

NOTICE OF SALE

PAWLING CENTRAL SCHOOL DISTRICT
(the "District")
DUTCHESS COUNTY, NEW YORK

\$4,800,000 BOND ANTICIPATION NOTES, 2022

(the "Notes")

NON-BANK QUALIFIED

SALE DATE:	January 25, 2022	TELEPHONE: (516) 570-0340
TIME:	11:00 A.M. (Prevailing Time)	FACSIMILE: (516) 364-9501
PLACE OF SALE:	Capital Markets Advisors, LLC 11 Grace Avenue, Suite 308 Great Neck, NY 11021	
DATE OF NOTES:	February 3, 2022	
MATURITY DATE:	June 17, 2022	

Submission of Bids

Sealed proposals will be received and considered by the undersigned President of the Board of Education of the Pawling Central School District, Dutchess County, New York (the "District"), at the offices of Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, until 11:00 A.M., Prevailing Time on the 25th day of January 2022, for the purchase of \$4,800,000 Bond Anticipation Notes, 2022 (the "Notes") dated February 3, 2022 and maturing, without the right of prior redemption, on June 17, 2022 with interest thereon payable at maturity. Telephone bids, fax bids and bids via iPreo's Parity Electronic Bid Submission System ("Parity") will be accepted. The telephone number is (516) 570-0340 and the fax number is (516) 364-9501.

Proposals may be submitted in accordance with this Notice of Sale until the time specified herein. No proposal will be accepted after the time for receiving proposals specified above. Any proposal received by the time for receiving proposals specified herein, which have not been modified or withdrawn by the bidder, shall constitute an irrevocable offer to purchase the Notes pursuant to the terms herein and therein provided. Bidders shall not submit a bid that modifies the terms contained in this Notice of Sale or adds additional conditions not set forth in the Notice of Sale.

The District reserves the right to reject any and all bids (regardless of the interest rate bid), to reject any bid not complying with this 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.

The timely delivery of all proposals submitted by facsimile transmission (FAX) must be in legible and complete form, signed by an authorized representative of the bidder(s), and shall be the sole responsibility of the bidder(s). The District shall not be responsible for any errors and/or delays in transmission and/or receipt

of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids submitted in such manner.

Bids must be for all of the Notes and must state in a multiple of one-hundredth or one-eighth of 1% a rate or rates of interest per annum which such Notes shall bear. Interest will be calculated on the basis of a 30-day month and 360-day year. The Notes will not be subject to prior redemption.

Bidding using Parity

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 Notes, a bidder represents and warrants to the District that such bidder's bid for the purchase of the Notes 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 Notes.

Each prospective bidder who wishes to submit an electronic bid 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 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 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 District is using Parity as a communications mechanism, and not as the District's agent, to conduct the electronic bidding for the District's Notes. The District 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 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 Notes, it should telephone Parity and notify the District's Municipal Advisor, Capital Markets Advisors, LLC at 516-570-0340 (provided that the District shall have no obligation to take any action whatsoever upon receipt of such notice).

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.

Payment and Security for the Notes

Said Notes are general obligations of the District and the faith and credit of such District are pledged for payment of the principal of and interest on such Notes. All the taxable real property in said District will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Notes.

Authority for and Purpose of the Notes

The Notes shall be issued pursuant to the Constitution and the Laws of the State, and a bond resolution duly adopted by the District's Board of Education on March 1, 2021 authorizing the issuance of \$44,625,290 serial bonds to finance the construction of improvements and additions to and reconstruction of various school district buildings and facilities. The proceeds from the sale of the Notes will be used to provide original financing for such project.

Award of Notes

The Notes will be awarded to the bidder offering the lowest net interest cost (that being the interest rate which produces the lowest net interest cost over the life of the Notes after deducting the premium, if any); provided, however, that if two or more bidders offer to purchase said Notes at the same lowest net interest cost, then such award will be made first on the basis of the greatest minimum bid offered, and if two or more bidders offer the same minimum bid, then to the bidder offering the greatest premium, and, if two or more bidders offer the same premium, then to one of said bidder selected by lot from among said bidders. The right is reserved by the District to award to any bidder all or any part of the Notes which such bidder offers to purchase and, in such event, the premium, if any, specified by such bidder will be pro-rated. The right is reserved by said District to reject any or all bids. All conditional bids will be rejected.

Award of the Notes is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw the proposal until after 3:00 o'clock P.M. (Prevailing Time) on the day of such bid opening and then only if such award has not been made prior to the withdrawal. The Notes will be delivered and shall be paid for on or about the Date of Notes at such place and on such business day and at such hour, as the Sale Officer and successful bidder shall mutually agree.

Form of the Notes

At the option of the purchaser, the Notes will be issued in (a) registered form registered in the name of the successful bidder or (b) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC"). The purchaser must notify Bond Counsel by 2:00 P.M., Prevailing Time, on the date of sale whether the Notes will be issued in non book-entry form or book-entry-only form.

If the Notes are issued registered in the name of the successful bidder, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to the respective successful bidder at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

If the Notes are issued in book-entry-only form, the Notes will be (a) registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York ("DTC"), and (b) deposited with DTC to be held in trust until maturity. **As book-entry-only notes, individual purchases may be made in book-entry-only form only in denominations of \$100,000 or integral multiples thereof.** DTC is an automated depository for securities and a clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry-only system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfer of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership interests in the Notes may be made only through book entries made on the books and records of DTC (or a successor depository) and its participants. Principal of and interest on the Notes will be payable by the District to DTC or its partnership nominee as registered owner of the Notes. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Each purchaser, by placing an order for the purchase of the Notes, will be deemed to have acknowledged that the successful bidder is relying on the representations and warranties made by purchaser(s) of the Notes so that the offering may qualify for the limited offering exemption of Section (d)(1) of Rule 15c2-

12 (“Rule 15c2-12”) of the Securities Exchange Act of 1934 (the “Exchange Act”). Each purchaser will be deemed to have made the representations and warranties set forth below.

1. Each purchaser has confirmed that the Notes will be acquired for investment for such purchaser’s own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that such purchaser has no present intention of selling, granting any participation in, or otherwise distributing the Notes. By purchasing the Notes, each purchaser has further represented that such purchaser does not currently have any contract, undertaking, agreement, or arrangement with any person to sell, transfer, or grant participations to such person or to any third-party, with respect to any of the Notes.

2. Each purchaser of the Notes has confirmed its understanding that the offering of the Notes is being made (a) in reliance on the limited offering exemption of Section (d)(1) of Rule 15c2-12 (“Rule 15c2-12”) of the Securities Exchange Act of 1934 (the “Exchange Act”), and (b) without registration under, and in reliance upon an exemption from, the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”). Section (d)(1)(i) of Rule 15c2-12 provides that the rule will not apply to a primary offering of municipal securities in authorized denominations of \$100,000 or more, if such securities are sold to no more than thirty-five (35) persons each of whom the participating reasonably believes (a) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment and (b) is not purchasing for more than one account or with a view to distributing the securities.

CUSIP identification numbers may be printed on the Notes 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 three o'clock p.m. on the day following the sale of the Notes but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the District; 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.

Delivery of the Notes

The Notes will be delivered in book-entry-only form in Jersey City, New Jersey through the facilities of DTC, or otherwise as may be agreed with the purchaser, at the option of the purchaser, in non-book-entry form in form of a single note certificate on February 3, 2022. At such time, the purchase price of said Notes, in accordance with the successful purchaser's bid, shall be paid in FEDERAL FUNDS or other funds available for immediate credit.

Legal Opinion

The approving legal opinion of Orrick Herrington & Sutcliffe LLP, Bond Counsel to the District, will be furnished to the purchaser upon delivery of the Notes.

Tax Exemption

The successful bidder may at its option refuse to accept the Notes if prior to their delivery the opinion of Bond Counsel is not delivered or if any income tax law of the United States of America is hereafter enacted which shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes, and in such case the successful bidder will be relieved of their contractual obligations arising from the acceptance of its proposal.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the

Notes be and remain excludable from gross income under Section 103 of the Code. Concurrently with the delivery of the Notes, the District will execute a Tax Certificate, which will contain provisions and procedures relating to compliance with the requirements of the Code and a certification to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Notes is excludable from gross income under Section 103 of the Code.

Upon delivery of the Notes, Bond Counsel will deliver an opinion that states that, under existing statutes and court decisions, and assuming continuing compliance with the provisions and procedures set forth in the Tax Certificate, (a) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code; and (b) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code.

In addition, the opinion of Bond Counsel will state that, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bank Qualification

The District will NOT designate the Notes as “qualified tax-exempt obligations” pursuant to the provisions of Section 265 of the Code.

State Intercept

In the event of a default in the payment of the principal of and/or interest, Section 99-b of the State Finance Law provides for a covenant between the State and the purchasers, and owners of the bonds and notes, issued by Districts in the State for school purposes (including the bonds and notes issued by the District), that it will not repeal, revoke or rescind the provisions of Section 99-b of the State Finance Law, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Obligation of Winning Bidder to Deliver a Reoffering Price Certificate at Closing

Following the sale of the notes, on the Sale Date, the successful bidder will be required to provide to the District and its Bond Counsel certain information regarding the reoffering price to the public of the notes. If the winning bidder is purchasing the notes for its own account and not with a view to distribute or resale, they should inform the financial advisor at the time of award and a certificate to that effect will be required on or before closing. Otherwise, the successful bidder also must submit to the District a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, dated as of the day of the delivery of the notes, which assuming three bids are received, states:

(1) (a) on the date of award, such successful bidder made a bona fide public offering of the notes at the initial offering price corresponding to the price or yield indicated in the information furnished in connection with the successful bid, and (b) as of such date, the first price or yield at which an amount equal to at least ten percent of the notes 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 (c) provides a copy of the pricing wire or equivalent communication for the notes attached to the Reoffering Price Certificate. The term “public” as used herein means any persons including an individual, trust, estate, partnership, association, company or corporation (other than the successful bidder(s) or a related party to the successful bidder(s), 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 a successful bidder to participate in the initial sale of the notes to the public).

- (2) the successful bidder was not given the opportunity to review other bids prior to submitting its bid.
- (3) the bid submitted by the successful bidder constituted a firm offer to purchase the notes.

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

In addition, in the event that (a) at least three bids are not received by the District on the Sale Date, and (b) 10% of the notes have not been sold on the Sale Date, the successful bidder (and any members of its underwriting group or syndicate) shall have the option (i) to provide to the District (or its agents) ongoing pricing information, together with reasonable supporting documentation acceptable to bond counsel (such as the pricing wire), until 10% of the notes is sold (the "Follow-the-Price Requirement"), or (ii) shall be required to hold the initial reoffering price to the public of such notes (as reported to the 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 such notes 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 District or its Financial 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 Notes agrees, if its bid is accepted by the District, to provide to the District, in writing, within two business days after the date of such award, all information which such bidder determines is necessary for it to comply with SEC Rule 15c2-12, including all necessary pricing and sale information, with respect to the purchase of municipal bond insurance, if any, and underwriter identification.

The District shall not be responsible or liable in any manner for the purchaser(s) determination of information necessary to comply with SEC Rule 15c2-12 or the accuracy of any such information provided by such successful bidder(s).

Documents Accompanying the Delivery of the Notes

As a condition to each purchaser's obligation to accept delivery of and pay for the Notes, the purchaser will be furnished, without cost, the following, dated as of the date of the delivery and payment for the Notes: (a) a Closing Certificate constituting receipt for the Note 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 Notes; (b) an arbitrage certificate executed on behalf of the District, which includes, among other things, covenants relating to compliance with the Internal Revenue Code of 1986 (the "Code"), with the owners of the Notes that the District will, among other things, (i) take all actions on its part necessary to cause interest on the Notes 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 investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Notes 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 Notes and investment earnings thereon on certain

specified purposes, and (c) the approving legal opinion, as to the validity of the Notes, of Orrick Herrington & Sutcliffe LLP, Bond Counsel, New York, New York.

Bond Rating

The District has not applied for a rating of the Notes. The District's underlying rating by Moody's Investors Service is currently "Aa2."

Contact Information

ISSUER CONTACT:

Pawling Central School District
515 Route 22
Pawling, NY 12564
Attn: Marianne Heslin
Assistant Superintendent for Finance
Phone: (845) 855-4661
E-mail: heslinm@pcsdny.org

MUNICIPAL ADVISOR:

Capital Markets Advisors, LLC
11 Grace Avenue, Suite 308
Great Neck, NY 11021
Attn: Janet Morley, Vice President
Phone: (516) 570-0340
Email: jmorley@capmark.org

BOND COUNSEL:

Orrick Herrington & Sutcliffe LLP
51 West 52nd Street
New York, NY 10019
Attn: Douglas Goodfriend, Esq.
Phone: (212) 506-5211
Email: dgoodfriend@orrick.com

The District has not prepared an Official Statement in connection with the issuance of the Notes.

Dated: January 13, 2022

PROPOSAL FOR NOTES

January 25, 2022

President of the Board of Education
Pawling Central School District
c/o Capital Markets Advisors, LLC
11 Grace Avenue, Suite 308
Great Neck, NY 11021

TELEPHONE: (516) 570-0340

FACSIMILE: (516) 364-9501

PAWLING CENTRAL SCHOOL DISTRICT
DUTCHESS COUNTY, NEW YORK

\$4,800,000
BOND ANTICIPATION NOTES, 2022
(the "Notes")

DATED: February 3, 2022

MATURITY: June 17, 2022

	Amount	Interest Rate	Premium	Net Interest Cost
Bid 1	\$ 4,800,000	%	\$	%

Please select one of the following (if no option is selected, the book-entry-only option will be assumed to have been selected by the bidder):

- Book-Entry-Only registered to Cede & Co.
- Registered in the name of the bidder

Please check one of the following:

- We are purchasing the Notes 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 hereby elect to
 - Hold the Price
 - Follow the Price

The computation of the net interest cost is made as provided in the above-mentioned Notice of Sale, but does not constitute any part of the foregoing Proposal for the purchase of the Notes therein described.

Signature: _____

Name of Bidder: _____

Company: _____

Address of Bidder: _____

Tel. (Area Code): _____

Fax (Area Code): _____