

APPENDIX F – NOTICE OF SALE – THE BONDS

**NOTICE OF SALE
\$17,335,000
REGIONAL SCHOOL DISTRICT NUMBER 18 OF THE STATE OF CONNECTICUT
(Towns of Lyme and Old Lyme, Connecticut)
GENERAL OBLIGATION BONDS, ISSUE OF 2024**

Electronic bids (as described herein) will be received by the **REGIONAL SCHOOL DISTRICT NUMBER 18 OF THE STATE OF CONNECTICUT** (the “Issuer”), until 12:00 P.M. (E.T.) Thursday,

AUGUST 1, 2024

(the “Sale Date”) for the purchase of all, but not less than all, of the \$17,335,000 Regional School District Number 18 of the State of Connecticut (Towns of Lyme and Old Lyme, Connecticut) General Obligation Bonds, Issue of 2024 (the “Bonds”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

The Issuer reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

The Bonds

The Bonds will be dated August 15, 2024, mature in the principal amounts of \$870,000 on November 15 in each of the years 2025 to 2031, both inclusive, and \$865,000 on November 15 in each of the years 2032 to 2044, both inclusive, bear interest payable on May 15, 2025 and semiannually thereafter on November 15 and May 15 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated July 24, 2024 (the “Preliminary Official Statement”).

The Bonds maturing on or before, November 15, 2032 are not subject to redemption prior to maturity. The Bonds maturing on November 15, 2033 and thereafter are subject to redemption prior to maturity, at the election of the Issuer, on and after November 15, 2032, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Issuer may determine, at the respective prices (expressed as a percentage of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

| <u>Redemption Date</u> | <u>Redemption Price</u> |
|----------------------------------|-------------------------|
| November 15, 2032 and thereafter | 100% |

Nature of Obligation

The Bonds will be general obligations of the Issuer and its member towns of Lyme and Old Lyme, Connecticut (the “Member Towns”) and the Issuer and such Member Towns will pledge their full faith and credit for the prompt payment of the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Member Towns without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Bonds shall NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the “Code”), for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 and integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Issuer or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. 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 Issuer 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.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY®**. Subscription to i-Deal LLC’s BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY®** as the 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®**, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com).

Bid Specifications/Basis of Award

Each bid must be for the entire \$17,335,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than three (3%) percentage points. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Issuer, computed and rounded to six decimal places.

For the purpose of determining the successful bidder, the true interest cost to the Issuer will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 15, 2024, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued, if any, to August 15, 2024, the delivery date of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the bid. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.T.) on the Sale Date. The purchase price must be paid in Federal funds.

The Issuer reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Issuer further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Adjustment of Principal Amount and Maturity Schedule for the Bonds

The Municipal Advisor to the Issuer, reserves the right to adjust the principal amount of each maturity of the Bonds and the aggregate principal amount of the Bonds after the determination of the winning bidder. The final aggregate principal amount of the Bonds shall not increase or decrease by more than 20%. All calculations will be rounded to the nearest \$5,000. The Issuer anticipates that the final maturity schedule will be communicated to the successful bidder within three (3) hours of the Issuer's receipt of the reoffering prices and yields for the Bonds from the successful bidder. The dollar amount bid by the bidder will be adjusted to reflect any adjustments in the final maturity schedule and the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per bond underwriter's discount as calculated from the bid and the initial reoffering prices required to be delivered to the Issuer as stated herein. **The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices for any Bonds as a result of any changes made to the principal amounts within these limits.**

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Hartford, Connecticut ("Bond Counsel"), and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the Issuer relating to the accuracy and completeness of information contained in the final Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that (i) under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, however, such interest is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on such corporations, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is

excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering its legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Issuer for the benefit of the owners of the Bonds, and further, will assume compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

Pursuant to the Code and applicable Treasury Regulations, the Issuer must establish the “issue price” of the Bonds. In order to assist the Issuer, the winning bidder is obligated to deliver to the Issuer a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds. The Issuer will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Susan Caron, Vice President, Munistat Services, Inc., Email: susan.caron@munistat.com, Telephone: (860) 372-1887, municipal advisor to the Issuer (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that (i) it is an underwriter of municipal bonds which has an established industry reputation for underwriting new issuances of municipal bonds, (ii) its bid is a firm offer to purchase the Bonds, (iii) its bid is a good faith offer which the bidder believes reflects current market conditions, and (iv) its bid is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Bonds 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 Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of the Sale Date.

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, the form of which is attached hereto, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to a maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering 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;

(ii) will report to the Issuer information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Issuer with reasonable supporting documentation or certifications of such sale prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

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

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity of the Bonds, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering 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;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

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

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, 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 Bonds to the public (such as a third party distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds 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 Bonds.

Settlement of the Bonds

The Bonds will be available for delivery on or about August 15, 2024. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Municipal Advisor shall obtain CUSIP numbers for the Bonds prior to delivery, and the Issuer will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the Issuer in a timely manner. The Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form “deemed final” by the Issuer for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 25 copies of the final Official Statement prepared for the Bonds at the Issuer’s expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the Issuer’s Municipal Advisor. If the Municipal Advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The Issuer will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Related Information

For more information regarding the Bonds and the Issuer, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement and the Issue Price Certificate may be obtained from the undersigned, or from Susan Caron, Vice President, Munistat Services, Inc., Email: susan.caron@munistat.com, Telephone: (860) 372-1887, municipal advisor to the Issuer.

JASON KEMP
Chairperson of the Board of Education

CHRISTOPHER STAAB
Treasurer

July 24, 2024

ISSUE PRICE RULE SELECTION CERTIFICATE

Regional School District Number 18 of the State of Connecticut
 (Towns of Lyme and Old Lyme, Connecticut)
 \$17,335,000 General Obligation Bonds, Issue of 2024

The undersigned, on behalf of [_____], [on behalf of itself and _____], hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated July 24, 2024 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

| <u>Date of Maturity</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | 10% Sale Rule (Underwriter has or will comply with 10% Sale Price Rule for this Maturity) | | Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity) | |
|-------------------------|-------------------------|----------------------|---|--------------------|--|-------------------------------|
| | | | <u>Check Box</u> | <u>Sales Price</u> | <u>Check Box</u> | <u>Initial Offering Price</u> |
| 11/15/2025 | \$870,000 | _____% | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2026 | 870,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2027 | 870,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2028 | 870,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2029 | 870,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2030 | 870,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2031 | 870,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2032 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2033 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2034 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2035 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2036 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2037 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2038 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2039 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2040 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2041 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2042 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2043 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |
| 11/15/2044 | 865,000 | _____ | <input type="checkbox"/> | \$_____ | <input type="checkbox"/> | \$_____ |

(All Sales Prices or Initial Offering Prices must be completed prior to the delivery date of the Bonds.)

[NAME OF UNDER/REP]

By: _____

Name:

Title:

Email this completed and executed certificate to the following by 5:00 P.M. on August 2, 2024:

Bond Counsel: kpalmer@rc.com

Municipal Advisor: susan.caron@munistat.com