

\$20,000,000*
COUNTY OF DUTCHESS
NEW YORK
PUBLIC IMPROVEMENT (SERIAL) BONDS, 2019 SERIES B

NOTICE OF BOND SALE

Proposals will be received and considered by the undersigned Commissioner of Finance of the County of Dutchess, New York, via iPreo's Parity Electronic Bids Submission System ("Parity") or by facsimile transmission at (845) 227-6154, at the offices of Capital Markets Advisors, LLC, 822 Route 82, Suite 310, Hopewell Junction, New York 12533, until 11:00 A.M., Prevailing Time, on the 27th day of February, 2019, at which time and place bids will be opened, for the purchase IN FEDERAL FUNDS at not less than par and accrued interest of

\$20,000,000* Public Improvement (Serial) Bonds, 2019 Series B, of said County, dated March 13, 2019, and maturing in annual principal installments which, together with interest thereon, are expected to 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, as follows: \$90,000 on March 1, 2020, \$425,000 on March 1, 2021, \$440,000 on March 1, 2022, \$455,000 on March 1, 2023, \$475,000 on March 1, 2024, \$490,000 on March 1, 2025, \$510,000 on March 1, 2026, \$525,000 on March 1, 2027, \$545,000 on March 1, 2028, \$565,000 on March 1, 2029, \$585,000 on March 1, 2030, \$605,000 on March 1, 2031, \$625,000 on March 1, 2032, \$650,000 on March 1, 2033, \$670,000 on March 1, 2034, \$695,000 on March 1, 2035, \$720,000 on March 1, 2036, \$745,000 on March 1, 2037, \$770,000 on March 1, 2038, \$800,000 on March 1, 2039, \$830,000 on March 1, 2040, \$860,000 on March 1, 2041, \$890,000 on March 1, 2042, \$920,000 on March 1, 2043, \$955,000 on March 1, 2044, \$985,000 on March 1, 2045, \$1,020,000 on March 1, 2046, \$1,060,000 on March 1, 2047, and \$1,095,000 on March 1, 2048, with interest thereon payable on March 1, 2020 and semi-annually thereafter on September 1 and March 1.

*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 County, may be used for the capital project financed by 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 adjustment. Any such adjustment shall be conclusive, and shall be binding upon the successful bidder.

The bonds will initially be issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, and when issued 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. 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 County with respect to the bonds. Principal and interest on the bonds will be payable by check or draft mailed by the Commissioner of Finance to DTC, or to its nominee, Cede & Co., as the registered owner of the bonds. 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 County, 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.

Bonds maturing on or before March 1, 2027 are not subject to redemption prior to maturity. Bonds maturing on or after March 1, 2028, and thereafter, will be subject to redemption prior to maturity, at the option of the County, 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 March 1, 2027 at par plus accrued interest to the date of redemption.

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 the County 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 transmitting 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, and interest shall cease to be paid thereon after such redemption date.

The State Constitution requires the County 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 County, 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 County 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 \$20,000,000 serial bonds and may 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, and (iii) 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 the 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 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 County reserves the right, in its sole discretion, after selecting the low bidder, to adjust the aforesaid maturity installments to the extent necessary to meet the requirements of substantially level or declining annual debt service. The right is reserved to reject

any or all bids, and any bid not complying with this Notice of Bond Sale, except as provided above, will be rejected.

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

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

A good faith deposit (the "Deposit") in the form of a certified or cashier's check or a wire transfer in the amount of \$200,000 payable to the order of the County of Dutchess, New York is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire transfer is issued, it must be sent to the account so designated by the County for such purpose, not later than 10:00 A.M. on the date of the sale and the wire reference number must be provided on the

“Proposal For Bonds” when the bid is submitted. Bidders are instructed to contact Capital Markets Advisors, LLC, 822 Route 82, Suite 310, Hopewell Junction, New York 12533 (tel.: 845-227-8678), the County’s municipal advisor, no later than 24 hours prior to the bid opening to obtain the County’s wire instruction. No interest on the Deposit will accrue to the Purchaser.

Said bonds are issued pursuant to the Constitution and statutes of the State of New York, including, among others, the County Law and the Local Finance Law, and are issued for the construction of the new Justice-Transition -Enforcement Center, in and for said County.

THE COUNTY 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 BOND SALE TO BE TRANSMITTED OVER THE TM3.

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, unless otherwise paid, 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, less the amount of the good faith deposit submitted with the bid. The closing on said bonds will take place at the offices of Orrick, Herrington & Sutcliffe LLP, 51 West 52nd Street, 15th Floor, New York, New York, on or about March 13, 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 DTC’s facilities located 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 Commissioner of Finance certifying that (a) as of the date of the Official Statement furnished by the County in relation to said bonds (which Official

Statement is deemed by the County 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 County 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 County and no material adverse changes in the general affairs of the County 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 County 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 County 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, 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 County, executed by the Commissioner of Finance stating that the County 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 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.

Following the sale of the bonds, on the Sale Date, the successful bidder will be required to provide to the County 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 County 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 from underwriters are received, 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 County 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 County 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 have the option (i) to provide to the County (or its agents) ongoing pricing information, together with reasonable supporting documentation acceptable to bond counsel (such as the pricing wire), until 10% of each Unsold Maturity is sold (the "Follow-the-Price Requirement"), or (ii) shall be required to hold the initial reoffering price to the public of each such Unsold Maturity (as reported to the County 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 certification as to the details of compliance with this requirement shall be part of the Reoffering Price Certificate.

The County 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 or the Follow-the-Price Requirement of this Notice of 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 County, to provide to the County, 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 County thereof the County 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 County from furnishing such Official Statement as described above. The County 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 County with respect to the preparation and delivery thereof.

The population of the County is estimated to be 295,685. 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 2, 2019, will show the average full valuation of real estate subject to taxation by the County to be \$29,854,496,258, its debt limit to be \$2,089,814,738, and its total net indebtedness subject to the debt limit to be \$119,300,000. The issuance of the bonds will increase the net indebtedness subject to the debt limit by \$20,000,000. Bond anticipation notes have not been issued heretofore in anticipation of the sale of such bonds. A detailed Official Statement will be furnished to any interested bidder upon request.

The County will act as Paying Agent for the bonds. The County's contact information is as follows: Heidi Seelbach, Commissioner of Finance, County of Dutchess, 22 Market Street, Poughkeepsie, New York 12601-3294, Phone: (845) 486-2033, Telefax: (845) 486-2198, Email: hseelbach@dutchessny.gov.

Copies of the Official Statement and this Notice of Bond Sale are available at www.capmark.org.

Dated: Poughkeepsie, New York,
February 19, 2019.

Commissioner of Finance

PROPOSAL FOR BONDS

February 27, 2019

Ms. Heidi Seelbach
Commissioner of Finance
County of Dutchess
c/o Capital Markets Advisors, LLC
822 Route 82, Suite 310
Hopewell Junction, New York 12533

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

Subject to the provisions and in accordance with the terms of the annexed Notice of Bond Sale dated February 19, 2019, which is hereby made a part of this Proposal, we offer to purchase all of the \$20,000,000 Public Improvement (Serial) Bonds, 2019 Series B of the County of Dutchess, New York, described in said Notice of Bond Sale, and to pay therefore the price of \$20,000,000 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 2035, at _____ %
Bonds maturing on March 1, in the year 2021, at _____ % Bonds maturing on March 1, in the year 2036, at _____ %
Bonds maturing on March 1, in the year 2022, at _____ % Bonds maturing on March 1, in the year 2037, at _____ %
Bonds maturing on March 1, in the year 2023, at _____ % Bonds maturing on March 1, in the year 2038, at _____ %
Bonds maturing on March 1, in the year 2024, at _____ % Bonds maturing on March 1, in the year 2039, at _____ %
Bonds maturing on March 1, in the year 2025, at _____ % Bonds maturing on March 1, in the year 2040, at _____ %
Bonds maturing on March 1, in the year 2026, at _____ % Bonds maturing on March 1, in the year 2041, at _____ %
Bonds maturing on March 1, in the year 2027, at _____ % Bonds maturing on March 1, in the year 2042, at _____ %
Bonds maturing on March 1, in the year 2028, at _____ % Bonds maturing on March 1, in the year 2043, at _____ %
Bonds maturing on March 1, in the year 2029, at _____ % Bonds maturing on March 1, in the year 2044, at _____ %
Bonds maturing on March 1, in the year 2030, at _____ % Bonds maturing on March 1, in the year 2045, at _____ %
Bonds maturing on March 1, in the year 2031, at _____ % Bonds maturing on March 1, in the year 2046, at _____ %
Bonds maturing on March 1, in the year 2032, at _____ % Bonds maturing on March 1, in the year 2047, at _____ %
Bonds maturing on March 1, in the year 2033, at _____ % Bonds maturing on March 1, in the year 2048, at _____ %
Bonds maturing on March 1, in the year 2034, at _____ %

Check one of the following:

- [] We enclose herewith a certified or cashier's check in the sum of \$200,000 made payable to the order of the County of Dutchess, New York.
[] We sent a fed wire transfer of \$200,000 to the account of the County designated for such purpose in accordance with the Notice of Bond Sale and instructions provided by the County's Municipal Advisor. The fed wire confirmation number is _____ at _____. Please call Capital Markets Advisors, LLC (845) 227-8678 no later than 24 hours prior to the sale for wire instructions.

The Deposit is to be returned to the undersigned if the bid is not accepted. Otherwise it shall be applied as part payment for the Bonds, or retained by the County as and for liquidated damages in case we should not take up and pay for the Bonds in accordance with the terms of this Proposal.

The following is our computation of the true interest cost, made as provided in the above-mentioned Notice of Bond Sale, but not constituting any part of the foregoing Proposal for the purchase of \$20,000,000 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 () _____ - _____