

**\$4,945,000\***

**VILLAGE OF CROTON-ON-HUDSON  
WESTCHESTER COUNTY, NEW YORK**

**PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2019**

**NOTICE OF PRIVATE COMPETITIVE BOND SALE**

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Proposals will be received and considered by the undersigned Village Treasurer of the Village of Croton-on-Hudson, Westchester County, New York, via iPreo's Parity Electronic Bids Submission System ("Parity") or by facsimile transmission at (845) 227-6154, at the office of Capital Markets Advisors, LLC, 822 Route 82, Suite 310, Hopewell Junction, New York 12533, until 11:00 A.M., Prevailing Time, on the 28<sup>th</sup> day of February, 2019, at which time and place the bids will be opened, for the purchase at PRIVATE COMPETITIVE SALE IN FEDERAL FUNDS at not less than par and accrued interest of

\$4,945,000 Public Improvement Refunding (Serial) Bonds, 2019 of said Village, dated March 20, 2019, and maturing in annual principal installments, which together with interest thereon, will provide for substantially level or declining annual debt service on such bonds as defined and described in paragraph d of Section 21.00 of the New York Local Finance Law (also, subject to change as described herein) as follows: \$440,000 on March 1, 2020, \$410,000 on March 1, 2021, \$440,000 on March 1, 2022, \$465,000 on March 1, 2023, \$480,000 on March 1, 2024, \$505,000 on March 1, 2025, \$535,000 on March 1, 2026, \$560,000 on March 1, 2027, \$595,000 on March 1, 2028, \$255,000 on March 1, 2029, and \$260,000 on March 1, 2030, with interest thereon payable semi-annually on March 1 and September 1, commencing September 1, 2019.

The aggregate par amount of Bonds may be decreased in an amount not in excess of the premium offered by the successful bidder, and the amount of each annual maturity, as set forth herein, may be adjusted to the extent necessary, in order that the total proceeds, which include the total par amount of the Bonds plus all or a portion of the original issue premium, if any, received by the Village, to obtain the refunding objective of the bonds. The annual maturities of the bonds may also be adjusted for the purpose of attaining annual debt service that is substantially level or declining as provided in said Section 21.00(d) of the Local Finance Law. The bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yields as specified for that maturity by the successful bidder for the bonds. It is the intent of this provision to hold constant, on a per bond basis, the successful bidder's underwriting spread. However, award will be made to the bidder whose bid produces the lowest true interest cost, calculated as specified herein, solely on the basis of the bonds offered, without taking into account any adjustment in the amount of bonds pursuant to this paragraph. Such adjustments will be made within twenty-four (24) hours following the opening of the bids. The successful bidder may neither withdraw nor modify its bid as a result of any such post-bid

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\* Preliminary, subject to change as described herein.

adjustment. Any such adjustment shall be conclusive, and shall be binding upon the successful bidder.

The bonds will initially be issued in registered certificated form or at the option of the purchaser, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the bonds. If issued in book-entry- only form, 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 Village with respect to the bonds. Principal and interest on the bonds will be payable by check or draft mailed by the Village Clerk to DTC, or to its nominee, Cede & Co., as the registered owner of the bonds. If issued in registered certificated form, principal and interest will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Paying agent fees, if any, in such case are to be paid by the purchaser. Principal and interest 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 Village, all the taxable real property within which will be subject to the levy of ad valorem taxes to pay said bonds and interest thereon, subject to applicable statutory limitations. The bonds may not be converted into coupon bonds or be registered to bearer.

At the option of the purchaser, the bonds will be issued in (i) certificated registered form registered in the name of the successful bidder with (1) one certificated bond for each maturity, or (2) as a statutory installment bond (“SIB”) or (ii) registered book-entry-only form registered to Cede & Co. as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”).

The State Constitution requires the Village to pledge its faith and credit for the payment of the principal of the bonds and the interest thereon and to make annual appropriations for the amounts required for the payment of such interest and the redemption of such bonds. The State Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on the bonds and certain other obligations of the Village, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes; also that the fiscal officer of the Village may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Each bid must be for all of said \$4,495,000 bonds and state a single rate of interest or 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, (ii) the maximum difference between the highest and lowest rate of interest bid for the bonds may not exceed four per centum per annum, (iii) variations in rates of interest so bid may be in ascending order, and (iv) all rates of interest bid must be stated in a multiple of one-eighth or one hundredth of one per centum per annum.

Sealed proposals may be submitted electronically via iPreo’s Parity Electronic Bid Submission System (“Parity”) or via facsimile transmission at (845) 227-6154, in accordance with this Notice of Private Competitive Bond Sale, until the time specified herein. No other form of electronic bidding services nor telephone proposals will be accepted. No proposal will be accepted after the time for receiving proposals specified above. Bidders submitting proposals

via facsimile must use the “Proposal for Bonds” form attached hereto. Once the proposals are communicated electronically via Parity or via facsimile to the Village, each bid will constitute an irrevocable offer to purchase the bonds pursuant to the terms therein provided.

Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity. Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the bonds, a bidder represents and warrants to the Village 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.

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 Private Competitive Bond Sale. Neither the Village 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 Village 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 Village is using Parity as a communications mechanism, and not as the Village’s agent, to conduct the electronic bidding for the Village’s bonds. The Village is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Private Competitive Bond 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 Village 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 telephone Parity and notify the Village’s municipal advisor, Capital Markets Advisors, LLC at (845) 227-8678 (provided that the Village shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Notice of Private Competitive Bond Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, the provisions of this Notice of Private Competitive Bond 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.

Each bid must be addressed to the undersigned Village Treasurer, and should be marked “Proposal for Bonds”. A GOOD FAITH DEPOSIT WILL NOT BE REQUIRED. Said bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, Village Law and the Local Finance Law, for the refunding of certain outstanding bonds issued in 2009 and 2011 as more fully set forth in the Official Statement of the Village in relation to the bonds.

The preliminary aggregate principal amount of the bonds and the preliminary annual principal payment on the bonds, each as set forth in this Notice of Private Competitive Bond

Sale (the “Preliminary Aggregate Principal Amount” and the “Preliminary Principal Amount”, respectively; collectively, the “Preliminary Amounts”), may be revised before receipt of bids. Any such revision made prior to receipt of the bids (the “Revised Aggregate Principal Amount” and the “Revised Principal Amount”, respectively; collectively, the “Revised Amounts”) WILL BE PUBLISHED VIA THE TM3 NEWSWIRE NO LATER THAN 12:00 NOON (LOCAL TIME) ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a successful bidder. Unless all bids are rejected, the award will be made to the bidder complying with the terms of this private 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 of interest which compounded semiannually, is necessary to discount all principal and interest payments on the bonds to the purchase price (including accrued interest) bid for the bonds. The true interest cost computation shall be made as of the date of delivery of the bonds. The Village reserves the right, in its sole discretion, after selecting the low bidder, to adjust the final aggregate principal amount of the bonds and the aforesated maturity installments (the “Final Aggregate Principal Amount”, and the “Final Principal Amount”, respectively; collectively, the “Final Amounts”). In determining the Final Amounts, the Village reserves the right, in its sole discretion, but only to the extent necessary, to increase or decrease the Revised Amounts as necessary to effect the greatest economic advantage of the refunding, or to accommodate other refunding objectives of the Village, but will not increase or decrease the revised aggregate principal amount of the revised principal amounts, except with the express consent of the successful bidder, by more than 15%. The successful bidder may not withdraw its bid or change the interest rates bid or the initial reoffering prices or yields as a result of any changes made to the Revised Amounts within these parameters. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments made to the Revised Amounts. SUCH ADJUSTED DOLLAR BID AMOUNT WILL NOT CHANGE THE BIDDER’S COMPENSATION PER \$1,000.00 OF PAR AMOUNT OF BONDS (EXCLUDING ANY PRO RATA FEES FOR BOND INSURANCE) FROM THAT WHICH WOULD HAVE RESULTED FROM THE BID SUBMITTED. The interest rates specified by the successful bidder for each maturity will not change. Any such adjustment by the Village shall be conclusive and shall be binding upon the successful bidder. 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. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Private Competitive Bond Sale, except as provided above, will be rejected.

The winning bid will remain firm for a period of no less than five hours after the time specified for the opening of bids. An award of the bonds, if made, will be made by the Village within such five hour period, or, with the express consent of the winning bidder, such longer time period as deemed necessary. The Final Amounts will be communicated to the successful bidder no later than 4:00 p.m. (Local Time) on the date of sale.

THE VILLAGE RESERVES THE RIGHT TO CHANGE THE TIME AND/OR DATE FOR THE OPENING OF BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED IN SUCH MANNER AS SHALL BE DETERMINED BY THE VILLAGE.

If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the bonds resulting by reason of the same shall be paid by such bidder. Any failure of the bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the bonds to accept delivery of and pay for said bonds in accordance with 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 his election, be relieved of his obligations under the contract to purchase the bonds, and in such case, the deposit accompanying his 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 Orrick, Herrington & Sutcliffe LLP, 51 West 52nd Street, 15<sup>th</sup> Floor, New York, New York, on or about March 20, 2019.

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 3:00 o'clock P.M. on the date following 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 The Depository Trust Company, in Jersey City, New Jersey, 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 purchaser will be furnished, without cost, the following, dated as of the date of the delivery of and payment for the bonds: (i) a certificate of the Village Treasurer certifying that (a) as of the date of the Official Statement furnished by the Village in relation to said bonds (which Official Statement is deemed by the Village to be final for purposes of Securities and Exchange Commission Rule 15c2-12, except for the omission therefrom of those items allowable under said 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 Village is not guaranteed as to accuracy, completeness or fairness, she has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to her 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 Village and no material adverse changes in the general affairs of the Village or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement; (ii) 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; (iii) an arbitrage certificate executed on behalf of the Village 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 Village 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; (iv) a Continuing Disclosure Undertaking Certificate of the Village, executed by the Village Treasurer stating that the Village has agreed, in accordance with the Rule, to provide or cause to be provided during any succeeding fiscal year in which the bonds are outstanding certain annual financial information, operating data, audited financial statements, and material events notification as further described in the Official Statement; and (v) the approving legal opinion as to the validity of the bonds of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. Reference should be made to said Official Statement for a description of the scope of Bond Counsel's engagement in relation to the issuance of the bonds and the matters covered by such legal opinion. Furthermore, reference should be made to the information under the heading "Legal Matters" in the Official Statement.

The Village will designate the bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

Following the sale of the bonds, on the Sale Date, the successful bidder will be required to provide to the Village and its Bond Counsel certain information regarding the reoffering price to the public of each maturity of the bonds. The successful bidder also must submit to the Village a certificate (the "Reoffering Price Certificate"), satisfactory to Bond Counsel, dated as of the day of the delivery of the bonds, which assuming three bids are received from underwriters, states:

(a)(i) on the date of award, such successful bidder made a bona fide public offering of all bonds of all maturities at initial offering prices corresponding to the prices or yields indicated in the information furnished in connection with the successful bid, and (ii) as of such date, the first price or yield at which an amount equal to at least ten percent of each maturity of the bonds was reasonably expected to be sold to the public was, respectively, a price not higher or a yield not lower than

indicated in the information furnished with the successful bid (the “first price rule”), and (iii) provides a copy of the pricing wire or equivalent communication for the bonds attached to the Reoffering Price Certificate. The public means any persons including an individual, trust, estate, partnership, association, company or corporation (other than the successful bidder or a related party to the successful bidder, being two or more persons who have greater than 50% common ownership directly or indirectly, or any person that agrees pursuant to a written contract or other agreement with the successful bidder to participate in the initial sale of the bonds to the public).

(b) the successful bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) the bid submitted by the successful bidder constituted a firm offer to purchase the bonds.

In the event that at least three bids are not received by the Village on the Sale Date, and at least ten percent of each maturity of the bonds have been sold on the Sale Date, the successful bidder shall certify as to the first price or yield at which ten percent of each maturity was sold and provide a copy of the pricing wire or equivalent communication.

In addition, in the event that (1) at least three bids are not received by the Village on the Sale Date, and (2) ten percent of each maturity of the bonds have not been sold on the Sale Date (each an “Unsold Maturity”), the successful bidder (and any members of its underwriting group or syndicate) shall be required to hold the initial reoffering price to the public of each such Unsold Maturity (as reported to the Village on the Sale Date) for the lesser of five (5) business days after the Sale Date or the date on which at least 10% of each such Unsold Maturity are sold (the “Hold-the-Offering-Price Requirement”). A “Follow-The-Price Option” is not offered in connection with the sale of the bonds. A certification as to the details of compliance with this requirement shall be part of the Reoffering Price Certificate.

The Village or its Municipal Advisor on its behalf shall advise the successful bidder on the Sale Date as to whether at least three bids were received. Delivery of a bid shall constitute the bidder’s agreement to comply with the Hold-the-Offering-Price Requirement of this Notice of Private Competitive Bond Sale and to certify to compliance therewith under the circumstances described herein.

Such certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after appropriate investigation.

Any party executing and delivering a bid for the bonds agrees, if its bid is accepted by the Village, to provide to the Village, 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 SEC Rule 15c2-12, 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 Village thereof the Village 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 Village from furnishing such Official Statement as described above. The Village shall not be responsible or liable in any manner for the successful bidder's determination of information necessary to comply with SEC Rule 15c2-12 or the accuracy of any such information

provided by the successful bidder or for failure to furnish such Official Statements 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 Statements shall be conclusive evidence of the satisfactory completion of the obligations of said Village with respect to the preparation and delivery thereof.

The population of the Village is estimated to be 8,257. The Debt Statement to be filed, pursuant to Section 109.00 of the Local Finance Law in connection with the sale of the bonds herein described, prepared as of February 16, 2019, will show the full valuation of real estate subject to taxation by the Village to be \$1,151,660,457, its debt limit to be \$80,616,232, and its total net indebtedness subject to the debt limit to be \$21,115,601. The proceeds of such bonds will be used to retire outstanding bonds and will increase the net indebtedness of the Village by the par amount of the refunding bonds.

Additional copies of the Official Statement and Notice of Private Competitive Bond Sale may be obtained from Capital Markets Advisors, LLC, 822 Route 82, Suite 310, Hopewell Junction, New York 12533, telephone (845) 227-8678 and are also available at [www.capmark.org](http://www.capmark.org).

Dated: Croton-on-Hudson, New York,  
February 20, 2019.

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Village Treasurer

PROPOSAL FOR BONDS

February 28, 2019

Sandra Bullock
Treasurer
Village of Croton-on-Hudson
C/O Capital Markets Advisors, LLC
822 Route 82, Suite 310
Hopewell Junction, NY 12533

Tel: (845) 227-8678
Fax: (845) 227-6154

Subject to the provisions and in accordance with the terms of the annexed Notice of Private Competitive Bond Sale dated February 19, 2019, which is hereby made a part of this Proposal, we offer to purchase all of the \$4,945,000\* Public Improvement Refunding (Serial) Bonds, 2019 of the Village of Croton-on-Hudson, New York, described in said Notice of Private Competitive Bond Sale, and to pay therefore the price of \$4,945,000 plus a premium of \$ \_\_\_\_\_, plus interest, if any, accrued on said Bonds from their date to the date of their delivery, 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:

- Bonds maturing on March 1, in the year 2020, at \_\_\_\_\_% Bonds maturing on March 1, in the year 2026, at \_\_\_\_\_%
Bonds maturing on March 1, in the year 2021, at \_\_\_\_\_% Bonds maturing on March 1, in the year 2027, at \_\_\_\_\_%
Bonds maturing on March 1, in the year 2022, at \_\_\_\_\_% Bonds maturing on March 1, in the year 2028, at \_\_\_\_\_%
Bonds maturing on March 1, in the year 2023, at \_\_\_\_\_% Bonds maturing on March 1, in the year 2029, at \_\_\_\_\_%
Bonds maturing on March 1, in the year 2024, at \_\_\_\_\_% Bonds maturing on March 1, in the year 2030, at \_\_\_\_\_%
Bonds maturing on March 1, in the year 2025, at \_\_\_\_\_%

Form of Bond: DTC, SIB, or Registered Certificated
(circle one)

THERE IS NO GOOD FAITH DEPOSIT REQUIRED FOR THE BONDS.

The following is our computation of the true interest cost, made as provided in the above-mentioned Notice of Private Competitive Bond Sale, but not constituting any part of the foregoing Proposal for the purchase of \$4,945,000 Bonds under the foregoing Proposal:

Table with 2 columns: Description and Amount. Rows include Par Amount of the Bonds, Add: Premium, Accrued Interest, Target Value for Calculation, and True Interest Rate (four decimals).

Please check one of the following:

- We are purchasing all of the Bonds for our own account and not with a view to distribution or resale to the public.
In the event the competitive sale requirements are not met, we agree to comply with the hold-the-offering price rule described in the Notice of Sale.

By: \_\_\_\_\_

Firm: \_\_\_\_\_

Telephone ( ) \_\_\_\_\_ - \_\_\_\_\_

\*Preliminary, subject to change.