or “State” means the Commonwealth of Kentucky.

“Commission” means the School Facilities Construction Commission of the Commonwealth established pursuant to the Act.

“Construction” means and includes among other things (a) preliminary planning to determine the feasibility of the Project: the engineering, architectural, legal, physical, and economic investigations and studies necessary thereto and surveys, designs, plans, working drawings, specifications, procedures and other actions necessary for the construction of the Project; (b) the erection, building, acquisition, alteration, remodeling, improvement or extension of the Project; (c) the inspection and supervision of the construction of the Project, and all costs incidental to the construction and financing of same; and such terms shall also relate to and mean any other physical devices or appurtenances in connection therewith, or reasonably attendant thereto; and (d) any and all other acts performed in connection with the planning, implementation, acquisition, financing or construction of the Project.

“Construction Contract” means the contract or contracts relating to the construction of the Project entered by the Corporation and the Board in accordance with the provisions of the Kentucky Model Procurement Code as set forth in KRS 45A.005 through 45A.990.

“Construction Fund” means the “Covington Independent School District General Obligation Bonds, Series 2024A – Construction Fund” established under the Bond Resolution.

“Department” means the State Department of Education, acting on behalf of the State Board of Education.

“Disclosure Certificate” means the Continuing Disclosure Certificate dated as of September 11, 2024 of the District.

“General Obligation Act” means Sections 66.011 to 66.191, inclusive, of the Kentucky Revised Statutes and Section 160.160 of the Kentucky Revised Statutes, as amended from time to time.

“KRS” means the Kentucky Revised Statutes, as amended.

“Offer of Assistance” means the offer, including any amendments, if any, submitted to the Board by the Commission in accordance with the Act and its Regulations, indicating the required amount of Available Local Revenue, as certified by the Department; the priority order

of facilities to be built, as certified; the Commission’s Rate of Participation; and such other terms and conditions as required by the Regulations of the Commission.

“Percentage Discount” as defined under the Act or “Rate of Participation” as defined under the Regulations of the Commission means the total annual amount to which the Commission has determined the Board is entitled under the Act and Regulations to be applied to the Board’s “Unmet Need” as defined in the Act.

“Project” means the acquisition, construction, renovation, installation and equipping of capital improvements to Holmes Middle and High School and the District’s other facilities.

“Refunding Bonds” means a subsequent issue of General Obligation Refunding Bonds or School Building Refunding Revenue Bonds issued on behalf of the Board to refund or defease all or a portion of the Bonds in accordance with Article IX and Exhibit B.

“Regulations” means the Regulations of the Commission designated as 750 KAR 1:010, Commission Procedures.

“Schedule of Principal and Interest Requirements” means the schedule attached to this Agreement as Exhibit A, setting forth the total principal and interest requirements for the Bonds and indicating the Commission’s Agreed Participation and that part of the Board’s Contribution allocated to the Bonds, respectively.

“School Bond Act” means Sections 162.120 through 162.300 and 162.385 of the Kentucky Revised Statutes as repealed, amended, and reenacted.

ARTICLE II BOARD’S PARTICIPATION IN FINANCING PROJECT

Section 2.01. Acceptance of Commission’s Participation by the Board. The Board has by Resolution accepted the Commission’s Offer of Assistance, as amended, in financing the construction of the Project and has by Resolution authorized the execution of this Agreement. By the execution of this Agreement, the Board certifies to the Commission that the Bond Resolution authorizing the Board’s participation has been duly adopted in accordance with law.

Section 2.02. Board’s Contribution Established. By the acceptance of the Authority’s Offer of Assistance, as amended, and the execution of this Agreement, the Board hereby agrees to pay the amount, indicated in Article I as the Board’s Contribution to the Project. The Cash Contribution shall be deposited to the Construction Fund and shall be utilized in the Construction of the Project; provided, however, that if the Board has expended all or part of its Cash Contribution before the deposit of the proceeds of the Bonds in the Construction Fund, the Board shall receive a credit against its Cash Contribution to the extent the expenditures constituting the advance payments are documented, accepted, and approved by the Commission. Notwithstanding anything contained herein or contained in the Regulations to the contrary, for the purposes of this Agreement the deposit to the Construction Fund of the Board’s Cash

Contribution shall constitute an “expenditure” within the meaning of the Regulations regardless of whether or not such funds have been actually applied to Construction.

ARTICLE III BOARD’S CONSTRUCTION OF PROJECT

Section 3.01. Commission as Conduit of Board’s Funds; Board to Construct Project. The Commission and the Board agree and acknowledge that in accordance with the Act the Commission is a conduit to provide financial assistance to the Board under the Act. Therefore, in accordance with the Act and the Constitution of the Commonwealth, the Project shall constitute a public project of the Board and the District, and shall not be considered a Project of the Commission within the meaning of Kentucky law; the legal responsibility for the construction, operation, and maintenance of the Project being vested exclusively in the Board and the District. The Commission and the Board acknowledge and agree that the proceeds of the Bonds shall be considered as funds of the Board and the District, and the Board and the District shall be solely responsible for the acquisition, design, and construction of the Project and the maintenance of the Project.

Section 3.02. Construction Contracts. The Board agrees that prior to the public sale of the Bonds it proceeded to let contracts for the construction of the Project and will initiate the construction of the Project within a reasonable time following the delivery of the Bonds.

The plans and specifications for the Project shall conform to the requirements of and shall be subject to the approval of the Department.

Section 3.03. Board’s Obligations Conditioned upon Delivery of the Bonds. All of the obligations of the Board set forth in this Agreement are conditioned upon the successful sale and delivery of the Bonds identified herein by the District.

ARTICLE IV ISSUANCE OF BONDS

Section 4.01. Board’s Covenant to Issue Bonds. The Board covenants to proceed with the issuance of the Bonds in accordance with the General Obligation Act and Section 160.160 of the Kentucky Revised Statutes based upon the Commission’s commitment to its Agreed Participation in accordance with the Schedule of Principal and Interest Requirements set forth in Exhibit A to this Participation Agreement.

The Bonds for the financing of the Project shall be issued in the total principal amount indicated in Article I of this Participation Agreement, and shall be scheduled to mature as to principal annually in each of the years set forth in the Schedule of Principal and Interest Requirements and bear interest from their date payable semi-annually.

The Bonds shall constitute general obligations of the District and the full faith, credit, and taxing power of the District will be pledged to the prompt payment of all amounts due thereunder as set forth in the Bond Resolution. It is understood and agreed to between the parties that the Commission’s Agreed Participation as herein defined shall be assigned and pledged to the

District in accordance with the terms hereof and the Bond Resolution, and so long as this Agreement remains in effect, the full amount of the Commission's Agreed Participation shall be applied by the Paying Agent in order to meet principal and interest requirements of the Bonds.

Section 4.02. Establishment of Commission's Agreed Participation. Pursuant to the provisions of the Act and the Regulations and Resolutions of the Commission, the Commission has determined that the Board is eligible for assistance from the Commission in meeting the costs of financing the Project and the Commission has determined the degree of its participation or the Agreed Participation in financing the Project shall be as set forth in Article I of this Agreement; therefore, the Commission hereby agrees to participate in the financing of the Project through the semi-annual payment of its Agreed Participation.

Notwithstanding anything contained in this Agreement to the contrary, the obligation the Commission to pay on behalf of the Board the Agreed Participation established hereunder shall be limited to the biennial period of the Commonwealth and the Commission's obligation to participate to the extent of the contractual amount of the Agreed Participation fixed herein shall be limited to the period commencing September 11, 2024 and terminating on June 30, 2026; provided, however, if the Commission elects not to continue to pay its Agreed Participation herein established, it shall give written notice to the Board and the original purchaser of the Bonds at least sixty days prior to the expiration of the biennial budget period of the Commonwealth then in effect.

Nothing in this Agreement shall be construed as binding the Commission to participate in the financing of the Project through the payment of the Agreed Participation herein established for any but the first biennial budget period ending June 30, 2026; provided the obligation of the Commission to make payments of the Agreed Participation shall automatically renew itself each two years for a period of two years unless the Commission shall give notice of its intention not to participate and make payments on the Agreed Participation as herein set forth.

The Commission, by the execution of this Agreement, hereby expresses its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of the Bonds, but the execution of this Agreement does not obligate the Commission to do so.

The Commission's participation in financing the Project through the payments due on the Agreed Participation shall be effected through semi-annual remittances directly to the Paying Agent in immediately available funds in accordance with the Schedule of Principal and Interest Requirements on the dates the principal or interest requirements are due on the Bonds.

The Commission shall notify the Board in writing at the time each semi-annual payment on the Agreed Participation is made.

Section 4.03. Establishment of the Board's Contribution. The Board's Contribution in financing the Project has been determined to be as set forth in Article I of this Agreement; therefore, the Board agrees to participate in financing the Project through the payment of the Board's Contribution in the amount specified. To the extent of the Board's Debt Service, if any, the Board shall make semi-annual remittances directly to the Paying Agent in accordance with

the Schedule of Principal and Interest Requirements on the fifteenth day of the month preceding the dates the principal or interest requirements are due on the Bonds.

Section 4.04. Board's Covenant to Complete Project. Notwithstanding anything contained herein to the contrary, the Board covenants with the Commission that if the actual costs of Construction exceed estimates and the proceeds of the Bonds deposited in the Construction Fund, the Board covenants and agrees with the Commission that it will complete construction of the Project in accordance with the plans and specifications of its Architect to the satisfaction of the Commission and Department. The Board agrees and understands that the responsibility for providing additional monies to complete the Project if Construction Fund monies are not sufficient shall be the sole responsibility of the Board.

ARTICLE V DISBURSEMENT OF BOND PROCEEDS

Section 5.01. Accounts Established. In accordance with the terms of the Bond Resolution the proceeds received from the sale of the Bonds shall be disbursed in the following order and manner:

- A. The amount representing interest accrued on the Bonds from their date to the date same are delivered shall be deposited in the Bond Fund established under the Bond Resolution and applied to the interest becoming due on the Bonds on the next succeeding interest due date. The Board shall receive a credit against the rentals due under the Lease to the extent of said accrued interest; provided, however that the Commission shall likewise receive a credit against its Agreed Participation to the extent of its pro rata share of said accrued interest.
- B. The costs to the Board and the Commission incident to the issuance of the Bonds shall be deducted from the proceeds of the Bonds and paid in accordance with the orders of the Board and Corporation, subject to the approval of the Commission.
- C. The proceeds of the Bonds remaining after the required transfer to the Bond Fund and the payment of the costs of issuance shall be deposited in the Construction Fund and disbursed upon the approval of the Board in accordance with the provisions of this Agreement and the Bond Resolution.

Section 5.02. Disbursements from Construction Fund. The Construction Fund established under the Bond Resolution shall be maintained and disbursed in accordance with the Bond Resolution.

Subject to the provisions in regard to “retainage” hereinafter set forth, monies on deposit in the Construction Fund shall be expended by payments made to defray the costs of Construction. Such payments shall be made upon checks drawn by the Treasurer of the Board; provided, however, that no checks shall be written on the Construction Fund, until the Board has adopted a resolution approving particular disbursements from the Construction Fund.

Upon adoption of the resolution of the Board, the Treasurer of the Board shall be authorized to execute checks drawn upon the Construction Fund from time to time in the necessary amounts.

No Requisition for Funds shall be submitted which causes payments to any contractor to exceed 90% of the total amount of the contract in question up to \$1,000,000 and 95% of amounts in excess of \$1,000,000. When the work called for under the contract in question has been completed and such completion has been certified to the Commission by the Architect and approved by the Board and the duly authorized representative of the Department, the “retainage” on the contract in question may be reduced to 5% of the total amount of the contract by checks drawn upon the Construction Fund by the Treasurer of the Board.

The 5% retainage on each contract shall not be disbursed until the Commission has received the certification of the Department that construction is complete in accordance with the plans and specifications filed and contract documents based upon final inspection and the Commission has received a properly executed copy of the resolution adopted by the Board accepting and approving the completed Project. All interest earned on the “retainage” shall be carried to the credit of the Construction Fund.

The surplus, if any, remaining in the Construction Fund after the payment of all costs of Construction may be used for contingencies, additional construction costs or equipment related to the Project, or may be transferred to the Bond Fund. In the event of a transfer to the Bond Fund, the Board shall receive a credit in the amount of such transfer against the debt service then due under the Bond Resolution; provided, however, that the Commission shall likewise receive a credit against its Agreed Participation due for the period in which the transfer is made in an amount equal to the product of the amount of the transfer times the fraction represented by the Agreed Participation as the numerator and total annual debt service on the Bonds for the year in which the transfer is made as the denominator; provided that, if such earnings, in order that the Bonds will not become “arbitrage bonds” under the Internal Revenue Code of 1986, are required to be rebated to the United States Treasury, such earnings shall first be applied to such rebate.

Section 5.03. Investment of Funds. Monies in deposit in the Bond Fund and Construction Fund shall be invested in accordance with the provisions of the Bond Resolution.

ARTICLE VI

BOARD’S COVENANT TO OPERATE, MAINTAIN, AND INSURE PROJECT

In consideration of the contribution by the Commission of its Agreed Participation to the financing of the Project, the Board covenants and agrees that so long as any of the Bonds remain outstanding and unpaid, the Board will operate and maintain the Project in accordance with the requirements of Kentucky law and the Regulations of the Commission and the Department and continue to pay the debt service due under the Bond Resolution for application to the payment of the Bonds. In addition, the Board covenants and agrees to maintain and insure the Project in accordance with normal industry standards.

ARTICLE VII

MAINTENANCE AND INSURANCE

Section 7.01. Board's Obligation to Maintain and Insure. It is agreed and understood that so long as the Bonds remain outstanding the Board will continue at its own expense to maintain and keep the Project in a good state of repair in accordance with the requirements of Kentucky law and the Regulations of the Commission and the Department and will procure and pay the costs of insurance on all buildings against loss by fire, lightning, windstorm, or other hazard covered by standard fire insurance policy with standard endorsement of "extended coverage"; the amount of such insurance shall be at all times the full insurable value of the project or the amount of Bonds outstanding from time to time, whichever is greater. From and after the occupancy of the Project (or any part thereof) by the Board and so long as such occupancy continues the Board shall, on or about July 1 of each year, furnish the Commission (as well as the Department) a report showing the types and amount of insurance coverage procured and maintained with respect to the Project.

Section 7.02. Application of Insurance Proceeds. It is further agreed that in case any of the buildings constituting the Project are totally destroyed by the hazards covered by insurance, the Board shall have the right to spend such proceeds to restore the Project; that if such proceeds are not expended by the Board for restoration of the Project at the earliest practical date, then all of such insurance proceeds shall be used for the purpose of redeeming outstanding Bonds all subject to the terms and conditions of the Bond Resolution. In the event of partial destruction by the hazards covered by insurance, it is agreed by the parties hereto that the proceeds of such insurance shall be used solely and only for the purpose of making necessary replacements and repairs to the Project, provided, however, that if following such partial or complete destruction any principal or interest payment is due on the Bonds and there are not sufficient funds available for such payment, such insurance proceeds shall be applied to prevent a default in payments all subject to the terms of the Bond Resolution.

ARTICLE VIII GENERAL COVENANTS OF THE BOARD

Section 8.01. Department May Withhold Funds. The Board agrees that so long as the Bonds remain outstanding, pursuant to Section 157.627(5) of the Act, unless and until a court of competent jurisdiction rules to the contrary, unless the Commission has received from the Board, in the event of a failure by the Board to comply with the terms of the Bond Resolution or this Agreement and the payment of the Bonds, satisfactory evidence that sufficient funds have been transmitted to the Paying Agent, or will be so transmitted, for paying debt service requirements and administrative costs on the Bonds when due, the Commission shall have the right to notify and request that the Department withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated to the Board and to request the Department to transfer the required amount thereof to the Paying Agent for the account of the Board established to pay such debt service.

THE BOARD HEREBY DELEGATES TO THE COMMISSION THE AUTHORITY TO COLLECT DEBT SERVICE PAYMENTS ON BEHALF OF THE BOARD FROM THE DEPARTMENT UPON A FAILURE BY THE BOARD TO PAY ANY SUCH DEBT SERVICE IN A TIMELY MANNER. THE COMMISSION, BY THE EXECUTION OF THIS AGREEMENT, HEREBY ACCEPTS THE DELEGATION AND AGREES TO REQUEST

THE DEPARTMENT TO MAKE THE REQUIRED TRANSFERS FROM THE BOARD'S UNDISBURSED FUNDS UPON THE BOARD'S DELINQUENCY.

Section 8.02. Board to Require Periodic Accounting from Depositories. The Board covenants and agrees that not less than annually, or more frequently should the Commission request, to supply the Commission with a periodic accounting from all depositories of funds related to the Bonds on such forms as may be prepared or supplied by the Commission or as the Commission otherwise directs.

Section 8.03. Audit of Board. The Board covenants and agrees that so long as the Bonds remain outstanding, the Board will supply audits of the financial records of the Board relating to the Project prepared by certified public accountants which will be made available to the Commission not less than annually. The Commission shall supply the Board's accountants with summary identification and description of the Bonds with the request that the financial records of the Board relating thereto be audited as part of the annual audit of the Board and that a separate statement or report thereof be filed with the Commission.

ARTICLE IX
COMMISSION'S RIGHTS REGARDING REFINANCING

Section 9.01. Board's Covenant to Initiate Refinancing. In consideration of the Commission's participation, the Board agrees to initiate and complete in accordance with its rights under the General Obligation Act or the School Bond Act a refinancing, refunding, or defeasance of the Bonds upon the request of the Commission. Nothing herein contained shall prohibit the Board from initiating a refinancing based upon its own determination, but the terms shall be subject to the approval of the Commission, as well as the Department.

Section 9.02. Savings to Commission Unencumbered. In the event of a refinancing as contemplated by Section 9.01 hereof, any reduction in the Commission's pro rata share of the debt service on the Bonds and corresponding reduction in the Commission's Agreed Participation shall inure to the benefit of the Commission and may be utilized by the Commission in such a manner as it shall in its sole discretion determine, or as is directed by the General Assembly of the Commonwealth.

Section 9.03. Refinancing Subject to Code Provisions. Any refinancing plan shall be subject to the existing terms of the Internal Revenue Code of 1986, as amended, then in effect.

Section 9.04. Execution of Adjusted Agreed Participation Amendment. In the event of a refinancing as authorized in this Article IX, the Board shall execute an Adjusted Agreed Participation Amendment in substantially the same form as that attached hereto as Exhibit B, which shall include an Exhibit B-1 indicating the application of the Adjusted Agreed Participation to the principal and interest requirements of the Refunding Bonds. Upon the approval of the Adjusted Agreed Participation Amendment by the Executive Director of the Commission the Amendment shall become a part of this Agreement as if included in the original terms hereof and the Adjusted Agreed Participation shall thereafter be applied to the principal and interest requirements of the Refunding Bonds as shown on said Exhibit B-1.

Section 9.05. Agreed Participation for Bonds not Refunded. In the event a portion of the Bonds is not refunded the original Agreed Participation or Amended Agreed Participation shall be applied to those Bonds not refinanced and the Adjusted Agreed Participation shall be applied to the Refunding Bonds only.

ARTICLE X
BOND RESOLUTION INCORPORATED

The parties hereto agree that all of the provisions of the Bond Resolution are incorporated in this Agreement as if copied in full herein.

ARTICLE XI
BOARD'S RESPONSIBILITY FOR EXPENSES INCIDENT TO BOND ISSUE

The Board covenants and agrees that all expenses incident to the authorization, issuance, and sale of the Bonds shall be solely the responsibility of the Board, including without limitation the fees and expenses of the Bond Registrar, Paying Agent, and Disclosure Agent.

ARTICLE XII
SEVERABILITY

If any section, paragraph, or clause of this Agreement shall be held invalid by any court of competent jurisdiction, the invalidity of the section, paragraph, or clause shall not affect any of the remaining provisions hereof.

[Signature page to follow]

SIGNATURE PAGE TO PARTICIPATION AGREEMENT

IN TESTIMONY WHEREOF, the Board has by Resolution duly adopted, caused this instrument to be executed in its name and on its behalf by its Chairperson and Secretary and the School Facilities Construction Commission has caused this instrument to be executed in its name and on its behalf by its Chairperson, and has caused its seal to be hereunto affixed, attested by its Executive Director, all as of the date first above written.

BOARD OF EDUCATION OF
COVINGTON INDEPENDENT SCHOOL
DISTRICT

By: _____
~~Chairperson~~Chair

Attest:

Secretary

KENTUCKY SCHOOL FACILITIES
CONSTRUCTION COMMISSION

By: _____
Chairman

(Seal of Commission)

Attest:

Executive Director

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF KENTON)

The undersigned, Notary Public in and for the State and County aforesaid, hereby certifies that on this day the foregoing instrument was acknowledged before me in said County by _____, ~~Chairperson~~Chair, and _____, Secretary of the Board of Education of Covington Independent School District, Fort Wright, Kentucky, to be their act and deed as Chairman and Secretary of the Board and the act and deed of the Board as authorized by a Resolution of the Board.

WITNESS my signature this _____.

My commission expires _____.

Notary Public, State at Large Kentucky

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF FRANKLIN)

The undersigned, Notary Public in and for the State and County aforesaid, hereby certifies that on this day the foregoing instrument was acknowledged before me in the County by _____, Chairman, and Chelsey Couch, Executive Director of the Kentucky School Facilities Construction Commission, to be their act and deed as Chairman and Executive Director of the Commission and the act and deed of the Commission.

WITNESS my signature this _____.

My commission expires _____.

Notary Public, State at Large Kentucky

EXHIBIT A
TO
PARTICIPATION AGREEMENT

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

(See attachment)

EXHIBIT B
TO
PARTICIPATION AGREEMENT

ADJUSTED AGREED PARTICIPATION AMENDMENT

THIS ADJUSTED AGREED PARTICIPATION AMENDMENT by and between the Board of Education (the “Board”) of Covington Independent Schools District (the ~~“Board District”~~) and the Kentucky School Facilities Construction Commission (the “Commission”) shall supplement and amend the original Participation Agreement to which it is appended effective as of the date of acceptance hereof by the Commission through the execution hereof by the Executive Director of the Commission.

In accordance with Article IX of the original Participation Agreement dated September 11, 2024, the Commission has determined that as a result of the issuance by the ~~Corporation on behalf of the Board District~~ of \$ _____ of ~~the Corporation’s~~ sits General Obligation/School Building Revenue Refunding Bonds, Series _____, dated _____ (the “Refunding Bonds”) the Agreed Participation or Amended Agreed Participation shall be applied as the Adjusted Agreed Participation to the principal and interest requirements of the General Obligation/Refunding Bonds as shown on Exhibit B-1 hereto.

IN WITNESS WHEREOF, the Board has executed this Adjusted Agreed Participation Amendment this _____.

BOARD OF EDUCATION OF
COVINGTON INDEPENDENT SCHOOL
DISTRICT

By: _____
~~Chairperson~~Chair

Attest:

Secretary

KENTUCKY SCHOOL FACILITIES
CONSTRUCTION COMMISSION

By: _____
Chairman