

NOTICE OF BOND SALE
\$10,000,000
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023
OF THE
CITY OF MADISON, MISSISSIPPI

NOTICE IS HEREBY GIVEN that the Mayor and Board of Aldermen of the City of Madison, Mississippi (the "Governing Body" of the "City") is offering for sale its Ten Million Dollars (\$10,000,000) General Obligation Public Improvement Bonds, Series 2023 (the "Bonds"). Sealed bids may be submitted by either of two (2) alternative procedures: (i) written bids; or (ii) electronic bids. Prospective bidders may select one of the two alternative bidding procedures in their sole discretion. Neither the City nor its Independent Registered Municipal Advisor, Stephens Inc. (the "Municipal Advisor"), assumes any responsibility or liability for a prospective bidding procedure. The City and its Municipal Advisor assume no responsibility or liability with respect to any irregularities associated with the submission of electronic bids. The Municipal Advisor will not be responsible for submitting any bids received after the deadline. For the purpose of determining compliance with any and all time deadlines set forth in this official Notice of Bond Sale, for all bidding procedures, the official time shall be the time maintained only by BIDCOMP®/PARITY® ("PARITY").

PROCEDURE NUMBER 1: SEALED, WRITTEN BIDS DELIVERED IN PERSON. Sealed, written bids, plainly marked "Bid for General Obligation Public Improvement Bonds, Series 2023, of the City of Madison, Mississippi," should be addressed to and filed with the City Clerk of the City at her office in the City Hall of the City located at 1004 Madison Avenue, Madison, MS 39110 on or prior to the hour of 1:00 o'clock p.m., central time, on December 5, 2023 (the "Date of Sale"). All sealed, written bids delivered in person must be submitted on the "Official Bid Form" without alteration or interlineations. A copy of the Official Bid Form may be obtained from the City's Municipal Advisor by emailing Max.Neely@stephens.com or by calling (601) 605-5665.

PROCEDURE NUMBER 2: ELECTRONIC BIDDING PROCEDURES. Solely as an accommodation to bidders, electronic bids via PARITY (iPreo's Parity Electronic Bids Submission System) (the "Electronic Bidding System") will be accepted in accordance with this official Notice of Sale. The City is using PARITY as a communication mechanism to conduct the sealed electronic bidding for the sale of the Bonds. No other form of electronic bid or provider of electronic bidding services will be accepted. To the extent any instructions or directions set forth in PARITY conflict with this official Notice of Sale, the terms of this official Notice of Sale shall control.

Each bidder submitting an electronic bid agrees that: (i) it is solely responsible for all arrangements with PARITY; (ii) that PARITY is not acting as the agent of the City or Stephens Inc.; and (iii) that neither the City nor its Municipal Advisor is responsible for ensuring or verifying bidder compliance with any of the procedures of PARITY. Neither the City nor its Municipal Advisor assumes any responsibility for, and each bidder expressly assumes the risks of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access the Electronic Bidding System for purposes of submitting its bid in a timely manner and in compliance with the requirements of this official Notice of Sale. Neither the City, its Municipal Advisor nor the Electronic Bidding System shall have any duty or obligation to provide or assure such access to any bidder, and neither the City, its Municipal Advisor nor PARITY shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY. For further information about PARITY, potential bidders may

contact PARITY at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021 or by email (parity@ipreo.com).

In the event of a malfunction of the Electronic Bidding System on the Date of Sale, electronic mail ("e-mail") transmission bids will be accepted by the Municipal Advisor, on behalf of the City, up to 1:00 p.m., central time, for the Series 2023 Bonds in order to be considered. Any Bidder choosing to submit a bid in the case of such malfunction by e-mail transmission shall submit such bid on the Official Bid Form using the following e-mail address for such transmission: Max.Neely@stephens.com. E-mail transmissions received after such deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received prior to 1:00 p.m., central time on the Date of Sale, and that the bid is sent to the e-mail address set forth above. Illegible transmissions will not be accepted. The Municipal Advisor will verify receipt of each bid submitted through e-mail transmission by contacting each bidder by telephone once the bid has been received. The Municipal Advisor will in no instance correct, alter or in any way change bids submitted through e-mail transmission. Neither the City nor its Municipal Advisor will be responsible for bids submitted by e-mail transmission not received in accordance with the provisions of this Official Notice of Sale. Bidders submitting bids via e-mail transmission will bear full and complete responsibility for the transmission of such bid.

Each bid must be unconditional.

THE BONDS: The Bonds will be registered as to both principal and interest; will be dated and bear interest from the date of delivery thereof, which is expected to be on or about December 20, 2023; will be delivered in definitive form as registered bonds; will be issued in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity; will be numbered from one (1) upward in the order of issuance; will be payable as to principal at a bank or trust company to be named by the Governing Body in the manner hereinafter provided; and will bear interest from the date thereof, payable on May 1, 2024, and semiannually thereafter on November 1 and May 1 of each year, at the rate or rates offered by the successful bidder in its bid in accordance with this Notice of Bond Sale.

MATURITIES: The Bonds will mature serially, with option of prior payment, on November 1 in each of the years and amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2024	\$ 300,000
2025	315,000
2026	330,000
2027	345,000
2028	365,000
2029	385,000
2030	400,000
2031	425,000
2032	445,000
2033	470,000
2034	490,000
2035	515,000
2036	545,000
2037	570,000

2038	600,000
2039	630,000
2040	665,000
2041	700,000
2042	735,000
2043	770,000

REDEMPTION: Bonds maturing after November 1, 2033, are subject to redemption prior to their respective maturities at the election of the City on and after November 1, 2033, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the City, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the City kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds, in integral multiples of Five Thousand Dollars (\$5,000), and for all purposes of the Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

AUTHORITY AND SECURITY: The Bonds will be issued pursuant to the provisions of Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended (the "Act"), and will be general obligations of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City. To the extent other moneys are not available, the City will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the City, which tax, together with any other moneys available for such purpose, will be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

PURPOSE: The Bonds are being issued to provide funds for the purpose of erecting municipal buildings, armories, auditoriums, community centers, gymnasiums and athletic stadiums, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same, and for erecting, equipping and furnishing of buildings to be used as a municipal or civic arts center; erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; purchasing or constructing, repairing, improving and equipping buildings for public libraries and for purchasing land, equipment and books therefor, whether the title to same be vested in the municipality issuing such bonds or in some subdivision of the state government other than the municipality, or jointly in such municipality and other such subdivision; establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect

or guide the current thereof; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment which have an expected useful life in excess of ten (10) years; provided that any such machinery and equipment shall not include any motor vehicle weighing less than twelve thousand (12,000) pounds (collectively, the "Authorized Purpose").

INTEREST RATE AND BID RESTRICTIONS: The Bonds will not bear a greater overall maximum interest rate to maturity than eleven percent (11%) per annum, nor will the interest rate for any one maturity exceed eleven percent (11%) per annum. No Bond will bear more than one (1) rate of interest; each Bond will bear interest from its date to its stated maturity date at the interest rate specified in the bid; all Bonds of the same maturity will bear the same rate of interest from date to maturity; and the lowest interest rate specified will not be less than seventy percent (70%) of the highest interest rate specified. Each interest rate specified in any bid must be a multiple of one-eighth of one percent ($\frac{1}{8}$ of 1%) or one-tenth of one percent ($\frac{1}{10}$ of 1%) and a zero percent (0%) rate of interest cannot be named.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a wire transfer, cashier's check, certified check, or exchange, payable to the Mayor and Board of Aldermen of the City of Madison, Mississippi, in the amount of Two Hundred Thousand Dollars (\$200,000) as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. All deposits of unsuccessful bidders will be returned immediately on award of the Bonds. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith deposit will be retained by the City as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit. Wire transfers shall be sent to Origin Bank, Ruston, LA, ABA number 111102758, Account Number 2215047, for the account of the City of Madison – Bond Issues.

DTC BOOK-ENTRY-ONLY: The Bonds are being initially offered as registered in the name of Cede & Co., as Registered Owner and nominee for The Depository Trust Company, New York, New York ("DTC") under DTC's Book-Entry-Only system of registration. Purchasers of interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry-only. As long as Cede & Co. is the Registered Owner of the Bonds as nominee of DTC, payments of principal and interest will be made directly to such Registered Owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

AWARD OF BONDS: The award, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Bonds at the lowest true interest cost to the City. The lowest true interest cost on the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of such Bonds) produces a yield equal to the purchase price of the Bonds. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal. All bids will remain firm for seven (7) hours after the time specified for the opening of bids, and an award of the Bonds, or rejection of bids, will be made by the Governing Body within said period of time.

RIGHT OF REJECTION, CANCELLATION: The Governing Body reserves the right to reject any or all bids submitted, as well as to waive any irregularity or informality in any bid. The successful bidder will have the right, at its option, to cancel its agreement to purchase the Bonds if the Bonds are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the Governing Body will

return to said bidder its good faith deposit. The Governing Body will have the right, at its option, to cancel its agreement to sell the Bonds if within five (5) days after the tender of the Bonds for delivery the successful bidder will not have accepted delivery of and paid for the Bonds, and in such event the Governing Body will retain the successful bidder's good faith deposit as liquidated damages as hereinabove provided.

PAYING AGENT, TRANSFER AGENT, AND REGISTRAR: The successful bidder may designate a bank or trust company located within the State of Mississippi to serve as paying agent (the "Paying Agent") for the Bonds within forty-eight (48) hours of the date of sale of the Bonds, subject to the approval of the Governing Body. The Governing Body's approval of the Paying Agent shall be contingent on a determination as to the willingness and ability of the Paying Agent to perform the duties of registrar and transfer agent and on the satisfactory negotiation of service fees. The Paying Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Bonds are issued. Both principal of and interest on the Bonds will be payable by check or draft mailed to Registered Owners of the Bonds as of the fifteenth (15th) day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the City maintained by the Paying Agent. The Bonds will be transferable only upon the books of the Paying Agent, and payment of principal at maturity shall be conditioned on the proper presentation and surrender of the Bonds to the Paying Agent.

DELIVERY: The successful bidder must designate within thirty (30) days of the date of sale, or at such other later date as may be designated by the Governing Body, the names and addresses of the Registered Owners of the Bonds and the denominations in which the Bonds of each maturity are to be issued. If the successful bidder fails to submit such information within the required time, one Bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder. The Bonds will be delivered through the facilities of DTC and without cost to the purchaser, and payment therefor will be made in immediately available funds.

CUSIP NUMBERS: The City's municipal advisor will request that the CUSIP Service Bureau assign CUSIP identification numbers to the Bonds, which numbers will be printed on the Bonds. The successful bidder will be responsible for the costs of assigning CUSIP numbers to the Bonds. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with this Notice of Sale.

SECTION 265(b)(3) DESIGNATION: The City will NOT designate the Bonds as qualified tax-exempt obligations within the meaning and for the purposes of Section 265(b)(3) of the Code

LEGAL OPINION; CLOSING DOCUMENTS: The Bonds are offered subject to the unqualified approval of the legality thereof by Jones Walker L.L.P., Jackson, Mississippi, Bond Counsel. In the opinion of Jones Walker L.L.P., Jackson, Mississippi, interest on the Bonds is exempt from federal and Mississippi income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as will be described in the Official Statement for the Bonds. A copy of the opinion of Bond Counsel, together with the usual closing papers, including a no-litigation certificate dated the date of delivery of the Bonds, evidencing that no litigation is pending in any way affecting the legality of the Bonds or the taxes to be levied for the payment of the principal thereof and interest thereon, and a transcript of the proceedings relating to the Bonds will be delivered to the successful bidder without charge. The City will pay for all

legal fees and will pay for the printing and validation of the Bonds. The City will not be responsible for the payment of the successful bidder's legal or administrative fees with respect to the Bonds.

INFORMATION FROM PURCHASER: The purchaser must certify to the City the initial offering price to the public (excluding bond houses, brokers and other intermediaries) of each maturity of the Bonds at which a substantial amount of Bonds of that maturity were sold, to enable the City to compute the yield on the Bonds for federal arbitrage law purposes.

FURTHER INFORMATION: The City has prepared a Preliminary Official Statement which it deems, for purposes of S.E.C. Rule 15(c)2-12, to be final and complete as of this date except for the omission of the offering prices, interest rates, and any other terms of the Bonds depending on such matters, and the identity of the underwriters, subject to revision, amendment and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Upon the award of the Bonds, the City will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15(c)2-12(b)(5), the City will undertake, pursuant to the Bond Resolution and a Continuing Disclosure Certificate, to deliver or cause to be delivered (i) annually, within twelve months after the end of each fiscal year of the City ending on or after September 30, 2023, to the Municipal Securities Rulemaking Board updated quantitative financial information and operating data with respect to the City as set forth in the Continuing Disclosure Certificate, the form of which is included in the Official Statement, and (ii) notice of certain events, if any, relating to the Bonds and the City, as set forth in Rule, and as set forth in the Continuing Disclosure Certificate. Anyone requesting information under the continuing disclosure requirements of the Rule should contact the City Clerk, City Hall, 1004 Madison Avenue, Madison, MS 39110 (601) 856-7116. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Failure of the City to deliver the Continuing Disclosure Certificate at the time of issuance and delivery of the Bonds will relieve the successful bidder from its obligation to purchase the Bonds.

MUNICIPAL BOND INSURANCE: Pursuant to the Bond Resolution, the Governing Body has authorized prospective bidders, at the their sole expense, to obtain municipal bond insurance to guarantee the payments of the principal of and interest on the Bonds.

ISSUE PRICE: The successful bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at the closing for the Bonds 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, in a form reasonably required by the City and Bond Counsel.

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

- (a) the City shall disseminate this Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (b) all bidders shall have an equal opportunity to bid;

(c) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(d) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Bond Sale.

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

In the event that the competitive sale requirements are not satisfied, the City shall so advise the successful bidder. The City shall treat the first price at which ten percent (10%) of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City will not require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing of the Bonds has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

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 report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the successful 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 report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Bond Sale. Further, for purposes of this Notice of Bond Sale:

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

(b) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 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),

(c) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(d) “sale date” means the date that the Bonds are awarded by the City to the successful bidder.

The successful bidder will be given at least seven (7) business days advanced notice of the proposed date of delivery of the Bonds when that date has been tentatively determined. It is expected that the Bonds will be delivered in New York, New York and payment therefor shall be made in federal or other immediately available funds.

The successful bidder shall have the right, at its option, to cancel its agreement to purchase the Bonds if the Bonds to be delivered by the City in accordance with the preceding paragraph are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the City shall return to said bidder its good faith deposit without interest. The City shall have the right, at its option, to cancel its agreement to sell the Bonds if within five (5) days after the tender of the Bonds for delivery the successful bidder shall not have accepted delivery of and paid for the Bonds, and in such event the City shall retain the successful bidder’s good faith deposit as liquidated damages.

By order of the Mayor and Board of Aldermen of the City of Madison, Mississippi, on November 7, 2023.

/s/ Susan Crandall
City Clerk

Publication Requirements:

November 9, 2023 and December 16, 2023