

\$7,543,314*

CITY OF MIDDLETOWN

ORANGE COUNTY, NEW YORK

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026 SERIES B

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 office of Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, until 11:00 o'clock A.M., Prevailing Time, on the **6th day of August, 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

\$7,543,314 Public Improvement (Serial) Bonds, 2026 Series B, of said City, dated August 20, 2026, and maturing in annual principal installments which, together with interest thereon, will provide for substantially level or declining annual debt service on such bonds, as defined and described in paragraph d of Section 21.00 of the New York Local Finance Law, as follows: \$228,314 on August 15, 2027, \$230,000 on August 15, 2028, \$235,000 on August 15, 2029, \$245,000 on August 15, 2030, \$250,000 on August 15, 2031, \$260,000 on August 15, 2032, \$265,000 on August 15, 2033, \$275,000 on August 15, 2034, \$280,000 on August 15, 2035, \$290,000 on August 15, 2036, \$300,000 on August 15, 2037, \$315,000 on August 15, 2038, \$325,000 on August 15, 2039, \$335,000 on August 15, 2040, \$350,000 on August 15, 2041, \$365,000 on August 15, 2042, \$375,000 on August 15, 2043, \$390,000 on August 15, 2044, \$410,000 on August 15, 2045, \$425,000 on August 15, 2046, \$445,000 on August 15, 2047, \$465,000 on August 15, 2048, and \$485,000 on August 15, 2049, with interest thereon payable on August 15, 2027 and semi-annually thereafter on February 15 and August 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 City, may be used for the capital projects 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 City with respect to the bonds. Principal and interest on the bonds will be payable by check or draft mailed by 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 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 bonds maturing on or before August 15, 2034 are not subject to redemption prior to their stated maturity. The bonds maturing on or after August 15, 2035 will be subject to redemption prior to maturity, at the option of the City, on any date on or after August 15, 2034, 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), at the redemption price equal to the principal 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 City by lot in any customary manner of selection as determined by the City Treasurer. Notice of such call for redemption shall be given by transmitting such notice to the registered holder not more than ninety (90) 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 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 \$7,543,314 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 all Bonds maturing in any one calendar year, (ii) variations in rates of interest 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; provided, however, that the City 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 (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 offer 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 municipal advisor, Capital Markets Advisors, LLC at (516) 487-9817 (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 a wire transfer in the amount of \$76,000 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 issued, 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 are instructed to contact Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (Tel. No.: 516-487-9817), (Fax No.: 516-487-2575), the City's municipal advisor, no later than 24 hours prior to the bid opening to obtain the City's wire instructions. 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 City Law and the Local Finance Law, and are issued for the following purposes in and for said City:

- CR 108/78 Round-a-Bout (\$206,914);
- Waterhead Expansion Misc Exp (\$53,417);
- Land Acquisition for Water Source Protection (\$562,902);
- Inter Municipal Water Distribution System (\$283,775);
- Municipal Parking Lot (\$49,888);
- Fire SCBA Air Units (\$217,053);
- Water System Improvements (\$1,945,508);
- Sanitation (\$897,576);
- Flow Meter Project (\$666,100);
- South Street Parking (\$30,663);
- Demolition (\$598,656); and
- Acquisition of Land for Water Source Protection (\$2,030,862).

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.

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, New York, New York, on or about August 20, 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, 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 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.

The bonds WILL NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

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 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 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 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 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 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 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 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 City with respect to the preparation and delivery thereof.

The population of the City is estimated to be 30,098. 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 July 27, 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 \$43,335,616. Bond anticipation notes in the amount of \$7,895,713 will be redeemed from \$7,543,314 proceeds of said bonds and \$352,399 available current funds. The proceeds of such bonds will not increase such net indebtedness. 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, 16 James Street, Middletown, NY 10940, Phone: (845) 346-4153, Email: lliz@middletownny.gov.

ADDITIONAL COPIES OF THE OFFICIAL STATEMENT AND NOTICE OF BOND SALE MAY BE OBTAINED FROM CAPITAL MARKETS ADVISORS, LLC AT WWW.CAPMARK.ORG.

Dated: Middletown, New York,

July 27, 2026.

/s/ Leonora Liz
City Treasurer

PROPOSAL FOR BONDS

August 6, 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 July 27, 2026, which is hereby made a part of this Proposal, we offer to purchase all of the 7,543,314* Public Improvement (Serial) Bonds, 2026 Series B of the City of Middletown, New York, described in said Notice of Sale, and to pay therefor the price of \$7,543,314* 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, 2039, at _____ %
Bonds maturing February 15, 2028, at _____ %	Bonds maturing February 15, 2040, at _____ %
Bonds maturing February 15, 2029, at _____ %	Bonds maturing February 15, 2041, at _____ %
Bonds maturing February 15, 2030, at _____ %	Bonds maturing February 15, 2042, at _____ %
Bonds maturing February 15, 2031, at _____ %	Bonds maturing February 15, 2043, at _____ %
Bonds maturing February 15, 2032, at _____ %	Bonds maturing February 15, 2044, at _____ %
Bonds maturing February 15, 2033, at _____ %	Bonds maturing February 15, 2045, at _____ %
Bonds maturing February 15, 2034, at _____ %	Bonds maturing February 15, 2046, at _____ %
Bonds maturing February 15, 2035, at _____ %	Bonds maturing February 15, 2047, at _____ %
Bonds maturing February 15, 2036, at _____ %	Bonds maturing February 15, 2048, at _____ %
Bonds maturing February 15, 2037, at _____ %	Bonds maturing February 15, 2049, at _____ %
Bonds maturing February 15, 2038, at _____ %	

Deposit Requirement – Please check one of the following:

____ We enclose herewith a certified or cashier's check in the sum of \$76,000, made payable to the order of the City of Middletown, New York.

____ We sent a fed wire transfer of \$76,000 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.