

**TOWN OF ISLIP,  
IN THE COUNTY OF SUFFOLK, NEW YORK**

**NOTICE OF \$6,300,000 BOND SALE**

**SEALED PROPOSALS** will be received by the Supervisor, Town of Islip (the “Town”), Suffolk County, New York, at the offices of Capital Markets Advisors, LLC (the “Municipal Advisor”), 11 Grace Avenue, Suite 308, Great Neck, New York (Telephone No. 516-487-9818, Fax No. 516-487-2575), on **October 7, 2020**, until 11:00 A.M. (Prevailing Time) via iPreo’s Parity Electronic Bid Submission System (“Parity”) or by facsimile transmission, at which time they will be publicly opened and announced, for the purchase of **\$6,300,000 PUBLIC IMPROVEMENT SERIAL BONDS-2020 SERIES C (FEDERALLY TAXABLE)** (the “Bonds”), maturing on October 1, in annual principal installments as shown below, which, together with interest thereon, are expected to effectuate and provide for substantially level or declining annual debt service.

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>
2021	\$610,000	2026	\$630,000
2022	615,000	2027	635,000
2023	615,000	2028	640,000
2024	620,000	2029	650,000
2025	625,000	2030	660,000

***Delivery and Payment Dates for the Bonds***

The Bonds will be dated the date of their delivery, which is expected to be October 21, 2020, and will bear interest at the rate or rates per annum specified by the successful bidder therefor in accordance herewith, payable on October 1, 2021, and semi-annually thereafter on October 1 and April 1 in each year to maturity.

***Post-sale Adjustment of the Bonds***

**The annual maturities of the Bonds may be adjusted for the purpose of attaining debt service that is substantially level or declining, as provided pursuant to Section 21.00(d) of the New York State Local Finance Law (the “Law”). Such adjustments will be made by 3:00 P.M. (Prevailing Time) on the day of the bid opening. 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.**

***Changes to the Time and/or Date of Bid Opening***

The Town reserves the right to change the time and/or date of the bid opening, and notice of any change thereof shall be provided at least one (1) hour prior to the time set forth above for the opening of sealed proposals, by means of a supplemental notice of sale to be transmitted over the Thomson Municipal Newswire or TM3.

---

\* Preliminary, subject to change.

### ***No Optional Redemption for the Bonds***

The Bonds will not be subject to redemption prior to maturity.

### ***Form of Bonds***

The Bonds will be issued in the form of fully registered bonds, in denominations corresponding to the total principal amounts due in each year of maturity. As a condition to delivery of the Bonds, the successful bidder will be required to cause the Bond certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), and (ii) deposited with DTC to be held in trust until maturity. DTC is an automated depository for securities and clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the beneficial ownership interests of individual purchasers in the Bonds. Individual purchases of beneficial ownership interests in the Bonds may only be made through book entries (without certificates issued by the Town) made on the books and records of DTC (or a successor depository) and its participants, in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Bonds will be payable by the Town or its agent by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; 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 Town 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.

### ***Submission of Bids***

Each proposal must be a bid of not less than \$6,300,000 for all of the Bonds. Each proposal must state in a multiple of one-hundredth of 1% or a multiple of one-eighth of 1%, the rate or rates of interest per annum which the Bonds are to bear and may state different rates of interest for Bonds maturing in different calendar years and variations in rates of interest so bid may be in any order, provided, however, that only one rate of interest may be bid for all Bonds maturing in any one calendar year.

Sealed proposals may be submitted electronically via Parity or via facsimile transmission at 516-487-2575, in accordance with this Notice of 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 Town, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms therein provided.

### ***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 Bonds, a bidder

represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Each prospective bidder who wishes to submit 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 Town 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 Town 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 Town is using Parity as a communications mechanism, and not as the Town's agent, to conduct the electronic bidding for the Town's Bonds. The Town 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 Town 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 Town's Municipal Advisor, Capital Markets Advisors, LLC at 516-487-9818 (provided that the Town 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.

Bidders submitting bids via facsimile do not need to register to bid.

### ***Good Faith Deposit***

As a condition precedent to the consideration of the bidder's proposal, a good faith deposit (the "Deposit") in the amount of \$63,000 is required for each bid to be considered. Such Deposit may be in the form of: (i) a certified or cashier's check payable to the order of "Town of Islip, County of Suffolk, New York," or (ii) a wire transfer in accordance with instructions set forth herein. If a wire transfer is used, it must be sent to the account so designated by the Town for such purpose, not later than 10:00 A.M. on the date of the sale; however, the Town reserves the right to award the Bonds to a successful bidder whose wire transfer is initiated but not received by such time provided that such successful bidder's fed wire reference number has been received. A wire reference number must be provided when the bid is submitted. Bidders must contact Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, telephone No. 516-487-9818, the Town's Municipal Advisor, no later than 24 hours prior to the bid opening to obtain the Town's wire instructions. The Town shall not incur any liability from delays of or interruptions in the receipt of the Deposit by fed wire or return of the Deposit to any unsuccessful bidder. Under no circumstances shall interest accrue on the Deposit occasioned by a delay in the return of the Deposit to any unsuccessful bidder. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds.

### ***Award of Bonds***

The Bonds will be awarded and sold to the bidder complying with the terms of sale and offering to purchase the Bonds at such rate or rates of interest per annum as will produce the lowest true interest cost over the life of the issue, and if two or more such bidders offer the same lowest true interest cost, then to one of said bidders selected by the Sale Officer by lot from among all said bidders. True interest cost shall be determined for each bid by doubling the semi-annual interest rate, compounded semiannually, necessary to discount all interest and principal payments from the payment dates thereof to the dated date of the Bonds, so that the sum of the present value of said payments equals the price bid, such price bid excluding interest accrued to the date of delivery. The true interest cost shall be calculated from the dated date of the bonds. The successful bidder must also pay an amount equal to the interest on the Bonds, if any, accrued to the date of payment of the purchase price.

Award of the Bonds will be made without taking into consideration any adjustment to be made to the principal amount of the Bonds described herein.

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

When the successful bidder has been ascertained, the Sale Officer will promptly return all Deposits made to the persons making the same, except the deposit made by such bidder. Award of the Bonds to the successful bidder, or rejection of all bids, is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw his 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 successful bidder will be promptly notified of the award to him, and if he refuses or neglects to pay the agreed price of the Bonds less the amount deposited by him, the amount deposited by him shall be forfeited to and retained by the Town as liquidated damages for such neglect or refusal.

### ***Bond Insurance***

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 hereof.

### ***Use of Proceeds***

The proceeds of the Bonds will be issued for the purposes described in the subsection entitled "*Authority for and Purpose of the Series C Bonds*" in the Preliminary Official Statement (as hereinafter defined).

### ***Payment and Security for the Bonds***

The Bonds are general obligations of the Town and shall contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon. The

State Constitution requires the Town 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 the 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 Town, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes, and also that the fiscal officer of the Town may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

For the payment of such principal of and interest on the Bonds, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). See "Tax Levy Limit Law" in the Preliminary Official Statement of the Town, dated September 28, 2020 ("Preliminary Official Statement"), circulated in connection with the sale of the Bonds, which shall be supplemented by the final official statement to be dated October 7, 2020 (the "Official Statement").

### ***Debt Statement***

The population of the Town is estimated to be 335,710. The debt statement to be filed pursuant to Section 109.00 of the Law in connection with the sale of the Bonds, prepared as of September 28, 2020 shows the five-year average full valuation of real property subject to taxation by the Town to be \$40,748,830,817, its debt limit to be \$2,570,665,812, and its total net indebtedness to be \$170,145,000. The issuance of the Bonds will increase the net indebtedness of the Town by \$6,300,000. The Town plans to sell its \$6,160,000 Refunding Serial Bonds- 2020 Series A and \$8,600,000 Public Improvement Serial Bonds- 2020 Series B simultaneously with the Bonds.

### ***Delivery of the Bonds and Assignment of CUSIP Numbers***

The Bonds will be delivered to DTC and shall be paid for in Federal Funds on or about October 21, 2020 at such place in New York City, and on such business day and at such hour, as the Sale Officer shall fix on three business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town's Municipal Advisor to obtain CUSIP numbers for the Bonds within one day after distribution of the Notice of Sale for the Bonds. The Town will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the Town's Municipal Advisor to obtain such numbers and to supply them to the Town in a timely manner. The CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the winning bidder; however, all expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town.

### ***Legal Opinion***

The successful bidder will be furnished without cost with the approving opinion of the law firm of Hawkins Delafield & Wood LLP ("Bond Counsel") substantially as set forth in Appendix D to the Preliminary Official Statement.

### ***Tax Status of Interest on the Bonds***

In the opinion of Bond Counsel to the Town, interest on the Bonds (i) is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is exempt, under existing statutes, from personal income taxes of New York State and its political subdivisions, including The City of New York.

### ***Official Statement, Continuing Disclosure and Compliance History***

The Town will provide a reasonable number of Official Statements to the successful bidder within seven (7) business days following receipt of a written request therefor made to the Town and its Municipal Advisor. Such request may specify the applicable (a) offering price(s), (b) selling compensation, (c) rating(s), (d) credit enhancement and (e) identity and complete name of such bidder and any participating underwriters, and if so, the Preliminary Official Statement will be modified or supplemented by the information so specified. Neither the Town nor its Municipal Advisor shall be liable in any manner for any delay, inaccuracy, or omission on the part of the successful bidder with respect to such request, nor shall the Town’s failure, as a result thereof, to provide the Official Statement within the above time period, constitute cause for a failure or refusal by such bidder to accept delivery of and pay for the Bonds in accordance with the terms hereof.

The Preliminary Official Statement is in a form “deemed final” by the Town for the purpose of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”) but may be modified or supplemented as noted above. In order to assist bidders in complying with Rule 15c2-12 and as part of the Town’s contractual obligation arising from its acceptance of the successful bidder’s proposal, at the time of the delivery of the Bonds the Town will provide an executed copy of its “Undertaking to Provide Continuing Disclosure” (the “Undertaking”). The form of said Undertaking is set forth in Appendix E in the Preliminary Official Statement.

Except as otherwise set forth in the Preliminary Official Statement (see the caption entitled “DISCLOSURE UNDERTAKING”), the Town is in compliance in all material respects with all previous undertakings made pursuant to Rule 15c2-12 during each of the past five years.

### ***Documents Accompanying the Delivery of the Bonds***

The obligation hereunder to deliver or accept the Bonds pursuant hereto shall be conditioned on the delivery to the successful bidder at the time of delivery of the Bonds of: (i) the opinion of Bond Counsel; (ii) a certificate of the Town Attorney, dated the date of delivery of the Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the Town wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Town or adversely affect the power of the Town to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, which has not been disclosed in the Official Statement; (iii) a certificate of the Supervisor to the effect that as of the date of the Official Statement and at all times subsequent thereto, up to and including the time of the delivery

of the Bonds, the Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the Town since the date of the Official Statement to the date of issuance of the Bonds (and having attached thereto a copy of the Official Statement); (iv) certificates signed by the Supervisor evidencing payment for the Bonds and (v) a signature certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Bonds or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds were authorized or affecting the validity of the Bonds thereunder, (b) neither the corporate existence or boundaries of the Town nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

***Additional Information***

Copies of this Notice of Sale and the Preliminary Official Statement are available in electronic format on the website of the Town's Municipal Advisor, Capital Markets Advisors, LLC ("[www.capmark.org](http://www.capmark.org)") or may be obtained upon request from the offices of Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, telephone No. 516-487-9818.

Dated: September 28, 2020

ANGIE M. CARPENTER  
Supervisor  
and Chief Fiscal Officer

PROPOSAL FOR BONDS

October 7, 2020

Angie M. Carpenter, Supervisor
Town of Islip
c/o Capital Markets Advisors, LLC
11 Grace Avenue
Great Neck, New York 11021

Facsimile: 516-487-2575

Dear Supervisor Carpenter:

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated September 28, 2020, which is hereby made a part of this Proposal, we offer to purchase all of the \$6,300,000 Public Improvement Serial Bonds-2020 Series C (Federally Taxable) of the Town of Islip, New York, described in said Notice of Sale, and to pay therefor the price of \$6,300,000 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:

Table with 2 columns: Bonds maturing in the year (2021-2030) and interest rate (%). Each row contains a blank line for the interest rate percentage.

Deposit Requirement – Please check one of the following:

\_\_\_ We enclose herewith a certified or cashier’s check in the sum of \$63,000, made payable to the order of the Town of Islip, Suffolk County, New York.

\_\_\_ We sent a fed wire transfer of \$63,000 to the account of the Town designated for such purpose in accordance with the Notice of Sale and instructions provided by the Town’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 Town 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 \$6,300,000 bonds under the foregoing Proposal:

Table with 2 columns: Description and Amount. Rows include Par Amount of the Bonds, Add: Premium, Target Value for Calculation, and True Interest Rate (with a note for 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: \_\_\_\_\_