

\$3,615,000*

**CITY OF MIDDLETOWN
ORANGE COUNTY, NEW YORK**

PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2026 SERIES A

NOTICE OF BOND SALE

Proposals will be received and considered by the undersigned City Treasurer of the City of Middletown, Orange County, New York, at the offices of Capital Markets Advisors, LLC (the "Financial Advisor"), 11 Grace Avenue, Suite 308, Great Neck, New York 11021, until 11:00 A.M., Prevailing Time, on the **18th day of March, 2026**, via iPreo's Parity Electronic Bid Submission System ("Parity") or by facsimile transmission at (516) 487-2575, at which time and place the bids will be opened, for the purchase IN FEDERAL FUNDS at not less than par and accrued interest of

\$3,615,000* Public Improvement Refunding (Serial) Bonds, 2026 Series A of said City, dated April 2, 2026, and maturing in annual principal installments (subject to change as described herein) as follows: \$195,000 on February 15, 2027, \$210,000 on February 15, 2028, \$215,000 on February 15, 2029, \$230,000 on February 15, 2030, \$245,000 on February 15, 2031, \$260,000 on February 15, 2032, \$270,000 on February 15, 2033, \$290,000 on February 15, 2034, \$310,000 on February 15, 2035, \$320,000 on February 15, 2036, \$340,000 on February 15, 2037, \$355,000 on February 15, 2038 and \$375,000 on February 15, 2039, with interest thereon payable semi-annually on August 15 and February 15 until final maturity, commencing August 15, 2026.

The annual maturities of the bonds may be adjusted to the extent necessary to meet the refunding objective and 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 no later than 4:00 P.M. (local time) on the sale date 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.

Interest on the bonds shall be calculated on 30-day month and a 360-day year basis. The record date will be the last business day of the calendar month preceding each such interest payment date.

The City reserves the right, as hereinafter provided, to adjust the aforesaid maturity installments to the extent necessary to meet the requirements of substantially level or declining debt service.

The bonds will initially be issued and 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 City with respect to the bonds. Principal and interest on the bonds will be payable by check or draft mailed by the City 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 City, all the taxable real property within which will be subject to the levy of ad valorem

* Preliminary, subject to change as described herein.

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.

The State Constitution requires the City 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 City, 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 City 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 serial bonds and may state a single rate of interest or different rates of interest for different maturities; provided, however, that (i) only one rate of interest may be bid for bonds of the same maturity, (ii) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one per centum per annum, and (iii) variations in rates may be in any order of maturity. Unless all bids are rejected the award will be made to the bidder complying with the terms of sale and offering to purchase said bonds at such rate or rates of interest as will produce the lowest true interest cost computed in accordance with the true interest cost method of calculation, that being the rate or rates of interest which compounded semiannually, is necessary to discount all principal and interest payments on the bonds to the purchase price for the bonds. The true interest cost computation shall be made as of the date of 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 will be rejected.

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 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. The City reserves the right, in its sole discretion, after selecting the low bidder, to adjust the final aggregate principal amount of the bonds and the aforesaid maturity installments (the "Final Aggregate Principal Amount", and the "Final Principal Amount", respectively; collectively, the "Final Amounts"). In determining the Final Amounts, the City reserves the right, in its sole discretion, to modify the Revised Amounts as necessary to effect the greatest economic advantage of the refunding, or to accommodate other refunding objectives of the City. 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 City shall be conclusive and shall be binding upon the successful bidder. 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.

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 City 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. Any such award is subject to State Comptroller confirmation of present value savings as set forth in the New York Local Finance Law.

Proposals may be submitted electronically via iPreo's Parity Electronic Bid Submission System ("Parity") or via facsimile transmission at (516) 487-2575, 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 City, 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 City that such bidder's bid for the purchase of the bonds is submitted for an 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 City nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the City nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The City is using Parity as a communications mechanism, and not as the City's agent, to conduct the electronic bidding for the City's bonds. The City is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of 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 City is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the bonds, it should telephone Parity and notify the City's financial advisor, Capital Markets Advisors LLC at (516) 274-4502 (provided that the City 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 wire transfer in the amount of \$37,000 payable to the order of the City of Middletown, Orange County, 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 used, it must be sent to the account so designated by the City 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 must contact Capital Markets Advisors LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (Telephone: (516) 274-4502), the City's Financial Advisor, no later than 24 hours prior to the sale date to obtain the City's wire instructions. Moreover, a wire reference number must be provided at the time the bid is submitted. No interest will be allowed on the amount of the good faith deposit. Said bonds are issued pursuant to the Constitution and statutes of the State of New York, including, among others, the City Law and the Local Finance Law, for the refunding of certain outstanding bonds issued in 2014, as more fully set forth in the Official Statement furnished by the City in relation to the bonds.

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

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, 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, New York, New York, on or about April 2, 2026.

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 City, provided, however; that the City 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 City Treasurer certifying that (a) as of the date of the Official Statement furnished by the City in relation to said bonds (which Official Statement is deemed by the City to be final for purposes of Securities and Exchange Commission Rule 15c2-12, 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 City is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to 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 City and no material adverse changes in the general affairs of the City or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement; (ii) a 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 City which includes, among other things, covenants, relating to compliance with the Internal Revenue Code of 1986 (the "Code"), with the owners of the bonds that the City will, among other things, (A) take all actions on its part necessary to cause interest on the bonds not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the bonds and investment earnings thereon, making required payments to the Federal government, if any, with regard to both the bonds and any obligations refunded with proceeds of the bonds, and maintaining books and records in a specified manner, where appropriate, and (B) refrain from taking

any action which would cause interest on the bonds to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the bonds and investment earnings thereon on certain specified purposes; (iv) a Continuing Disclosure Undertaking Certificate of the City, executed by the City Treasurer stating that the City 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 City 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 City 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 separate bids are received from three different 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 City 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 each maturity was sold.

In addition, in the event that (1) at least three bids are not received by the City 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 City (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 City 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 City 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 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 City, to provide to the City, in writing, within two business days after the date of such award, all information which said successful bidder determines is necessary for it to comply with the Rule, including all necessary pricing and sale information, information with respect to the purchase of municipal bond insurance, if any, and underwriter identification. Within five business days following receipt by the City thereof the City will furnish to the successful bidder, in reasonable quantities as requested by the successful bidder, copies of said Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder to provide such information will prevent the City from furnishing such Official Statement as described above. The City shall not be responsible or liable in any manner for the successful bidder's determination of information necessary to comply with the Rule or the accuracy of any such information provided by the successful bidder or for failure to furnish such Official 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 City with respect to the preparation and delivery thereof.

The population of the City is estimated to be 30,188. 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 March 9, 2026, will show the average full valuation of real estate subject to taxation by the City to be \$2,360,054,807, its debt limit to be \$165,203,836, and its total net indebtedness subject to the debt limit to be \$48,869,344. The proceeds of such bonds will be used to retire outstanding bonds. A detailed Official Statement will be furnished to any interested bidder upon request.

The City will act as Paying Agent for the bonds. The City's contact information is as follows: Ms. Leonora Liz, City Treasurer, City of Middletown, City Hall, 16 James Street, Middletown, New York 10940, Phone: (845) 346-4153, Email: LLiz@MiddletownNY.gov.

Dated: Middletown, New York,
March 9, 2026.

/s/ Leonora Liz
City Treasurer

PROPOSAL FOR BONDS

March 18, 2026

Leonora Liz, City Treasurer
City of Middletown, New York
c/o Capital Markets Advisors, LLC
11 Grace Avenue, Suite 308
Great Neck, New York 11021

Facsimile: 516-487-2575

Dear Ms. Liz:

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated March 9, 2026, which is hereby made a part of this Proposal, we offer to purchase all of the 3,615,000* Public Improvement Refunding (Serial) Bonds, 2026 Series A of the City of Middletown, New York, described in said Notice of Sale, and to pay therefor the price of \$3,615,000* 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 February 15, 2027, at _____ %	Bonds maturing February 15, 2033, at _____ %
Bonds maturing February 15, 2028, at _____ %	Bonds maturing February 15, 2034, at _____ %
Bonds maturing February 15, 2029, at _____ %	Bonds maturing February 15, 2035, at _____ %
Bonds maturing February 15, 2030, at _____ %	Bonds maturing February 15, 2036, at _____ %
Bonds maturing February 15, 2031, at _____ %	Bonds maturing February 15, 2037, at _____ %
Bonds maturing February 15, 2032, at _____ %	Bonds maturing February 15, 2038, at _____ %
Bonds maturing February 15, 2039, at _____ %	

Deposit Requirement – Please check one of the following:

 We enclose herewith a certified or cashier’s check in the sum of \$37,000, made payable to the order of the City of Middletown, New York.

 We sent a fed wire transfer of \$37,000 to the account of the City designated for such purpose in accordance with the Notice of Sale and instructions provided by the City’s Municipal Advisor. The fed wire confirmation number is _____ at _____.

The Deposit will be returned to the undersigned if the bid is not accepted. If this bid is accepted said Deposit will be applied as part payment for the Bonds or retained by the City as and for liquidated damages in case the undersigned 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 Sale, but not constituting any part of the foregoing Proposal for the purchase of \$ _____ * bonds under the foregoing Proposal:

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

Please check 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.

- or -

In the event the Competitive Sale Requirements are not met, we hereby elect to

- Hold the Price
- Follow the Price

Firm: _____
By: _____

Telephone () _____ - _____
Facsimile () _____ - _____

Email: _____

* Preliminary, subject to change.