

\$4,000,000*

CITY SCHOOL DISTRICT OF THE CITY OF KINGSTON

ULSTER COUNTY, NEW YORK

SCHOOL DISTRICT (SERIAL) BONDS, 2024

NOTICE OF PRIVATE COMPETITIVE BOND SALE

(BANK QUALIFIED) (CALLABLE)

Proposals will be received and considered by the undersigned President of the Board of Education of the City School District of the City of Kingston, Ulster County, New York, via iPreo's Parity Electronic Bids Submission System ("Parity") or by facsimile transmission at (716) 662-6684, at the offices of Capital Markets Advisors, LLC, 4211 N. Buffalo Road, Suite 19, Orchard Park, NY 14127, until **11:00 A.M.**, Prevailing Time, on the **9th day of April, 2024**, 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

\$4,000,000* School District (Serial) Bonds, 2024, of said School District, dated April 25, 2024, 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: \$185,000 on April 15, 2025, \$195,000 on April 15, 2026, \$205,000 on April 15, 2027, \$215,000 on April 15, 2028, \$225,000 on April 15, 2029, \$235,000 on April 15, 2030, \$250,000 on April 15, 2031, \$260,000 on April 15, 2032, \$275,000 on April 15, 2033, \$290,000 on April 15, 2034, \$300,000 on April 15, 2035, \$315,000 on April 15, 2036, \$335,000 on April 15, 2037, \$350,000 on April 15, 2038, and \$365,000 on April 15, 2039, with interest thereon payable on April 15, 2025 and semi-annually thereafter on October 15 and April 15.

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 School District, 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 herein set forth, and at the option of the purchaser, may be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York,

* Subject to Change.

New York, 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 The Depository Trust Company, as described in the Official Statement prepared by the School District with respect to the bonds. Principal and interest on the bonds will be payable by check or draft mailed by The Depository Trust Company, New York, New York, 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 School District, 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. The bonds may not be converted into coupon bonds or be registered to bearer.

The bonds maturing on or before April 15, 2032 are not subject to redemption prior to their stated maturity. The bonds maturing on or after April 15, 2033 will be subject to redemption prior at the option of the District on any date on or after April 15, 2032, in whole or in part, and if part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) at the redemption price of 100% of the par amount of the bonds to be redeemed, 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 School District by lot in any customary manner of selection as determined by the President of the Board of Education. Notice of such call for redemption shall be given by transmitting such notice to the registered holders 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 School District 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 School District, 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 School District may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

In the event of a default in the payment of the principal of and/or interest on the bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to said School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State of New York with the holders from time to time of the bonds.

Each bid must be for all of said \$4,000,000 serial 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 maturing in any one calendar year, (ii) variations in rates of interest so bid may be in any order of maturity, 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. 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 (716) 662-6684, 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 School District, 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 School District 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 School District 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 School District 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 School District is using Parity as a communications mechanism, and not as the School District's agent, to conduct the electronic bidding for the School District's bonds. The School District 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 School District 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 School District's municipal advisor, Capital Markets Advisors, LLC at (716) 662-3910 (provided that the School District 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.

Said bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, and are issued for upgrades and improvements to School District facilities.

THE SCHOOL DISTRICT 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 SCHOOL DISTRICT.

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 said delivery date, 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, New York, New York, on or about April 25, 2024.

The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers as is discussed in the Official Statement, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the "dealer who acquires" the issue, is responsible for the registration fee to the CUSIP Bureau for this service. It is anticipated that CUSIP identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the School District, provided, however; that the School District assumes no responsibility for any CUSIP Service Bureau charge or other charges that may be imposed for the assignment of such numbers.

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 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 President of the Board of Education certifying that (a) as of the date of the Official Statement furnished by the School District in relation to said bonds (which Official Statement is deemed by the School District 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 School District is not guaranteed as to accuracy, completeness or fairness, she **he** has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to her **his** 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 School District and no material adverse changes in the general affairs of the School District 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 School District 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 School District 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 School District, executed by the President of the Board of Education, stating that the School District 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, (a) certain financial information as further described in the Official Statement; (b) timely notice of the occurrence of certain material events with respect to the bonds; and (c) timely notice of a failure by the School District to provide the required annual financial information and

operating data, together with such audited financial statement, if any, described in (a) above on or before the date specified in (a) above; 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 bonds will be treated 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 School District 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 School District a certificate (the "Reoffering Price Certificate"), satisfactory to Bond Counsel, dated as of the day of the delivery of the bonds, which assuming at least three bids from three different 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 School District 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 School District 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 School District (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 School District 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 School District 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 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 School District, to provide to the School District, 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 15c2-14, 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 School District thereof the School District 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 School District from furnishing such Official Statement as described above. The School District shall not be responsible or liable in any manner for the successful bidder's determination of information necessary to comply with SEC Rule 15c2-14 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 School District with respect to the preparation and delivery thereof.

The population of the School District is estimated to be 50,915. The Debt Statement prepared as of March 28, 2024, will show the full valuation of real estate subject to taxation by the School District to be \$7,262,812,436, its debt limit to be \$726,281,244, and its total net indebtedness subject to the debt limit to be \$102,710,000. The indebtedness to be evidenced by such bonds will not increase such net indebtedness. Bond anticipation notes in the amount of \$4,000,000 will be redeemed from the proceeds of said bonds. A detailed Official Statement will be furnished to any interested bidder upon request.

The School District will act as Paying Agent for the Bonds. The School District's contact information is as follows: Ms. Elena Rosado-Kozlowski, District Treasurer, 21 Wynkoop Place, Kingston, New York 12401, Phone: (845) 943-3037, Email: ERosado-Kozlowski@kingstoncityschools.org.

COPIES OF THE OFFICIAL STATEMENT AND NOTICE OF PRIVATE COMPETITIVE BOND SALE ARE AVAILABLE AT WWW.CAPMARK.ORG.

Dated: Kingston, New York,
March 28, 2024

/s/ Marie Anderson
President, Board of Education

PROPOSAL FOR BONDS

Marie Anderson
President of the Board of Education
City School District of the City of Kingston
Ulster County, New York
c/o Capital Markets Advisors, LLC
4211 North Buffalo Road, Suite 19
Orchard Park, New York 14127

April 9, 2024

Dear President Anderson.:

For the \$4,000,000 School District Serial Bonds, 2024 of the City School District of the City of Kingston, Ulster County, New York, described in the annexed Notice of Bond Sale, the terms of which are hereby made a part of this bid, we will pay par plus a premium of _____ Dollars (\$_____) and accrued interest to the date of delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their dated date until maturity at the respective rates per annum stated in the following table:

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Interest Rate</u> |
|----------------------|----------------------|----------------------|----------------------|
| April 15, 2025 | _____ % | April 15, 2033 | _____ % |
| April 15, 2026 | _____ % | April 15, 2034 | _____ % |
| April 15, 2027 | _____ % | April 15, 2035 | _____ % |
| April 15, 2028 | _____ % | April 15, 2036 | _____ % |
| April 15, 2029 | _____ % | April 15, 2037 | _____ % |
| April 15, 2030 | _____ % | April 15, 2038 | _____ % |
| April 15, 2031 | _____ % | April 15, 2039 | _____ % |
| April 15, 2032 | _____ % | | |

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 the \$4,000,000 of Bonds:

| | |
|------------------------------|-----------------|
| Par Amount of the Bonds | \$ _____ |
| Add: | |
| Premium | \$ _____ |
| Accrued Interest | \$ _____ |
| Target Value for Calculation | \$ _____ |
| True Interest Rate | _____ % |
| | (four decimals) |

**\$4,000,000 CITY SCHOOL DISTRICT OF THE CITY OF KINGSTON
ULSTER COUNTY, NEW YORK (CONTINUED)**

Please select one of the following:

- ☐ We are purchasing the Bonds for our own account, and not with a view to distribution or resale to the public.
- ☐ In the event that 10% or more of each maturity of the Bonds is not sold on the Sale Date and the Competitive Sale Requirements are not met, we hereby elect to:
- ☐ Hold the Price
- ☐ Follow the Price

The bidder represents that it has an established industry reputation for underwriting new issuance of municipal bonds.

- ☐ Yes
- ☐ No

Signature

Name of Financial Institution

Address

Telephone Number

Fax Number
