NOTICE OF SALE

CENTER MORICHES UNION FREE SCHOOL DISTRICT
(the "District")
SUFFOLK COUNTY, NEW YORK

$9,000,000* TAX ANTICIPATION NOTES FOR 2021 – 2022 TAXES
(the "Notes")

BANK QUALIFIED

SALE DATE:	September 21, 2021	TELEPHONE: (516) 274-4501
TIME:	11:00 AM (Prevailing Time)	FACSIMILE: (516) 487-2575
PLACE OF SALE:	Capital Markets Advisors, LLC 11 Grace Avenue, Suite 308 Great Neck, New York 11021	
DATE OF NOTES:	September 29, 2021	
MATURITY DATE:	June 24, 2022	

Submission of Bids

Sealed proposals, telephone proposals, fax proposals and proposals via iPreo's Parity Electronic Bid Submission System ("Parity") will be received at the place and time on the Sale Date as hereinabove indicated, for the purchase at not less than par and accrued interest of the Notes as hereinabove described. No other form of electronic bidding services will be accepted. The number for telephone proposals is (516) 487-9818. The number for FAX proposals is (516) 487-2575. Bidders submitting proposals via facsimile must use the "Proposal for Notes" form attached hereto.

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 Any proposal received by the time for receiving proposals specified herein, which have not been modified or withdrawn by the bidder, including those communicated electronically via Parity, shall constitute an irrevocable offer to purchase the Notes pursuant to the terms herein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

The District reserves the right to reject any and all bids (regardless of the interest rate bid), to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid or the bidding process.

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

* Preliminary, subject to change.

Bids may be for all or a portion of the Notes ($1,000,000 minimum bid) and must state in a multiple of one-hundredth or one-eighth of 1% a rate or rates of interest per annum which such Notes shall bear. Interest will be calculated on the basis of a 30-day month and 360-day year. The Notes will not be subject to prior redemption.

Bidding using Parity

Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity. Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the Notes, a bidder represents and warrants to the District that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes.

Each prospective bidder who wishes to submit an electronic bid shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the District nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the District nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The District is using Parity as a communications mechanism, and not as the District's agent, to conduct the electronic bidding for the District's Notes. The District is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the District is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Notes, it should telephone Parity and notify the District's Municipal Advisor, Capital Markets Advisors, LLC at (516) 487-9818 (provided that the District shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Notice of Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about Parity, including any fee charged, may be obtained from Parity at (212) 849-5021. The time maintained by Parity shall constitute the official time with respect to all bids submitted.

Post-sale Adjustments of Par Amount of the Notes

Following the sale of the Notes, the aggregate par amount of Notes may be decreased in an amount not in excess of the premium offered by the successful bidder to the extent necessary in order that the total proceeds, which include the total par amount of the Notes plus the original issue premium, if any, received by the District do not exceed the maximum amount permitted under applicable provisions of the Internal Revenue Code of 1986, as amended. In such event, the premium shall also be adjusted to the extent necessary to achieve the same net interest cost which served as the basis for the award to the purchaser(s). If the Notes are awarded to more than one purchaser, any decrease in the par amount of the Notes shall be made on a pro-rata basis among said purchasers and the premium shall also be adjusted to the extent necessary to achieve the same net interest cost.

Payment and Security for the Notes

Said Notes are general obligations of the District and the faith and credit of such District are pledged for payment of the principal of and interest on such Notes. All the taxable real property in said District will be subject to the levy of ad valorem taxes, subject to certain statutory limitations, sufficient to pay the principal of

and interest on the Notes. (See "*Tax Levy Limit Law*" in the Preliminary Official Statement of the District dated September 14, 2021 (the "Preliminary Official Statement"), circulated in connection with the sale of the Notes, which shall be supplemented by the final official statement to be dated September 21, 2021 (the "Official Statement").

Upon default in the payment of principal of or interest on the Notes or certain other obligations of the District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the District and apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to said Notes and said other obligations.

Award of Notes

The Notes will be awarded and sold to the bidder(s) complying with the terms of sale and offering to purchase the Notes at the lowest net interest cost, and if two or more such bidders offer the same lowest net interest cost, then to one of said bidders offering to purchase the largest par amount of the Notes and if all of said bidders offer the same net interest cost and offer to purchase the same par amount, then to the one of said bidders selected by the Sale Officer by lot from among all said bidders.

The right is reserved by the District to award to any bidder all or any part of the Notes which such bidder offers to purchase and, in the event of a partial award, the premium, if any, specified by such bidder will be pro-rated.

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

Form of the Notes

The Notes will be issued in registered form, and at the option of the purchaser, the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company ("DTC") as book-entry notes.

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

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

CUSIP identification numbers will be printed on the book-entry Notes if Bond Counsel is provided with such numbers by the close of business on the Sale Date of the Notes, but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery and pay for the Notes in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the District; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser. DTC is an automated depository for securities and a clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry-only system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfer of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership interests in the Notes may be made only through book entries made on the books and records of DTC (or a successor depository) and its participants.

Delivery of the Notes

Said Notes will be delivered on or about the Date of the Notes, referred to herein, at no cost to the purchaser, in New York, New York or otherwise as may be agreed with the purchaser; however, if the Notes are issued in book-entry only form, said Notes will be delivered to DTC. The purchase price of said Notes shall be paid in FEDERAL FUNDS or other funds available for immediate credit on said delivery date.

Legal Opinion

The proposed form of the approving legal opinion of Bond Counsel is set forth in Appendix C to the Preliminary Official Statement and will be furnished to the purchaser upon delivery of the Notes.

Tax Exemption

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross income under Section 103 of the Code. Concurrently with the delivery of the Notes, the District will execute and deliver a Tax Certificate, which will contain provisions and procedures relating to compliance with the requirements of the Code and a certification to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Notes is excludable from gross income under Section 103 of the Code.

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

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

The District will designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

Obligation of Winning Bidder(s) to Deliver an Issue Price Certificate at Closing

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). The Municipal Advisor will advise the winning bidder(s) if the Competitive Sale Requirements were met at the same time it notifies the winning bidder(s) of the award of the Notes. **Bids will <u>not</u> be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

The winning bidder(s) shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of each maturity of the Notes (the "Initial Reoffering Prices") as of the date of the award.

By submitting a bid, the winning bidder(s) agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Requirements <u>are not</u> met, it will elect and satisfy either option (1) or option (2) described below. *Such election must be made on the bid form submitted by each bidder or otherwise communicated at the time of bidding.*

(1) **<u>Hold the Price</u>**. The winning bidder(s):

(a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will neither offer nor sell to any person any Notes within a maturity at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Notes of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Notes, and

(c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

(2) **<u>Follow the Price</u>**. The winning bidder(s):

(a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide the Issuer with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will report to the Issuer information regarding the first price that at least 10 percent of the Notes within each maturity of the Notes have been sold to the public,

(c) will provide the Issuer with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Notes, will continue until such date that the requirement set forth in paragraph (b) above for each maturity of the Notes is satisfied, and

(d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

For purposes of the "hold the price" or "follow the price" requirement, a "maturity" refers to Notes that have the same interest rate, credit and payment terms.

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the Issuer a certificate (the "Reoffering Price Certificate"), satisfactory to Bond Counsel, prior to the delivery of the Notes stating the applicable facts as described above. The form of Reoffering Price Certificate is available by contacting Bond Counsel or the Municipal Advisor.

If the winning bidder has purchased the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Requirements were met, the Reoffering Price Certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

For purposes of this Notice, the "public" does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any "derivative products" (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

Official Statement, Undertaking to Provide Notices of Events and Compliance History

The District will provide a reasonable number of Official Statements to each successful bidder within seven (7) business days following receipt of a written request therefor made to the District and its Municipal Advisor. Such request may specify the applicable (a) offering price, (b) selling compensation, (c) rating, (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 District nor its Municipal Advisor shall be liable in any manner for any delay, inaccuracy, or omission on the part of any successful bidder with respect to such request, nor shall the District'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 Notes in accordance with the terms hereof.

The Preliminary Official Statement is in a form "deemed final" by the District for purposes 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 District's contractual obligation arising from its acceptance of the proposal of the successful bidder(s), at the time of the delivery of the Notes the District will provide an executed copy of its "Undertaking to Provide Notices of Events" (the "Undertaking"). *The form of said Undertaking is set forth in Appendix D to the Preliminary Official Statement.*

Except as otherwise set forth in the Preliminary Official Statement (see the caption "DISCLOSURE UNDERTAKING"), the District 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 Notes

The obligation hereunder to deliver or accept the Notes pursuant hereto shall be conditioned on the delivery to the successful bidder at the time of delivery of the Notes of: (i) the opinion of Bond Counsel; (ii) a certificate of the School Attorney, dated the date of delivery of the Notes, 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 Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the District wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the District or adversely affect the power of the District to levy, collect and enforce the collection of taxes or other revenues for the payment of its Notes, which has not been disclosed in the Official Statement; (iii) a certificate of the President of the Board of Education 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 Notes, 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 District since the date of the Official Statement to the date of issuance of the Notes (and having attached thereto a copy of the Official Statement); (iv) a certificate signed by the President of the Board of Education evidencing payment for the Notes; (v) a signature certificate evidencing the due execution of the Notes, 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 Notes 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 Notes were authorized or affecting the validity of the Notes thereunder, (b) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded, and (vi) a Tax Certificate executed by the President of the Board of Education, as described under "TAX MATTERS" in the Preliminary Official Statement.

Contact Information

The District's contact information is as follows: Ms. Keri Loughlin, Assistant Superintendent for Business, 529 Main Street, Center Moriches, NY 11934, Phone: (631) 878-0052 x111, Fax: (631) 878-4326, kloughlin@cmschools.org.

Copies of this Notice of Sale and the Preliminary Official Statement prepared in connection with the sale of the Notes may be obtained upon request from the offices of Capital Markets Advisors, telephone number (516) 274-4501 or by visiting www.capmark.org.

CENTER MORICHES UNION FREE SCHOOL DISTRICT

By: /s/ George Maxwell
President of the Board of Education

Dated: September 14, 2021

PROPOSAL FOR NOTES

President of the Board of Education
Center Moriches Union Free School District
c/o Capital Markets Advisors, LLC
11 Grace Avenue, Suite 308
Great Neck, New York 11021

TELEPHONE: (516) 274-4501 FACSIMILE: (516) 487-2575

CENTER MORICHES UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

$9,000,000* TAX ANTICIPATION NOTES FOR 2021–2022 TAXES

(the "Notes")

DATED: September 29, 2021 MATURITY: June 24, 2022

	Amount	Interest Rate	Premium	Net Interest Cost
Bid 1	$	%	$	%
Bid 2	$	%	$	%
Bid 3	$	%	$	%
Bid 4	$	%	$	%

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

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

Please check one of the following:
☐ We are purchasing the Notes for our own account and not with a view to distribution or resale to the public.

☐ In the event the Competitive Sale Requirements are not met, we hereby elect to:
- ☐ Hold the Price
- ☐ Follow the Price

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

Signature: _____

Name of Bidder: _____

Address: _____

_____

Telephone (Area Code): _____

Fax (Area Code): _____

* Preliminary, subject to change.