

NOTICE OF SALE

VILLAGE OF PATCHOGUE  
SUFFOLK COUNTY, NEW YORK  
(THE "VILLAGE")

\$200,000 BOND ANTICIPATION NOTES, 2019 (RENEWALS)  
(the "Notes")

BANK QUALIFIED

SALE DATE: March 6, 2019 TELEPHONE: (631) 331-8888  
TIME: 11:00 AM FACSIMILE: (631) 331-8834  
(Prevailing Time)  
PLACE OF SALE: Munistat Services, Inc.  
12 Roosevelt Avenue  
Port Jefferson Station, NY 11776  
DATE OF NOTES: March 19, 2019  
MATURITY DATE: March 17, 2020

Sealed proposals, telephone proposals, fax proposals or 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. The number for telephone proposals is (631) 331-8888. The number for FAX proposals is (631) 331-8834.

The Notes are general obligations of the Village. The Village has pledged its faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended.

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 Village 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.

Proposals may be submitted electronically via Parity or via facsimile transmission at (631) 331-8834, in accordance with this Notice of Sale, until the time specified herein. No other form of electronic bidding services 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 Notes" form attached hereto. Once the proposals are communicated electronically via Parity or via facsimile to the Village, each bid will constitute an irrevocable offer to purchase the Notes 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 Notes, a bidder represents and warrants to the Village 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 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 Sale. Neither the Village 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 Village 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 Village is using Parity as a communications mechanism, and not as the Village's agent, to conduct the electronic bidding for the Village's Notes.

The Village 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 Village 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 Village's Municipal Advisor, Munistat Services Inc. at (631) 331-8888 (provided that the Village 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.

Bids must be for all of the Notes 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.

The Notes will be awarded and sold to the bidder 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 the one of said bidders selected by the Sale Officer by lot from among all said bidders.

The right is reserved by the Village 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. The right is also reserved to reject any or all bids and any bid not complying with the terms of this notice will be rejected.

Award of the Notes is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw proposals until two (2) hours after the time set forth above 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 shall mutually agree.

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

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

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 respective interests 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 at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Village 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 Village 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.

The Notes are being issued pursuant to the Constitution and statutes of the State of New York including among others, the Village Law and the Local Finance Law, and in accordance with a bond resolution authorizing such purpose, as set forth below:

<u>Purpose</u>	<u>Amount Outstanding</u>	<u>Amount to be Paid down</u>	<u>Amount to be Borrowed</u>
Acquisition of Real Property	\$300,000	\$100,000	\$200,000

CUSIP identification numbers will be printed on the 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 Village; 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.

Said Notes will be delivered on or about March 19, 2019, 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, New York, New York. The purchase price of said Notes shall be paid in FEDERAL FUNDS or other funds available for immediate credit on said delivery date.

The successful bidder will be furnished without cost with the approving opinion of the law firm of Orrick, Herrington & Sutcliff LLP, New York, New York ("Bond Counsel") to the effect that the Notes are valid and legally binding general obligations of the Village for which the Village has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Village is subject to the levy of ad valorem real estate taxes to pay the Notes and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended. The opinion shall also discuss the treatment of interest on the Notes under applicable tax laws, as described below, and shall state that the enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Any successful bidder may at its option refuse to accept the Notes if prior to their delivery the opinion of Bond Counsel referred to below 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 any such case such bidder will be relieved from its contractual obligation arising from the acceptance of its proposal.

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 Village will execute its Arbitrage Certificate, which will contain provisions and procedures relating to compliance with the requirements of the Code and certifications to the effect that the Village 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 excluded from gross income under Section 103 of the Code.

Upon delivery of the Notes, Bond Counsel will deliver an opinion to the effect that, under existing statutes and court decisions and assuming continuing compliance with the Arbitrage 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 subject to the alternative minimum tax.

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 opinion of Bond Counsel will further state that said law firm expresses no opinion regarding any other Federal or state tax consequences with respect to the Notes and that Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. The opinion of Bond Counsel will also state that it expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Notes.

THE VILLAGE WILL DESIGNATE THE NOTES AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" PURSUANT TO THE PROVISIONS OF SECTION 265 OF THE CODE.

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 notes who have established industry reputations for underwriting new issuances of municipal notes (the “Competitive Sale Requirements”). The Municipal Advisor will advise the winning bidder if the Competitive Sale Requirements were met at the same time it notifies the winning bidder of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

The winning bidder 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 offering price or yield to the public of the Notes (the “Initial Reoffering Price”) as of the date of the award upon which the winning bidder’s bid is based.

Following the sale of the Notes, on the Sale Date, the successful bidder will be required to provide to the Village and its Bond Counsel certain information regarding the reoffering price to the public of the notes. If the winning bidder is purchasing the notes for its own account and not with a view to distribute or resale, they should inform the financial advisor at the time of award and a certificate to that effect will be required on or before closing. Otherwise, the successful bidder also must submit to the Village a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, dated as of the day of the delivery of the notes, which assuming three bids are received, states:

(a)(i) on the date of award, such successful bidder made a bona fide public offering of the notes at the initial offering price corresponding to the price or yield 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 the notes 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 notes attached to the Reoffering Price Certificate. The term “public” as used herein means any persons including an individual, trust, estate, partnership, association, company or corporation (other than the successful bidder(s) or a related party to the successful bidder(s), 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 a successful bidder to participate in the initial sale of the notes 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 notes.

In the event that at least three bids are not received by the Village on the Sale Date, and at least ten percent of the notes have been sold on the Sale Date, the successful bidder shall certify as to the first price or yield at which ten percent of the notes was sold in accordance with the first price rule 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 Village on the Sale Date, and (2) 10% of the notes have not been sold on the Sale Date, the successful bidder (and any members of its underwriting group or syndicate) shall have the option (i) to provide to the Village (or its agents) ongoing pricing information, together with reasonable supporting documentation acceptable to bond counsel (such as the pricing wire), until 10% of the notes is sold (the “Follow-the-Price Requirement”), or (ii) shall be required to hold the initial reoffering price to the public of such notes (as reported to the Village 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 such notes 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 Village or its Financial 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 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.

The obligations hereunder to deliver or accept the Notes pursuant hereto shall be conditioned on the availability to each successful bidder at the time of delivery of the Notes of said approving opinion; of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes and receipt of payment therefor and including a statement, dated as of the date of delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened relating to the Notes.

The Village will act as Paying Agent for the Bonds. Paying agent fees, if any, will be paid by the purchaser. The Village's contact information is as follows: Anne Marie Monte, Village of Patchogue, 14 Baker Street, Patchogue, New York 11772, telephone number 631/475-4300, email: [Amonte@patchoguevillage.org](mailto:Amonte@patchoguevillage.org).

Copies of the Notice of Sale may be obtained upon request from the offices of Munistat Services, Inc, telephone number (631) 331-8888 or by visiting [www.munistat.com](http://www.munistat.com).

VILLAGE OF PATCHOGUE, NEW YORK

By: RONALD KRAWCZYK  
VILLAGE TREASURER

Dated: February 26, 2019

PROPOSAL FOR NOTES

March 6, 2019

Ronald Krawczyk  
Village Treasurer  
Village of Patchogue  
c/o Munistat Services, Inc.  
12 Roosevelt Avenue  
Port Jefferson Station, NY 11776

TELEPHONE: (631) 331-8888

FACSIMILE: (631) 331-8834

VILLAGE OF PATCHOGUE  
SUFFOLK COUNTY, NEW YORK  
(THE "VILLAGE")

\$200,000 BOND ANTICIPATION NOTES, 2019 (RENEWALS)  
(the "Notes")

BANK QUALIFIED

DATED: March 19, 2019

MATURITY: March 17, 2020

	<b>Amount</b>	<b>Interest Rate</b>	<b>Premium</b>	<b>Net Interest Cost*</b>
<b>Bid 1</b>	\$200,000	%	\$	%

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 purchaser):

- Book-Entry-Only registered to Cede & Co.
- Non Book-Entry Registered to Purchaser

\*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): \_\_\_\_\_