

**NOTICE OF SALE**  
**BOROUGH OF OCEAN GATE**  
(Ocean County, New Jersey)

**\$2,668,091 BOND ANTICIPATION NOTES, SERIES 2019C**

(Bank Qualified) (Non-Callable)

Bids are being solicited through a fair and open process in accordance with N.J.S.A. 19:44A-20.5 for the purchase of \$2,668,091 Bond Anticipation Notes, Series 2019C (the "Notes") of the Borough of Ocean Gate, in the County of Ocean, New Jersey (the "Borough" or the "Issuer"). All bids will be publicly opened and announced at the office of the Borough's Municipal Advisor, Phoenix Advisors, LLC, on behalf of the Borough's Chief Financial Officer on Tuesday, November 26, 2019, at 11:00 a.m., prevailing local time ("Sale Date").

No telephone bids will be accepted. Bids must be received by 11:00 a.m. on the Sale Date, and may be submitted by completing the attached bid form and submitting to the mailing address, email address and/or fax number shown on the bid form. Sealed bids are encouraged, but emailed and/or faxed bids will be accepted provided they comply with the conditions stated herein. If a bidder wishes to transmit its bid by email or fax, such bidder hereby acknowledges that such emailed or faxed bid will not be reviewed by the Borough until the public opening of the bids as aforesaid. This Request for Bid has been posted on the Borough's website ([www.oceangatenjgov.com](http://www.oceangatenjgov.com)) and is available by contacting the Municipal Advisor.

Each bid must offer to purchase the entire Note issue being offered at no less than par plus accrued interest and must specify a single rate of interest per annum offered for the Notes. The Municipal Advisor, in consultation with the Chief Financial Officer, will evaluate the bids on the basis of the lowest net interest cost to the Borough. Award of the Notes to the bidder proposing the lowest net interest cost or rejection of all bids will be made by 2:00 p.m. on the Sale Date. As between bidders specifying the same lowest net interest cost, the Notes will be sold to the bidder selected by lot from among all such bidders. The Borough reserves the right to reject all bids.

The successful bidder is advised of the responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c.271, s.3) if the successful bidder receives contracts in excess of \$50,000 from public entities in a calendar year. It is the successful bidder's responsibility to determine if filing is necessary. Additional information on this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

**SPECIFICATIONS OF NOTES**

Principal Amount:	\$2,668,091 Bond Anticipation Notes, Series 2019C
Dated Date:	December 12, 2019
Maturity Date:	April 30, 2020
Interest Rate per Annum:	Specified by successful bidder, payable at maturity

{00171964:v1/ 06-040/013}

Denominations: Denominations of \$100,000 or greater if being reoffered, as specified by the successful bidder within 24 hours of award, subject to approval of the Chief Financial Officer

Legal Opinion: GluckWalrath LLP, Red Bank, New Jersey (“Bond Counsel”)

Closing: December 12, 2019, at the Borough offices or elsewhere, as agreed to with the successful bidder

Payment: Immediately available funds

### **ESTABLISHMENT OF ISSUE PRICE**

(a) The winning bidder of the Notes shall assist the Issuer in establishing the issue price of the Notes and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the forms reflected as Exhibits B, C or D, which are incorporated by reference herein and are available from Bond Counsel and shall be posted with the Notice of Sale on the Issuer's website, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Issuer by the Issuer’s municipal advisor, if any, identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor or Bond Counsel.

(b) The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “competitive sale requirements”) because:

(1) the Issuer shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the Issuer may receive bids from at least three Underwriters of municipal Notes who have established industry reputations for underwriting new issuances of municipal notes; and

(4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) If the successful bidder is purchasing for its own account without a present intention to reoffer the Notes, it must complete Exhibit B, and the provisions of paragraphs (d)-

(i) below shall not apply.

(d) In the event that paragraph (c) does not apply and the Competitive Sale Requirements are satisfied, the winning bidder must complete Exhibit C, and the provisions of paragraphs (e)-(i) below shall not apply.

(e) In the event that paragraph (c) does not apply and the Competitive Sale Requirements are not satisfied, the Issuer shall so advise the winning bidder and the winning bidder must complete Exhibit D. The Issuer may determine to treat (i) the first price at which 10% of a Maturity of the Notes (the “10% test”) is sold to the Public as the issue price of that Maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “hold-the-offering-price rule”), in each case applied on a Maturity-by-Maturity basis (and if different interest rates apply within a Maturity, to each separate CUSIP number within that Maturity). Immediately following the award of the Notes, the winning bidder shall advise the Issuer if any Maturity of the Notes satisfies the 10% test. Any Maturity (and if different interest rates apply within a Maturity, any separate CUSIP number within that Maturity) of the Notes as to which the winning bidder has not so advised the Issuer that the 10% test has been satisfied shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the hold-the-offering-price rule applies to any Maturity of the Notes. Bidders should prepare their bids on the assumption that some or all of the maturities of the Notes will be subject to the hold-the-offering-price rule in order to establish the issue price of the Notes.

(f) By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Notes to the Public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the Underwriters participating in the purchase of the Notes, that the Underwriters will neither offer nor sell unsold Notes of any Maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that Maturity of the Notes to the Public at a price that is no higher than the initial offering price to the Public.

The winning bidder shall promptly advise the Issuer when the Underwriters have sold 10% of that Maturity of the Notes to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the Sale Date.

(g) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each Maturity of the Notes, the winning bidder agrees to promptly report to the Issuer the prices at which the unsold Notes of that Maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Notes of that Maturity or until all Notes of that Maturity have been sold.

(h) The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

(i) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among Underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

(j) Sales of any Notes to any person that is a related party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) “Public” means any person other than an Underwriter or a related party,

(ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public

and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public),

(iii) a purchaser of any of the Notes is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “Sale Date” means the date that the Notes are awarded by the Issuer to the winning bidder.

#### **ADDITIONAL MATTERS**

The Notes are issued pursuant to the laws of the State of New Jersey, including the Local Bond Law, to finance or refinance various general capital and Water Utility improvements.

The Notes shall be general obligations of the Borough and to the extent the Notes are not paid from other sources, the Borough is obligated to levy ad valorem taxes upon all the taxable real property therein for the payment of the debt service on the Notes without limitation as to rate or amount. The Notes will mature without option of prior redemption, will be issued in bearer form without coupons, will be registrable as to both principal and interest, payable at maturity in lawful money of the United States of America, and interest will be calculated on the basis of a 30 day month/360 day year. The Notes will be designated “Qualified Tax-Exempt Obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

An Official Statement has not been prepared by the Borough in connection with the issuance of the Notes; however, for purposes of Securities and Exchange Commission Rule 15c2-12, please note the exemptions therefrom, particularly paragraph (d)(1) of the Rule for issues in authorized denominations of \$100,000 or more and which are sold to no more than thirty-five (35) persons each of whom the Underwriters reasonably believe (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the Notes and (ii) is not purchasing for more than one account or with a view to distributing the securities. The Underwriters will be required to certify to the matters referred to in the preceding sentence at Closing.

The obligations hereunder to deliver and to accept the Notes shall be conditioned on the availability and delivery at the time of delivery of the Notes of (a) the approving legal opinion of Bond Counsel, which will be furnished without cost to the successful bidder, to the effect that the Notes are valid and legally binding obligations of the Borough, payable in the first instance from

bonds in anticipation of which the Notes are issued, but if not so paid or if not paid from other sources, payable ultimately from ad valorem taxes which may be levied on all the taxable real property in the Borough without limitation as to rate or amount, and that interest on the Notes is excluded from gross income for Federal tax purposes under current law if the Borough complies with all conditions subsequent contained in the Internal Revenue Code of 1986, as amended (the "Code"), except to the extent that interest on the Notes held by a corporate taxpayer is included in the relevant income computations for calculation of the corporate alternative minimum tax and that interest on the Notes and any gain on the sale thereof are not includable as gross income under the present New Jersey Gross Income Tax Act; (b) certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes, the receipt of payment therefor and the compliance with the requirements of the Code necessary so that the Notes will not be arbitrage obligations within the meaning of the Code; and (c) a certificate, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Notes.

Additional information concerning the Borough and the Notes is available by contacting the Chief Financial Officer, Frederick C. Ebenau at (732) 269-3166, ext. 13 or the Municipal Advisor, Anthony Inverso, Phoenix Advisors, LLC, at (609) 291-0130 or Meghan Ann Bennett, Esq., GluckWalrath LLP, Bond Counsel, at (732) 530-8822.

BOROUGH OF OCEAN GATE, IN THE  
COUNTY OF OCEAN, NEW JERSEY  
/s/ Frederick C. Ebenau  
FREDERICK C. EBENAU,  
Chief Financial Officer

DATED: November 19, 2019