

**\$126,314,000**

**TOWN OF OYSTER BAY, NASSAU COUNTY, NEW YORK**

**PUBLIC IMPROVEMENT (SERIAL) BONDS, 2010**

**NOTICE OF BOND SALE**

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Written and Telefax (315 752-0057) proposals will be received and considered by the undersigned Supervisor of the Town of Oyster Bay, Nassau County, New York, at the Offices of Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202, until 11:30 o'clock A.M., Prevailing Time, on July 29, 2010, at which time and place the bids will be opened, for the purchase at not less than par and accrued interest of

\$126,314,000 Public Improvement (Serial) Bonds, 2010, of said Town, dated August 15, 2010, and maturing \$5,974,000 on August 15, 2011, \$6,190,000 on August 15, 2012, \$6,415,000 on August 15, 2013, \$6,645,000 on August 15, 2014, \$6,885,000 on August 15, 2015, \$7,130,000 on August 15, 2016, \$7,390,000 on August 15, 2017, \$7,655,000 on August 15, 2018, \$7,930,000 on August 15, 2019, \$8,215,000 on August 15, 2020, \$8,510,000 on August 15, 2021, \$8,815,000 on August 15, 2022, \$9,135,000 on August 15, 2023, \$9,465,000 on August 15, 2024, \$9,805,000 on August 15, 2025 and \$10,155,000 on August 15, 2026, with interest payable thereon on February 15, 2011, August 15, 2011 and semi-annually thereafter on February 15 and August 15 in each year until maturity.

Award of the bonds will be made without taking into consideration any adjustment to be made to installments of principal to the extent necessary to meet the requirements of substantially level or declining annual debt service. In addition, following the sale of the Bonds the aggregate par amount of Bonds may be decreased in an amount not in excess of the premium offered, if any, by the successful bidder and the amount of each annual maturity, as set forth herein, may be adjusted, to the extent necessary in order that the total proceeds, which include the total par amount of the Bonds plus the original issue premium, if any, received by the Town does not exceed the maximum amount permitted under applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"). In adjusting the par amount of the bonds following the award, the Town will hold constant the successful bidder's Underwriter's Spread per \$1,000 bonds as indicated in the original bid. "Underwriter's Spread" shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be reoffered to the public, (calculated from information provided by the bidder), divided by the par amount of the Bonds bid. Any such adjustment shall be conclusive, and shall be binding upon, the successful bidder.

The Bonds will be initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, and when issued will be registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the bonds. Ownership interest in the bonds will be transferred pursuant to the "Book-Entry-Only System" of The Depository Trust Company, as described in the Official Statement prepared by the Town with respect to the bonds. Principal of and interest on the bonds will be payable by check or draft mailed by the Town Clerk (the "Fiscal Agent") to The Depository Trust Company, New York, New York, or to its partnership nominee, Cede & Co., as the registered owner of the bonds. Principal of and interest will be payable in lawful money of the United States of America. Bonds will be fully registered and will be valid and legally binding general obligations of said Town, all the taxable real property within which will be subject to the levy of ad valorem taxes to pay said bonds and interest thereon, without limitation as to rate or amount. The bonds may not be converted into coupon bonds or be registered to bearer.

The Bonds maturing on or before August 15, 2017 shall not be subject to redemption prior to maturity. The Bonds maturing on or after August 15, 2018 shall be subject to redemption prior to maturity on not less than thirty (30) days notice as a whole or in part at the option of the Town on August 15, 2017 or on any date thereafter at par, plus accrued interest to the date of redemption.

If less than all of the bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town Supervisor. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The State Constitution requires the 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 such bonds. The State Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on the bonds and certain other obligations of the Town, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes; also that the fiscal officer of the Town may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Each bid must be for all of said \$126,314,000 bonds and may state different rates of interest for bonds maturing in different calendar years; provided, however, that (i) only one rate of interest may be bid for all bonds maturing in any one calendar year, (ii) the maximum difference between highest and lowest rate of interest bid for the bonds may not exceed one and one-half per centum per annum, (iii) variations in rate of interest so bid shall be in ascending progression in order of maturity so that the rate of interest on bonds maturing in any particular calendar year shall not be less than the rate of interest applicable to bonds maturing in any prior calendar year, and (iv) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one per centum per annum. Unless all bids are rejected, the award will be made to the bidder complying with the terms of sale and offering to purchase the bonds at such rate or rates of interest as will produce the lowest net interest cost computed in accordance with the net interest cost method of calculation. The net interest cost computation should be made as of the date of the delivery of the bonds. If two or more such bidders offer to purchase the bonds at the same net interest cost, computed as described above, the bonds will be awarded to the bidder whose bid offers to purchase the bonds at the highest premium dollar amount; provided, however, that the Town reserves the right, in its sole discretion, after selecting the low bidder, to adjust the aforesaid maturity installments to the extent necessary to meet the requirements of substantially level or declining debt service. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Sale, except as provided above, will be rejected.

Simultaneously with or before delivery of the Bonds, the successful bidder(s) shall furnish to the Town a certificate in form satisfactory to Bond Counsel containing information sufficient to enable the Town to determine the "issue price" of the Bonds as defined for purposes of section 148 of the Code (the "issue price certificate"). Such issue price certificate shall state that: (a)(i) the successful bidder(s) made a bona fide offering of all the Bonds of each maturity to the public at initial offering prices corresponding to the prices or yields indicated in the information furnished in connection with the successful bid, and (ii) the first price or yield at which an amount equal to at least ten percent of each maturity of the Bonds was 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"), with the exception of those maturities, if any, identified in such certificate, as to which such certificate shall explain the reasons why the first price rule was not satisfied; or (b) the successful bidder(s) has purchased the Bonds for its own account and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary, and the price or prices at which such purchase was made. For purposes of the issue price certificate, the "public" does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers.

As a condition precedent to the consideration of a proposal, a good faith deposit (the "Deposit") in the form of a certified or cashier's check or a wire transfer in the amount of \$2,526,280 payable to the order of the Town of Oyster Bay is required for each bid to be considered. If a check is used, it must be drawn upon an incorporated bank or trust company payable to the order of the Town of Oyster Bay, Nassau County, New York, and must accompany the bid. 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 and the wire reference number must be provided on the "Proposal for Bonds" when the bid is submitted. Bidders are instructed to contact Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202 (315-752-0051, Fax No.: 315-752-0057), the Town's financial advisor, no later than 24 hours prior to the bid opening to obtain the Town's wire instructions. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds.

Said bonds are issued pursuant to the Constitution and statutes of the State of New York, including, among others, the Town Law and the Local Finance Law, for the following purposes and in the following amounts:

| <u>Purpose</u>  | <u>Amount</u> |
|---|---------------|
| Environmental Preservation II                         | \$ 7,000,000  |
| Remediate Bethpage Park                               | 5,780,000     |
| Park Facility Improvements                            | 1,550,000     |
| Bethpage Park Rink                                    | 18,950,000    |
| Various Park Improvements                             | 4,530,000     |
| Reconstruction of Various Town Buildings              | 1,815,000     |
| Parks, Beaches & Conserv.                             | 4,100,000     |
| Various Town Improvements.                            | 3,710,000     |
| Various Town Improvements                             | 21,050,000    |
| Public Parking Improvements                           | 455,000       |
| Various Park Districts                                | 1,850,000     |
| Public Parking Improvements                           | 8,700,000     |
| Plainview Water                                       | 865,000       |
| Mach, Appar & Improvements                            | 3,370,000     |
| Mach, Appar & Improvements A                          | 135,840       |
| Mach, Appar & Improvements B                          | 535,570       |
| Mach, Appar & Improvements C                          | 69,860        |
| Mach, Appar & Improvements D                          | 698,570       |
| Mach, Appar & Improvements E                          | 1,124,160     |
| Mach, Appar & Improvements                            | 100,000       |
| Various Town Improvements                             | 1,000,000     |
| Parks, Beaches & Conserv.                             | 3,500,000     |
| Various Highway Improvements                          | 2,425,000     |
| Various Highway Improvements                          | 14,000,000    |
| Solid Waste Improvements                              | 1,000,000     |
| Public Lighting                                       | 300,000       |
| Various Park Districts                                | 400,000       |
| Public Lighting                                       | 375,000       |
| Public Parking Improvements                           | 6,000,000     |
| Various Park Districts                                | 1,200,000     |
| Jericho Park District                                 | 5,500,000     |
| Acquisition of Communications, Alarm or Signal Equip. | 1,225,000     |
| Acquisition of Equip. for Constr. and Maint. Purposes | 3,000,000     |

all in and for said Town.

THE TOWN RESERVES THE RIGHT TO CHANGE THE TIME AND/OR DATE FOR THE OPENING OF BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN 24 HOURS PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF BIDS BY MEANS OF A SUPPLEMENTAL NOTICE OF SALE TO BE TRANSMITTED OVER TM3.

If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the bonds resulting by reason of the same shall be paid by such bidder. Any failure of the bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the bonds to accept delivery of and pay for said bonds in accordance with the terms of the purchase contract.

In the event that prior to the delivery of the bonds, the income received by owners thereof from bonds of the same type and character becomes includable in the gross income of such owners for Federal income tax purposes, the successful bidder may, at its election, be relieved of its obligations under the contract to purchase the bonds, and in such case, the deposit accompanying its bid will be returned.

The purchase price of the bonds, in accordance with the purchaser's bid, shall be paid IN FEDERAL FUNDS or other funds available for immediate credit on the day of delivery, in an amount equal to the par amount of such bonds, plus the premium, if any, plus accrued interest from the date of such bonds until said day of delivery, less the amount of the good faith deposit submitted. The closing on said bonds will take place at the offices of Fulbright & Jaworski L.L.P., 666 Fifth Avenue, 24th Floor, New York, New York, on or about August 17, 2010.

CUSIP identification numbers will be printed on said bonds if the purchaser provides Bond Counsel with such numbers by telefax or any other mode of written communication (verbal advice will not be accepted) by 5:00 o'clock P.M. on the date of sale of the bonds, but neither the failure to print such 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 said bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the issuer; 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.

The bonds will be available for inspection by the purchaser at The Depository Trust Company, in New York, New York, not less than 24 hours prior to the time set for the delivery thereof. It shall be the responsibility of the purchaser to verify the CUSIP numbers at such time.

As a condition to the purchaser's obligation to accept delivery of and pay for the bonds, the purchaser will be furnished, without cost, the following, dated as of the date of the delivery of and payment for the bonds: (i) a certificate of the Supervisor certifying that (a) as of the date of the Official Statement furnished by the Town in relation to said bonds (which Official Statement is deemed by the Town to be final for purposes of Securities and Exchange Commission Rule 15c2-12, except for the omission therefrom of those items allowable under said Rule), said Official Statement did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to his knowledge, since the date of said Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the Town and no material adverse changes in the general affairs of the Town or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement; (ii) a Continuing Disclosure Undertaking Certificate of the Town, executed by the Supervisor, stating that the Town has agreed, in accordance with the Rule, to provide or cause to be provided during any succeeding fiscal year in which the Bonds are outstanding, (a) on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is prepared, sixty days following receipt by the Town of the audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year, certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with information contained or cross-referenced in the Official Statement, together with such audited financial statement for such year, if any; (b) timely notice of the occurrence of certain material events with respect to the Bonds; and (c) timely notice of a failure by the Town to provide the required annual financial information and operating data, together with such audited financial statement, if any, described in (a) above on or before the date specified in (a) above; (iii) a Closing Certificate, constituting receipt for the bond proceeds and a signature certificate, which will include a statement that no litigation is pending or, to the knowledge of the signers, threatened affecting the bonds; (iv) a tax certificate executed on behalf of the Town which includes, among other things, covenants, relating to compliance with the Internal Revenue Code of 1986 (the "Code"), with the owners of the bonds that the Town will, among other things, (A) take all actions on its part necessary to cause interest on the bonds not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the bonds and investment earnings thereon, making required payments to the Federal government, if any, with regard to both the bonds and any obligations refunded with proceeds of the bonds, and maintaining books and records in a specified manner, where appropriate, and (B) refrain from taking any action which would cause interest on the bonds to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the bonds and investment earnings thereon on certain specified purposes; and (v) the unqualified legal opinion as to the validity of the bonds of Fulbright & Jaworski L.L.P., New York, New York, Bond Counsel. Reference should be made to said Official Statement for a description of the scope of Bond Counsel's engagement in relation to the issuance of the bonds and the matters covered by such legal opinion. Furthermore, reference should be made to the information under the heading "Legal Matters" in the Official Statement.

The Bonds will not be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of Internal Revenue Code of 1986.

Any party executing and delivering a bid for the bonds agrees, if its bid is accepted by the Town, to provide to the Town, in writing, within two business days after the date of such award, all information which said successful bidder determines is necessary for it to comply with SEC Rule 15c2-12, including all necessary pricing and sale information, information with respect to the purchase of municipal bond insurance, if any, and underwriter identification. Within five business days following receipt by the Town thereof the Town will furnish to the successful bidder, in reasonable quantities as requested by the successful bidder, copies of said Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder to provide such information will prevent the Town from furnishing such Official Statement as described above. The Town shall not be responsible or liable in any manner for the successful bidder's determination of information necessary to comply with SEC Rule 15c2-12 or the accuracy of any such information provided by the successful bidder or for failure to furnish such Official Statements as described above which results from a failure by the successful bidder to provide the aforementioned information within the time specified. Acceptance by the successful bidder of such final Official Statements shall be conclusive evidence of the satisfactory completion of the obligations of said Town with respect to the preparation and delivery thereof.

The population of the Town as shown is estimated to be 302,589. The Debt Statement to be filed, pursuant to Section 109.00 of the Local Finance Law in connection with the sale of the bonds herein described, prepared as of July 19, 2010, will show the average full valuation of real estate subject to taxation by the Town to be \$64,671,286,692, its debt limit to be \$4,526,990,068, and its total net indebtedness subject to the debt limit to be \$502,126,383. The indebtedness to be evidenced by such bonds will not increase such net indebtedness. A detailed Official Statement will be furnished to any interested bidder upon request.

Dated: Oyster Bay, New York,  
July 20, 2010

John Venditto  
Supervisor

# PROPOSAL FOR BONDS

**SALE DATE: JULY 29, 2010  
11:30 A.M., PREVAILING TIME**

Mr. John Venditto  
Supervisor  
Town of Oyster Bay  
Nassau County, New York  
c/o Fiscal Advisors & Marketing, Inc.  
120 Walton Street • Suite 600  
Syracuse, New York 13202  
Telephone (315) 752-0051  
Telefax (315) 752-0057

## TOWN OF OYSTER BAY, NASSAU COUNTY, NEW YORK \$126,314,000 Public Improvement (Serial) Bonds, 2010

Dear Sir:

For the \$126,314,000 Public Improvement (Serial) Bonds, 2010 of the Town of Oyster Bay, Nassau County, New York, subject to the annexed Notice of Bond Sale, which is hereby made a part of this bid, we will pay One Hundred Twenty Six Million Three Hundred Fourteen Thousand Dollars (\$126,314,000) plus a premium of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)

and accrued interest to date of 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:

| <u>Year of Maturity</u> | <u>Interest Rate</u> | <u>Year of Maturity</u> | <u>Interest Rate</u> | <u>Year of Maturity</u> | <u>Interest Rate</u> |
|-------------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|
| 2011                    | _____ %              | 2016                    | _____ %              | 2022                    | _____ %              |
| 2012                    | _____ %              | 2017                    | _____ %              | 2023                    | _____ %              |
| 2013                    | _____ %              | 2018                    | _____ %              | 2024                    | _____ %              |
| 2014                    | _____ %              | 2019                    | _____ %              | 2025                    | _____ %              |
| 2015                    | _____ %              | 2020                    | _____ %              | 2026                    | _____ %              |
|                         |                      | 2021                    | _____ %              |                         |                      |

The following is our computation of the net interest cost, made as provided in the above mentioned Notice of Bond Sale, but not constituting any part of the foregoing proposal for the purchase of the \$126,314,000 Bonds therein described:

|                         |                            |
|-------------------------|----------------------------|
| Gross Interest          | \$ _____                   |
| Premium Bid Over Par    | \$ _____                   |
| Net Interest Cost (NIC) | \$ _____                   |
| Effective NIC Rate      | _____ %<br>(four decimals) |

Check ONE of the following:

- We enclose herewith a cashier's or certified check for \$2,526,280 payable to the order of the Town of Oyster Bay, Nassau County, New York, to be returned to the undersigned upon the award of said Bonds provided this Bid is not accepted; or, the amount of said check to be retained as and for liquidated damages in case of the failure of the undersigned to make payment as agreed.
- Wire Transfer Sent and wire instructions for return wire, should we not be the successful bidder, have been emailed to ccrowley@fiscaladvisors.com.

\_\_\_\_\_  
Signature of Bidder

\_\_\_\_\_  
Bank/Institution

Telephone (    ) \_\_\_\_\_

Telefax    (    ) \_\_\_\_\_

Email: \_\_\_\_\_

**Receipt for return of good faith deposit:**

Received from Mr. John Venditto, Town Supervisor, a check for \$2,526,280 representing the return of our good faith deposit.

\_\_\_\_\_  
Signature of Bidder