

\$2,500,000*

CITY OF NEW ROCHELLE, WESTCHESTER COUNTY, NEW YORK

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2018

NOTICE OF BOND SALE

Sale Date: September 25, 2018, 11:00 a.m.
Place of Sale: Office of Capital Markets Advisors, LLC
11 Grace Avenue, Suite 308
Great Neck, New York 11021
(516) 570-0340
Date of Bonds: October 4, 2018
Maturity of Bonds: October 1, 2019-2031, inclusive, as shown below

Proposals will be received and considered by the undersigned Commissioner of Finance of the City of New Rochelle, Westchester County, New York (the "City"), at the office of Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, via I-Preo's Parity Electronic Bid Submission System ("Parity") or by facsimile transmission to (516) 487-2575 (see "Submission of Bids" herein) until 11:00 A.M., Prevailing Time, on September 25, 2018, at which time and place the bids will be considered, for the purchase at not less than par and accrued interest of:

\$2,500,000* Public Improvement Serial Bonds, 2018, of said City, dated October 4, 2018 (the "Bonds"), and maturing on October 1 in the years and amounts set forth below:

| <u>Year</u> | <u>Principal Amount</u> | <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|-------------|-------------------------|
| 2019 | \$170,000 | 2026 | \$195,000 |
| 2020 | 170,000 | 2027 | 200,000 |
| 2021 | 175,000 | 2028 | 205,000 |
| 2022 | 180,000 | 2029 | 210,000 |
| 2023 | 180,000 | 2030 | 215,000 |
| 2024 | 185,000 | 2031 | 225,000 |
| 2025 | 190,000 | | |

with interest payable semi-annually on April 1 and October 1 of each year until maturity, commencing October 1, 2019.

Submission of Bids

Bidders may only bid to purchase all of the Bonds. No bid for less than 100% of par shall be considered. Bidders must state the rate or rates of interest per annum (computed on the basis of a 360-day year and twelve 30-day months) which the Bonds are to bear in multiples of one-hundredth or one-eighth of one per cent. All Bonds maturing on the same date must bear interest at the same rate. The City reserves the right to reject any and all bids (regardless of the interest rate bid), to reject any bid not complying with this official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid or the bidding process.

* Preliminary, subject to change.

Bids may be submitted electronically via Parity or via facsimile transmission in accordance with this Notice of Sale, until the time specified herein. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Once the bids are communicated via facsimile or electronically via Parity to the City, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms therein provided. Sealed bids, however, may be amended by a subsequent, but still timely, delivery of an amended sealed bid.

Registration to Bid Electronically

Prospective bidders wishing to submit electronic bids must be contracted customers of Parity. If you do not have a contract with Parity, you may call (212) 849-5021 to become a customer. By submitting an electronic bid for the Bonds, a bidder represents and warrants to the City that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

If any provisions of this Notice of Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about Parity, including any fee charged, may be obtained from Parity at (212) 849-5021.

The time maintained by Parity shall constitute the official time with respect to all bids submitted through Parity.

Disclaimer for Electronic Bidding

Each prospective bidder who wishes to submit electronic bids shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the City nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the City nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The City is using Parity as a communications mechanism, and not as the City's agent, to conduct the electronic bidding for the City's Bonds. The City is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the City is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Bonds, it should contact Parity and may notify the City's Municipal Advisor, Capital Markets Advisors, LLC, at (516) 570-0340. The City, however, shall not be responsible for any act or omission of Parity or for any failure of any prospective bidder to successfully submit a qualifying bid.

Terms

The Bonds will be initially issued in fully registered form in denominations such that one Bond shall be issued for each maturity of Bonds in such amounts as set forth above, and when issued will be registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Ownership interest in the Bonds will be transferred pursuant to the "Book-Entry-Only System" of DTC, as described in the Official Statement prepared by the City with respect to the Bonds (the "Official Statement"). Principal of and interest on the Bonds will be payable by check or draft mailed by the Commissioner of Finance to DTC. The City Clerk will be the fiscal and paying agent for the Bonds while the Bonds are in registered form. Principal of and interest on the Bonds will be payable in lawful money of the United States of America. Bonds will be fully registered and will be valid and legally binding general obligations of said City, all the

taxable real property within which will be subject to the levy of ad valorem taxes to pay said Bonds and interest thereon, without limitation as to rate or amount, subject to applicable statutory limitations. The Bonds may not be converted into coupon Bonds or be registered to bearer.

The Bonds maturing on or before October 1, 2026 will not be subject to redemption prior to maturity. The Bonds maturing on October 1, 2027, and thereafter, will be subject to redemption prior to maturity, at the option of the City, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any date on or after October 1, 2026 at par plus accrued interest to the redemption date.

If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot, in any customary manner of selection, as determined by the Commissioner of Finance. Notice of such call for redemption shall be given by mailing such notice to the registered holder, not more than sixty (60) days nor less than thirty (30) days, prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest, to such redemption date. Interest shall cease to be paid thereon after such redemption date.

The Bonds are issued for the various purposes of the City described in the Official Statement of the City, relating to the Bonds, which is incorporated herein by reference.

Each bid must be for all of said \$2,500,000* serial bonds and may state different rates of interest for Bonds maturing in different calendar years; provided, however, that (i) only one rate of interest may be bid for Bonds of the same maturity, and (ii) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one per centum per annum. Unless all bids are rejected, the award will be made to the bidder complying with the terms of sale and offering to purchase said Bonds at such rate or rates of interest as will produce the lowest true interest cost computed in accordance with the true interest cost method of calculation, that being the rate which compounded semi-annually, is necessary to discount all principal and interest payments on the Bonds to the purchase price (including any accrued interest) bid for the Bonds. The true interest cost computation should be made as of the date of the delivery of the Bonds. If two or more such bidders offer to purchase the Bonds at the same true interest cost, computed as described above, the Bonds will be awarded to the bidder whose bid offers to purchase the Bonds at the highest premium dollar amount; provided, however, that the City reserves the right, in its sole discretion, after selecting the lowest bidder, to adjust the aforesaid maturity installments to the extent necessary to meet the requirements of substantially level or declining debt service. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Sale will be rejected.

THE CITY RESERVES THE RIGHT TO CHANGE THE TIME AND/OR DATE FOR THE OPENING OF BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN ONE HOUR PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF BIDS BY MEANS OF A SUPPLEMENTAL NOTICE OF SALE TO BE TRANSMITTED OVER TM3.

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

In the event that prior to the delivery of the Bonds, the income received by owners thereof from Bonds of the same type and character becomes includable in the gross income of such owners for Federal income tax purposes, the successful bidder may, at such bidder's election, be relieved of such

bidder's obligations under the contract to purchase the Bonds, and in such case, the deposit accompanying the bid will be returned.

The purchase price of the Bonds, in accordance with the purchaser's bid, shall be paid IN FEDERAL FUNDS or other funds available for immediate credit on the day of delivery, in an amount equal to the par amount of such Bonds, plus the premium, if any, plus accrued interest from the date of such Bonds until said day of delivery. The closing on said Bonds will take place at the offices of Norton Rose Fulbright US LLP, 1301 Avenue of the Americas, 28th Floor, New York, New York, on or about October 4, 2018.

CUSIP identification numbers will be printed on said Bonds if the purchaser provides Bond Counsel with such numbers by telefax or any other mode of written communication (verbal advice will not be accepted) by 5:00 o'clock P.M. on the date of sale of the Bonds, but neither the failure to print such 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 said Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said Bonds shall be paid for by the issuer; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

The Bonds will be available for inspection by the purchaser at DTC not less than 24 hours prior to the time set for the delivery thereof. It shall be the responsibility of the purchaser to verify the CUSIP numbers at such time.

As a condition to the purchaser's obligation to accept delivery of and pay for the Bonds, the following documents, dated as of the date of the delivery of and payment for the Bonds, will be available to the purchaser, without cost: (i) a certificate of the Commissioner of Finance certifying that (a) as of the date of the Official Statement furnished by the City in relation to said Bonds (which Official Statement is deemed by the City to be final for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), except for the omission therefrom of those items allowable under the Rule), said Official Statement did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the City is not guaranteed as to accuracy, completeness or fairness, he/she has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to the Commissioner of Finance's knowledge, since the date of said Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the City and no material adverse changes in the general affairs of the City or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement; (ii) a Continuing Disclosure Undertaking Certificate of the City, executed by the Commissioner of Finance, substantially as described in the Official Statement; (iii) a Closing Certificate, constituting receipt for the Bond proceeds and a signature certificate, which will include a statement that no litigation is pending or, to the knowledge of the signers, threatened affecting the Bonds; (iv) a tax certificate executed on behalf of the City which includes, among other things, covenants, relating to compliance with the Internal Revenue Code of 1986 (the "Code"), with the owners of the Bonds that the City will, among other things, (A) take all actions on its part necessary to cause interest on the Bonds not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the Federal government, if any, with regard to both the Bonds and any obligations refunded with proceeds of the Bonds, and maintaining books and records in a specified manner, where appropriate, and (B) refrain from taking any action which would cause interest on the Bonds to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes; and (v) the unqualified legal opinion as to the

validity of the Bonds of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, substantially in the form attached to the Official Statement.

The successful bidder shall agree to comply with the requirements of Schedule A hereto relating to the establishment of the "issue price" of the Bonds as defined for purposes of Section 148 of the Code.

THE CITY WILL DESIGNATE THE BONDS "QUALIFIED TAX-EXEMPT OBLIGATIONS" PURSUANT TO SECTION 265(B)(3) OF THE CODE.

Any party executing and delivering a bid for the Bonds agrees, if its bid is accepted by the City, to provide to the City, in writing, within two business days after the date of such award, all information which said successful bidder determines is necessary for it to comply with the Rule, including all necessary pricing and sale information, information with respect to the purchase of municipal bond insurance, if any, and underwriter identification. Within five business days following receipt by the City thereof, the City will furnish to the successful bidder, in reasonable quantities as requested by the successful bidder, copies of said Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder to provide such information will prevent the City from furnishing such Official Statement as described above. The City shall not be responsible or liable in any manner for the successful bidder's determination of information necessary to comply with the Rule or the accuracy of any such information provided by the successful bidder or for failure to furnish such Official Statement as described above which results from a failure by the successful bidder to provide the aforementioned information within the time specified. Acceptance by the successful bidder of such final Official Statement shall be conclusive evidence of the satisfactory completion of the obligations of said City with respect to the preparation and delivery thereof.

A detailed Official Statement will be furnished to any interested bidder upon request.

COPIES OF THE OFFICIAL STATEMENT AND NOTICE OF SALE ARE AVAILABLE AT www.capmark.org.

Dated: September 13, 2018

Tracy Yogman
Commissioner of Finance

SCHEDULE A TO NOTICE OF BOND SALE

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City by closing an “issue price” certificate setting forth among other things the initial offering price of the Bonds to the public, together with the supporting pricing wires or equivalent communications. The form of such issue price certificate is available by contacting Bond Counsel or the City’s municipal advisor, Capital Markets Advisors, LLC. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City’s municipal advisor identified herein, and any notice or report to be provided to the City may be provided to the City’s municipal advisor.

(b) 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:

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

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

(c) If the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. In such event, unless the winning bidder is purchasing for its own account and not for resale, the City intends to treat the initial offering price to the public as of the sale date of each maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”). The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, if the competitive sale requirements were not satisfied, in which case the hold-the-offering-price rule shall apply to the Bonds. Bids will not be subject to cancellation by the winning bidder if the competitive sale requirements are not satisfied and the hold-the-offering-price rule applies. If the winning bidder is purchasing the Bonds for its own account and not for resale, then, whether or not the competitive sale requirements are met, the issue price certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

(d) By submitting a bid, the winning bidder shall, unless it is purchasing all of the Bonds for its own account and not for resale, (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule applies to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or

- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) The City acknowledges that, in making the representation set forth above, the winning bidder may 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) if 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) if 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.

(f) 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 (A) 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 winning 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 and (B) 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; (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 (A) 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 winning 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 and (B) 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; and (iii) either (A) it is purchasing all of the Bonds for its own account, without any present intention to sell, reoffer or otherwise dispose of the Bonds, or (B) it has an established industry reputation for underwriting new issuances of municipal bonds.

(g) 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 Sale. Further, for purposes of this section of the Notice of Sale:

- (1) "maturity" means 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,
- (2) "public" means any person other than an underwriter or a related party,
- (3) "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),

- (4) 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) more than 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), (ii) 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 (iii) 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
- (5) “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

PROPOSAL FOR BONDS

September 25, 2018

Ms Tracy Yogman, Commissioner of Finance
 City of New Rochelle
 c/o Capital Markets Advisors, LLC
 11 Grace Avenue, Suite 308
 Great Neck, NY 11021

Fax: 516-487-2575

Dear Ms. Yogman:

We offer to purchase all of the \$2,500,000** Public Improvement (Serial) Bonds, 2018 (the "Bonds") of the City of New Rochelle located in County of Westchester, State of New York, described in the annexed Notice of Sale, which is hereby made a part of this bid, and to pay therefor _____ Dollars (\$ _____) plus accrued interest at the rate borne by the Bonds from the date of the Bonds to the date of the payment of the purchase price, provided that the Bonds maturing in the several years set forth below, shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

| <u>Year</u> | <u>Principal Amount</u> | <u>Rate</u> | <u>Year</u> | <u>Principal Amount</u> | <u>Rate</u> |
|-------------|-------------------------|-------------|-------------|-------------------------|-------------|
| 2019 | \$170,000 | _____% | 2026 | \$195,000 | _____% |
| 2020 | 170,000 | _____% | 2027 | 200,000 | _____% |
| 2021 | 175,000 | _____% | 2028 | 205,000 | _____% |
| 2022 | 180,000 | _____% | 2029 | 210,000 | _____% |
| 2023 | 180,000 | _____% | 2030 | 215,000 | _____% |
| 2024 | 185,000 | _____% | 2031 | 225,000 | _____% |
| 2025 | 190,000 | _____% | | | |

Calculation of True Interest Cost

The following is our computation of the true interest cost, made as provided in the above Notice of Sale, but not constituting any part of our proposal for the purchase of the above-referenced Bonds.

Par Amount of Bonds \$ _____
 Premium. \$ _____
 Target Value for Calculation. . . . \$ _____
 True Interest Rate. _____%

Please check one of the following:

- We are purchasing the Bonds for our own account and have no present intention to sell, reoffer of otherwise dispose of the Bonds.
- or -
- We are purchasing the Bonds for the purpose of reoffering all of them to the public, as defined in Schedule A to the Notice of Bond Sale.

By: _____
 Firm: _____
 By: _____
 Telephone () _____ - _____
 Facsimile () _____ - _____
 Email: _____

 * Preliminary, subject to change.