

NOTICE OF SALE
BOROUGH OF LAVALLETTE
(Ocean County, New Jersey)

\$3,552,198 BOND ANTICIPATION NOTES, SERIES 2017

(Non-Callable) (Bank Qualified)

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 \$3,552,198 Bond Anticipation Notes, Series 2017 (the “Notes”) of the Borough of Lavallette, in the County of Ocean, New Jersey (the “Borough” or the “Issuer”). All bids will be received by the Borough’s Municipal Advisor, Phoenix Advisors, LLC, on behalf of the Borough on **Tuesday, July 18, 2017, at 11:30 a.m.**, prevailing local time (“Sale Date”).

No telephone bids will be accepted. Bids must be received by 11:30 a.m. on the Sale Date, and may be submitted by completing the attached bid form and submitting to the mailing address, fax number, and/or email address shown on the bid form attached hereto as Exhibit A. Sealed bids marked on the outside “BID FOR NOTES” are encouraged, but faxed and emailed bids will be accepted provided they comply with the conditions stated herein. If a bidder wishes to transmit its bid by fax or email, such bidder hereby acknowledges that such faxed or emailed bid will not be reviewed by the Borough until the public opening of the bids as aforesaid. This Notice of Sale has been posted on the Borough’s website (www.lavallette.org) and www.munihub.com.

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 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. In addition, any proposals not complying with the terms of this notice or specifying additional conditions will be rejected. The right is also reserved by the Borough to waive any irregularities or informalities in proposals submitted on the attached bid form.

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.

SPECIFICATIONS OF NOTES

Principal Amount: \$3,552,198 Bond Anticipation Notes, Series 2017

{00038255;v1/ 16-060/010}

Dated Date: August 1, 2017

Maturity Date: August 1, 2018 (non-callable)

Interest Rate per Annum: Specified by successful bidder, payable at maturity (calculated on the basis of twelve (12) thirty (30)-day months in a three hundred sixty (360)-day year)

Denominations: \$5,000 each or any integral multiple thereof, except that those Notes in excess of the largest principal amount thereof not equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof (or any necessary odd denomination)

Legal Opinion: GluckWalrath LLP, Red Bank, New Jersey, Bond Counsel

Closing: August 1, 2017, at the Borough offices or elsewhere, as agreed to with the successful bidder.

Form of Notes: Book-Entry Only (at the option of the successful bidder)

Note Registrar/Paying Agent: Chief Financial Officer

Payment: Wire transfer of immediately available funds on August 1, 2017

CUSIP Number: Purchaser is responsible for obtaining and paying for the CUSIP number (the Notes will be issued with one CUSIP number for the aggregate principal amount of the Notes) if necessary – to be communicated within 24 hours of award.

Bank Qualification: The Notes **are** bank qualified.

ESTABLISHMENT OF ISSUE PRICE

(a) The winning bidder 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 (including possible post Closing addendum), substantially in the forms attached hereto as Exhibits B, C or D, 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 Bond Counsel or municipal advisor identified herein (if any). Any notice or report to be provided to the Issuer may be provided to the Issuer’s Bond Counsel or municipal advisor identified herein (if any).

(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 Rule”), which requires the following:

- (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 will receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; 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 a bank or local government unit purchasing for its own account, it must complete Exhibit B hereto, and the provisions of paragraphs (d) and (e) below shall not apply.

(d) In the event that paragraph (c) does not apply and the Competitive Sale Rule is satisfied, the winning bidder must complete Exhibit C attached hereto, and the provisions of paragraph (e) below shall not apply.

(e) (1) In the event that paragraph (c) does not apply and the Competitive Sale Rule is not satisfied, the Issuer shall so advise the winning bidder, and the Issuer shall treat the first price at which 10% of each Maturity of the Notes (the “10% Test”) is sold to the Public as the issue price of the Notes. The winning bidder shall advise the Issuer if any Maturity of the Notes satisfies the 10% Test as of the date and time of the award of the Notes. The Issuer will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use 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. Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied. Bidders should prepare their bids on the assumption that all of the Maturities of the Notes will be subject to the 10% Test in order to establish the issue price of the Notes. In addition, 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. The winning bidder shall provide the Issuer, Bond Counsel and the Issuer’s municipal advisor (if any) with certificates substantially in the form of Exhibit D hereto. If the 10% Test is not met by the Closing Date, a Supplemental Issue Price Certificate must be provided.

(2) 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 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, 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 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, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires. 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. Capitalized terms used in this paragraph (e) shall have the respective meanings ascribed thereto in Exhibit D.

ADDITIONAL MATTERS

The Notes have been authorized pursuant to (1) the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented, and (2) various bond ordinances duly adopted by the Borough Council and published as required by law. The proceeds of the Notes, along with other available funds of the Borough, will be used to: (i) currently refund a portion of bond anticipation notes of the Borough originally issued in the amount of \$14,795,000, dated August 3, 2016 and maturing August 2, 2017; (ii) currently refund the principal of bond anticipation notes of the Borough originally issued in the amount of \$1,003,500, dated December 9, 2016 and maturing August 2, 2017; and (iii) pay costs associated with the issuance of the Notes.

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.

At the option of the successful bidder if the Notes are to be reoffered, the Notes will be issued in book-entry only form and will be payable as to both principal and interest in lawful money in the United States of America by the Borough or a duly appointed paying agent to the Depository Trust Company, New York, New York (“DTC”) or its authorized nominee. The Notes will be registered in the name of and held by Cede & Co., as nominee of DTC, which will act as securities depository for the Notes (the “Securities Depository”). The Note certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or the transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers.

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 the law firm of GluckWalrath LLP, Red Bank, New Jersey (“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.

The purchaser thereof is required to certify the initial offering price to the public at which a substantial amount of the Notes were sold (if applicable), the yield, net interest cost for the Notes and CUSIP identifications numbers therefore prior to the Closing on the Notes.

The Borough has authorized the distribution of an Official Statement (the "Official Statement") "deemed final" for purposes of Rule 15c2-12 and distributed in preliminary form on May 16, 2017 (the "Preliminary Official Statement"). Copies of the Preliminary Official Statement may be obtained by either through viewing electronically at www.munihub.com or from the individuals at the addresses and telephone numbers listed below in the last paragraph hereof. Final Official Statements will be delivered to the purchaser of the Notes with the earlier of seven (7) business days following the award of the Notes or the date of closing or to accompany the purchaser's confirmations that request payment for the Notes, such Official Statement to be dated as of the date of the award of the Notes. The purchaser will be furnished upon request, without cost, with a reasonable number of copies of the Official Statement, which number shall not exceed fifteen (15).

Copies of the bond ordinances and additional information concerning the sale of the Notes can be obtained by contacting Anthony P. Inverso, Phoenix Advisors, LLC, at phone number (609) 291-0130 or at ainverso@muniadvisors.com, or Meghan Bennett Clark, Esq., GluckWalrath LLP, at phone number (732) 530-8822 or at mclark@glucklaw.com.

BOROUGH OF LAVALLETTE, IN THE
COUNTY OF OCEAN, NEW JERSEY
/s/ Christine Sierfeld
CHRISTINE SIERFELD, Chief Financial Officer

DATED: July 11, 2017

EXHIBIT A

July 18, 2017

Anthony P. Inverso
Senior Managing Director
Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505
on behalf of: BOROUGH OF LAVALLETTE

FAX: 609-291-9940

EMAIL: ainverso@muniadvisors.com

RE: BID FOR \$3,552,198 BOND ANTICIPATION NOTES, SERIES 2017

Dear Mr. Inverso:

Subject to the provisions of the Notice of Sale dated July 11, 2017, relating to \$3,552,198 Bond Anticipation Notes, Series 2017, dated August 1, 2017 and due August 1, 2018, that is made a part hereof, we offer to purchase the Notes described therein as follows:

Interest Rate Per Annum _____ %

Amount of Notes Bid for \$3,552,198

Price of Notes Bid for
(at no less than par) \$ _____

Net Interest Cost
(please specify in both
dollars and percent) \$ _____ / _____ %

and, in addition thereto, to pay interest accrued from the Dated Date of the Notes to the date of delivery, if Closing shall occur subsequent to the Dated Date.

Signature of Authorized Officer

Name of Bidder

Address of Bidder

Telephone Number

Email Address

EXHIBIT B

BOROUGH OF LAVALLETTE, IN THE COUNTY OF OCEAN, NEW JERSEY

\$3,552,198 BOND ANTICIPATION NOTES, SERIES 2017

CERTIFICATE OF THE PURCHASER

(BANK OR LOCAL UNIT PURCHASER)

The undersigned, on behalf of _____ (the "Purchaser"), hereby certifies as set forth below with respect to the purchase of the above-captioned obligations (the "Notes").

1. ***Purchase of the Notes.*** On the date of this certificate, the Purchaser is purchasing the Notes for the amount of _____. The Purchaser is not acting as an Underwriter with respect to the Notes. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Notes (or any portion of the Notes or any interest in the Notes). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Notes and the Purchaser has not agreed with the Borough pursuant to a written agreement to sell the Notes to persons other than the Purchaser or a related party to the Purchaser.

2. ***Defined Terms.***

(a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Borough (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph 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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Borough with respect to certain of the representations set forth in the Tax or Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by GluckWalrath LLP, Bond Counsel to the Borough, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Borough from time to time relating to the Notes.

[PURCHASER]

By: _____
Name: _____
Title: _____
Dated: _____

EXHIBIT C

BOROUGH OF LAVALLETTE, IN THE COUNTY OF OCEAN, NEW JERSEY

\$3,552,198 BOND ANTICIPATION NOTES, SERIES 2017

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the “Underwriter”) hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Notes”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices and yields of the Notes to the Public by the Underwriter are the prices and yields listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

2. ***Defined Terms.***

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different Maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which the Notes are awarded by the Borough to the winning bidder. The Sale Date of the Notes is July 18, 2017.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Borough (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph 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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Borough with respect to certain of the representations set forth in the Borough’s Tax or Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and

{00038255;v1/ 16-060/010}

by GluckWalrath LLP, bond counsel to the Borough, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Borough from time to time relating to the Notes.

[UNDERWRITER]

By: _____
Name: _____
Title: _____
Dated: _____

SCHEDULE A

EXPECTED OFFERING PRICES AND YIELDS

SCHEDULE B

COPY OF UNDERWRITER'S BID

(Attached)

EXHIBIT D

BOROUGH OF LAVALLETTE, IN THE COUNTY OF OCEAN, NEW JERSEY

\$3,552,198 BOND ANTICIPATION NOTES, SERIES 2017

[SUPPLEMENTAL] ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ and each member of the underwriting group (if any) (collectively, the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”).

[The first two sentences of paragraph 1 apply if 10% of the Notes are not sold by closing. In such case, a Supplemental Issue Price Certificate shall be provided by the Underwriter post-closing once all issue prices are determined.]

1. ***Sale of the Notes.*** [As of the date of this certificate, the Underwriter has not sold at least 10% of all Maturities of the Notes at a single price and agrees once it has sold at least 10% of all Maturities of the Notes at a single price, it will provide a Supplemental Issue Price Certificate to the Borough and Bond Counsel, which date will be not later than October 15, 2017). [As of the date of this certificate, the first prices and yields at which at least 10% of each Maturity of the Notes was sold to the Public are the prices and yields listed in Schedule A.]

2. ***Defined Terms.***

(a) *Issuer* means the Borough of Lavallette, in the County of Ocean, New Jersey.

(b) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) 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 (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph 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). The representations set forth in this certificate are limited to factual matters only.

Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax or Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by GluckWalrath LLP, bond counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

[UNDERWRITER]

By: _____
Name: _____
Title: _____
Dated: _____

SCHEDULE A

SATISFYING THE 10% TEST

Maturity Date	Par Amount	Rate	Percentage Sold	Issue Price	Yield