

NOTICE OF SALE

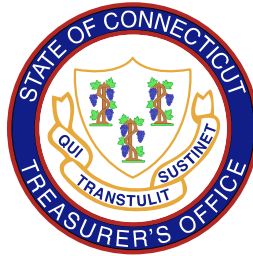
THE STATE OF CONNECTICUT

offers for sale

\$250,000,000* TAXABLE GENERAL OBLIGATION BONDS (2016 SERIES A)

**Wednesday, August 3, 2016
11:00 A.M. (Eastern Daylight Time)**

**OFFICE OF THE TREASURER
55 ELM STREET, 7TH FLOOR
HARTFORD, CONNECTICUT**



<u>Due</u> <u>August 15,*</u>	<u>Amount*</u>	<u>Due</u> <u>August 15,*</u>	<u>Amount*</u>
2017	\$ 25,000,000	2022	\$ 25,000,000
2018	25,000,000	2023	25,000,000
2019	25,000,000	2024	25,000,000
2020	25,000,000	2025	25,000,000
2021	25,000,000	2026	25,000,000

* Subject to change.

STATE OF CONNECTICUT
\$250,000,000*
TAXABLE GENERAL OBLIGATION BONDS
(2016 SERIES A)

NOTICE OF SALE

ELECTRONIC BIDS via PARITY[®] will be received by the State Treasurer of the State of Connecticut (the “State”), until **11:00 A.M. (Eastern Daylight Time) on WEDNESDAY, AUGUST 3, 2016** (the “Bid Date”), for the purchase of all (but not less than all) of **\$250,000,000*** principal amount of the State’s **Taxable General Obligation Bonds** (2016 Series A) (the “Series A Taxable Bonds”). The Series A Taxable Bonds will be dated August 17, 2016* (the “Delivery Date”) and will mature on August 15 in the years and amounts as follows:

<u>Year*</u>	<u>Amount*</u>	<u>Year*</u>	<u>Amount*</u>
2017	\$ 25,000,000	2022	\$ 25,000,000
2018	25,000,000	2023	25,000,000
2019	25,000,000	2024	25,000,000
2020	25,000,000	2025	25,000,000
2021	25,000,000	2026	25,000,000

Persons considering a purchase of any of the Series A Taxable Bonds should read (i) the Preliminary Official Statement in its entirety, including, without limitation, the cover and the inside cover thereof and the appendices thereto, and (ii) this Notice of Sale in its entirety, including, without limitation, the requirements herein under the heading **Compliance Requirements**.

The Series A Taxable Bonds

The Series A Taxable Bonds will be general obligations of the State and the full faith and credit of the State will be pledged for the payment of the principal of and interest on the Series A Taxable Bonds as the same become due. The Series A Taxable Bonds are being issued for various projects and purposes and are authorized by the bond acts set forth in the Preliminary Official Statement. The Series A Taxable Bonds will be dated the Delivery Date and will bear interest from the Delivery Date at the rate per annum per maturity specified by the Successful Bidder therefor in accordance herewith payable semiannually on February 15 and August 15 in each year commencing February 15, 2017, until maturity. The Series A Taxable Bonds will be issued in denominations of \$5,000 or any integral multiple thereof in one or more sub-Series (each, a “Series”). The information in this Notice of Sale is only a brief summary of certain provisions of the Series A Taxable Bonds. For further information about the Series A Taxable Bonds, reference is hereby made to the Preliminary Official Statement dated July 15, 2016.

Tax Status

The Successful Bidder will receive legal opinions of Bond Counsel and Tax Counsel that will state that under existing law, interest on the Series A Taxable Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as described under **TAX STATUS OF THE SERIES A TAXABLE BONDS** in the Preliminary Official Statement.

Such legal opinions will also state that in the opinion of Bond Counsel and Tax Counsel, under existing statutes, interest on the Series A Taxable Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative

* Subject to change

minimum tax, as described under **TAX STATUS OF THE SERIES A TAXABLE BONDS** in the Preliminary Official Statement.

Book-Entry-Only Form

The Series A Taxable Bonds will be issued initially as registered Series A Taxable Bonds in book-entry-only form. For so long as The Depository Trust Company, New York, New York or its nominee, Cede & Co. (collectively, “DTC”), is the registered owner of the Series A Taxable Bonds, payments of the principal or redemption price of and interest on the Series A Taxable Bonds will be made directly by wire transfer by the State or its agent to DTC or its nominee. Disbursement of such payments to the DTC participants is the responsibility of DTC and further disbursement of such payments from the DTC participants to the beneficial owners of the Series A Taxable Bonds is the responsibility of the DTC participants.

Initially one certificate will be issued for the Series A Taxable Bonds of each maturity and interest rate and registered in the name of DTC. DTC will act as securities depository for the Series A Taxable Bonds. For so long as the Series A Taxable Bonds are registered in book-entry-only form, purchases of the Series A Taxable Bonds will be made in such form only (without certificates). It shall be the obligation of the Successful Bidder to furnish to DTC an underwriter’s questionnaire within twenty-four (24) hours after the Bid Date and to furnish to the State the CUSIP numbers for the Series A Taxable Bonds within twenty-four (24) hours after the Bid Date.

Serial Bonds and/or Term Bonds

Bidders may provide that all the Series A Taxable Bonds be issued as serial bonds payable in the years and amounts described above. Alternatively, bidders may provide that any two or more consecutive annual principal amounts bearing interest at the same interest rate be combined into one or more term bonds (see **Mandatory Sinking Fund Redemption** below).

Mandatory Sinking Fund Redemption

If the Successful Bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on August 15 of the first year that has been combined to form such term bond and continuing on August 15 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amounts described above. Series A Taxable Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot among the Series A Taxable Bonds then subject to redemption. The State, at its option, may credit against any mandatory sinking fund redemption term bonds of the maturity then subject to redemption that have been purchased and canceled by the State or that have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

Optional Redemption

The Series A Taxable Bonds are **not** subject to optional redemption prior to maturity.

Ratings

Moody’s Investors Service (“Moody’s”), S&P Global Ratings (“S&P”), Fitch Ratings (“Fitch”) and Kroll Bond Rating Agency (“Kroll”) have assigned their municipal bond ratings of ____, ____, ____ and ____, respectively, to the Series A Taxable Bonds. Fitch and S&P have each assigned a “____” credit outlook on the State’s general obligation debt. Moody’s and Kroll have each assigned a “____” credit outlook on the State’s general obligation debt. Each such rating and credit outlook reflects only the views of the respective rating agency, and an explanation of the significance of such rating and credit outlook may be obtained from such rating agency. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by such rating agency if in the judgment of such rating agency circumstances so warrant. A downward revision or withdrawal of any such rating may have an adverse effect on the market prices of the Series A Taxable Bonds.

Minority Business Enterprises and Women's Business Enterprises Policy

It is the policy of the Treasurer that minority business enterprises ("MBE") and women's business enterprises ("WBE") shall have the maximum opportunity to participate in the performance of State contracts. The State Treasurer requests and strongly urges bidders to make a good-faith effort to meet these goals by either joint venturing with MBE/WBE firms or by including such firms in their management group or syndicate. For such purposes, a MBE/WBE firm is a firm (i) that is at least 51% owned by one or more minority persons or women or, in the case of any firm whose stock is publicly held, at least 51% of the stock is owned by one or more minority persons or women and (ii) whose management and daily business operations are controlled by one or more minority persons or women.

Official Statement

The Preliminary Official Statement is in a form deemed "final" by the State for purposes of SEC Rule 15c2-12 (the "Rule"), except for omissions permitted thereby, but is subject to revision and amendment. The State will cause electronic copies of the Official Statement deemed "final" by the State to be delivered within seven business days of the award of the Series A Taxable Bonds, provided that the Successful Bidder provides within twenty-four hours after the award of the Series A Taxable Bonds the reoffering yields, the underwriter's discount, the identity of each underwriter in the underwriting group, insurance purchased, if any, and any other information required to complete the Official Statement. The inside front cover of the Official Statement will be completed by the State to reflect the coupon rates, the reoffering yields and bond insurance information, if any, as applicable.

Section 3-20 of the General Statutes of Connecticut, as amended, gives the State the specific authority to enter into continuing disclosure agreements in accordance with the requirements of the Rule. The State will enter into a Continuing Disclosure Agreement with respect to the Series A Taxable Bonds for the benefit of the beneficial owners of the Series A Taxable Bonds, substantially in the form attached as Appendix I-C to the Official Statement (the "Continuing Disclosure Agreement"), pursuant to which the State will agree to provide or cause to be provided, in accordance with the requirements of the Rule, (i) certain annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Series A Taxable Bonds, and (iii) timely notice of a failure by the State to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The underwriters' obligation to purchase the Series A Taxable Bonds shall be conditioned upon their receiving, at or prior to the Delivery Date of the Series A Taxable Bonds, an executed copy of the Continuing Disclosure Agreement.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Series A Taxable Bonds must be submitted through the facilities of PARITY[®] by **11:00 A.M. (Eastern Daylight Time) on WEDNESDAY, AUGUST 3, 2016**. Any prospective bidder must be a subscriber of Dalcomp's Bidcomp competitive bidding system. Further information about PARITY[®], including any fee charged, may be obtained from PARITY[®], 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (website: www.ipreo.com; telephone: (212) 849-5021). The State neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of PARITY[®] is communicated to the State, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the State. By submitting a bid for the Series A Taxable Bonds via PARITY[®], the bidder represents and warrants to the State that such bidder's bid for the purchase of the Series A Taxable Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the State will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Series A Taxable Bonds on the terms described in this Notice of Sale. **The State shall not be responsible for any malfunction or mistake made by, or as a result of the use of, the facilities of PARITY[®], the use of such facilities being the sole risk of the prospective bidder.**

Disclaimer - Each PARITY[®] prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the State nor PARITY[®] shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the State nor PARITY[®] shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY[®]. The State is using PARITY[®] as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Series A Taxable Bonds. The State is not bound by any advice and determination of PARITY[®] to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY[®] are the sole responsibility of the bidders; and the State is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Series A Taxable Bonds, the prospective bidder should telephone PARITY[®] at (212) 849-5021. If any provision of this Notice of Sale shall conflict with information provided by PARITY[®], this Notice of Sale shall control.

For the purpose of the electronic bidding process, the time as maintained on PARITY[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the State, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Compliance Requirements

The State has posted the current list of Qualified Bond Underwriting Firms ("Pre-Qualified Bidders") on iProspectus[®] which indicates the underwriting firms that are already eligible to bid on the Series A Taxable Bonds as they have previously completed and submitted the Compliance Documents with the State in a manner acceptable to the State. Any interested bidder or participating bidder that is not a current Pre-Qualified Bidder that wishes to participate in this Bond sale must download the complete set of compliance documents ("Compliance Documents") from iProspectus[®] and complete and submit them (i) via electronic mail to Bettina Bronisz at bettina.bronisz@ct.gov on or before **11:00 A.M. (Eastern Daylight Time) on Monday, July 25, 2016** and (ii) via hard copy delivered to Bettina Bronisz, Office of the State Treasurer, State of Connecticut, 55 Elm Street, Hartford, CT 06106 on or before **5:00 P.M. (Eastern Daylight Time) on Tuesday, July 26, 2016**. The final list of Pre-Qualified Bidders shall be posted on iProspectus[®] on Friday, July 29, 2016. The submission of a bid shall be a certification that the submitting bidder and each member of the submitting bidder's underwriting group is a Pre-Qualified Bidder.

Bid Requirements

Proposals for the purchase of the Series A Taxable Bonds must be submitted through the facilities of PARITY[®], must be for all the Series A Taxable Bonds and must be a bid of not less than the par amount of the bonds (\$250,000,000), and must specify an interest rate for each maturity in a multiple of 1/8 or 1/100 of one percent (1%) per annum which the Series A Taxable Bonds are to bear, provided such bid shall not state more than one rate of interest per annum for Series A Taxable Bonds of the same maturity. Interest shall be computed on a basis of a 360-day year of twelve 30-day months. Bids may not include any conditions not otherwise expressly provided for herein.

All bids must remain valid until 3:30 P.M. (Eastern Daylight Time) on the Bid Date. In the event the winning bidder does not provide the Good Faith Deposit or does not meet the Compliance Requirements described above, the State may award the Series A Taxable Bonds to the bidder with the next lowest true interest cost to the State.

Basis of Award

The Series A Taxable Bonds will be awarded by the State to the bidder whose proposal (i) complies with this Notice of Sale and (ii) offers to purchase all the Series A Taxable Bonds at the rates of interest that will produce the lowest true interest cost to the State (herein called the "Successful Bidder"). If two or more equal bids are

received, the State Treasurer will determine by lot which proposal, if any, shall be accepted and that determination shall be final.

For the purpose of determining the Successful Bidder, the true interest cost to the State will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Series A Taxable Bonds from their respective payment dates to the Delivery Date, results in an amount equal to the purchase price for the Series A Taxable Bonds. It is requested that each proposal be accompanied by a statement of the true interest cost percentage computed and rounded to six decimal places. Such statement shall not be considered as a part of the proposal.

Promptly upon verbal notification that a bidder's proposal may be accepted, the bidder shall confirm to the State the reoffering prices of all the Series A Taxable Bonds of each maturity and the members of the underwriting syndicate.

Good Faith Deposit

The Successful Bidder shall wire transfer to the State \$2,500,000 as a good faith deposit for the Series A Taxable Bonds in immediately available federal funds not later than **2:00 P.M. (Eastern Daylight Time)** on the Bid Date (the "Good Faith Deposit") pursuant to wire instructions that will be provided to the Successful Bidder.

Upon confirmation by the State of receipt of the Good Faith Deposit, the State shall then notify the Successful Bidder of the formal award (the "Formal Award"). The Series A Taxable Bonds shall not be deemed awarded to the Successful Bidder until after the State has made the Formal Award which is subject to receipt of the Good Faith Deposit. In the event that the State has not received such wire transfer by the time stated above, the State reserves the right, in its sole discretion, to deem the winning bid a non-conforming bid and to award the Series A Taxable Bonds to the bidder with the next lowest true interest cost to the State.

The Good Faith Deposit will be deposited by the State and applied to the purchase price of the Series A Taxable Bonds. In the event the Successful Bidder fails to carry out the terms of its proposal to purchase the Series A Taxable Bonds, the Good Faith Deposit shall be forfeited and paid to the State as liquidated damages, which are stipulated by the bidder as full and complete upon its submission of its bid. The Successful Bidder waives any right to claim that the State's actual damages are less than the principal amount of the Good Faith Deposit. No interest will be paid upon the Good Faith Deposit submitted by any bidder. In the event the State fails to carry out its obligation to deliver the Series A Taxable Bonds in exchange for the purchase price thereof and in accordance with the terms of this Notice of Sale, the State shall return the Good Faith Deposit to the Successful Bidder. The Successful Bidder waives any right to claim any damages as a result of such a failure by the State.

Delivery and Payment

It shall be a condition to the obligation of the Successful Bidder to accept delivery of and to pay for the Series A Taxable Bonds and that the Series A Taxable Bonds shall be delivered in accordance herewith on or before the Delivery Date (**August 17, 2016**)*, or such later date as may be acceptable to such bidder, and that contemporaneously with or before accepting the Series A Taxable Bonds and paying therefor, such bidder shall be furnished, without cost, with (i) the certificates of the Attorney General and of the Treasurer described in the Official Statement under the caption "Documents Accompanying Delivery of the Bonds"; (ii) the final approving opinions of Bond Counsel substantially in the form of Appendix I-B to the Official Statement; (iii) supplemental letters of Bond Counsel and Disclosure Counsel pertaining to certain disclosure matters; (iv) the letter of Tax Counsel pertaining to certain tax matters; (v) an executed Continuing Disclosure Agreement for the Series A Taxable Bonds substantially in the form of Appendix I-C to the Official Statement; and (vi) certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Series A Taxable Bonds and receipt of payment therefor.

The Successful Bidder agrees (i) to disseminate to all members of the underwriting syndicate copies of the Official Statement, including any supplements prepared by the State, (ii) immediately after receipt of the Official

* Subject to change

Statement from the State, including any supplements thereto, but no later than the Delivery Date of the Series A Taxable Bonds, submit the Official Statement to the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (the “MSRB”) in accordance with Rule G-32, (iii) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Series A Taxable Bonds to the ultimate purchasers and (iv) notify the State of the date on which the final Official Statement is submitted to the MSRB.

Within thirty days of the Delivery Date, the Successful Bidder will be required to submit reports to the Treasurer’s Office indicating the allocation of the Series A Taxable Bonds and the amount of sales compensation received by each member of the underwriting syndicate, if any, expressed in dollars.

The State will have no responsibility to pay for any expenses of the underwriters except to the extent specifically stated in this Notice of Sale. The underwriters will have no responsibility to pay for any of the State’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The Successful Bidder will be responsible for the clearance or exemption with respect to the status of the Series A Taxable Bonds for sale under the securities or “Blue Sky” laws of the several states and the preparation of any surveys or memoranda in connection with such sale. The State shall have no responsibility for such clearance, exemption or preparation.

It is expected that the Series A Taxable Bonds in definitive form will be delivered to DTC in New York City on or about the Delivery Date (**August 17, 2016**)*, against payment of the balance of the purchase price in a federal funds wire transfer payable to the order of the “State of Connecticut” and immediately and unconditionally available to it on the Delivery Date. The deposit of the Series A Taxable Bonds with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Successful Bidder to obtain CUSIP numbers for the Series A Taxable Bonds prior to delivery and the State will not be responsible for any delay occasioned by the inability to deposit the Series A Taxable Bonds with DTC due to the failure of the Successful Bidder to obtain such numbers and to supply them to the State in a timely manner. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series A Taxable Bonds. The Successful Bidder will be given at least seventy-two hours notice of the time and place of delivery.

Right to Reject Bids; Waiver

The State reserves the right, in its sole discretion, to reject any and all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any non-compliance, irregularity or informality with respect to any bid.

Postponement; Change of Terms

The State reserves the right, in its sole discretion, to alter any terms of the Series A Taxable Bonds or this Notice of Sale and to postpone, from time to time, the date or time established for the receipt of bids for the Series A Taxable Bonds. The State will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement.

Additional Information

Further information may be obtained by contacting the Office of the State Treasurer, Denise L. Nappier, Attn: Sarah Sanders, Assistant Treasurer for Debt Management, 55 Elm Street, Hartford, Connecticut 06106, (860) 702-3288.

Office of the State Treasurer

Dated at Hartford, Connecticut
this 15th day of July, 2016

* Subject to change