

**BOROUGH OF CARTERET,
County of Middlesex, New Jersey**

**NOTICE OF SALE OF:
\$12,800,000 BOND ANTICIPATION NOTE, SERIES 2019**

Pursuant to a Preliminary Official Statement dated January 10, 2019, proposals for the \$12,800,000 Bond Anticipation Note, Series 2019 (the "Note") of the Borough of Carteret, in the County of Middlesex, New Jersey (the "Borough"), will be received by (i) telecopied proposals or e-mailed proposals (with the completed bid form scanned and attached) to the Borough's Municipal Advisor, Phoenix Advisors, LLC, 625 Farnsworth Avenue, Bordentown, New Jersey, 08505, FAX NO. (609) 291-9940, e-mail address stracey@muniadvisors.com or (ii) electronic submission (via Parity) in the manner described below under the heading "Procedure Regarding Electronic Bidding" on **Thursday, January 17, 2019 (the "Bid Date") until 11:30 a.m.** Bids submitted are the sole responsibility of the bidder and must be received by 11:30 a.m. The Borough accepts no responsibility for the failure of any bids to be received on time for whatever reason. No bids will be received after 11:30 a.m. A determination as to the award will be made no later than 2:00 p.m. on that date.

Each bid must offer to purchase the entire Note issue being offered at a price of not less than par and must specify a single rate of interest offered for the Note. Interest shall be calculated on a 30-day month/360-day year basis. Bids may be submitted by completing the proposal form below and by submitting it in accordance with this Notice of Sale or by electronic submission via Parity. The Chief Financial Officer expects to award the Note to the bidder specifying the lowest net interest payable by the Borough. However, the Chief Financial Officer reserves the right to reject all bids or to award the Note to a bidder other than the lowest bidder. The bidder, by submitting a bid, agrees to accept the determination of the Chief Financial Officer.

SPECIFICATIONS OF BOND ANTICIPATION NOTE

Principal Amount	\$12,800,000
Dated	January 31, 2019
Maturity Date	January 31, 2020
Interest Rate Per Annum	Specified by successful bidder
Tax Matters	Federal and State tax-exempt
Bank-Qualified	No
Legal Opinion	McManimon, Scotland & Baumann, LLC, Roseland, NJ
Paying Agent	The Borough will act as paying agent
Closing	
a. date	January 31, 2019
b. location	McManimon, Scotland & Baumann, LLC, 75 Livingston Avenue, 2 nd Floor, Roseland, New Jersey, or at such other place as agreed to by the Chief Financial Officer
Denominations	\$5,000
Payment	Immediately available funds received prior to 11:00 a.m. on the date of closing

The Note will be a noncallable, valid and legally binding obligation of the Borough payable ultimately from *ad valorem* taxes levied upon all the taxable property within the Borough to the extent that payment is not otherwise provided.

Each bidder may, on the attached bid sheet, designate the Note as "Direct Purchase, Not Reoffered". If a bidder makes such designation and is awarded the Note, such winning bidder shall certify at closing that (i) it has not reoffered the Note to the public and does not expect to do so and (ii) it has purchased the Note for its own account (or the account of a related party) and not with a view to resell or distribute.

In the event the winning bidder designates the Note as "Direct Purchase, Not Reoffered", then the issue price for the Note shall be the purchase price offered by the winning bidder.

Otherwise, in the event the Borough receives at least three (3) bids for the Note, then the Issue Price for the Note shall be established based on the reasonably expected initial offering price of the Note as of the Bid Date (the "Expected Offering Price"). The Expected Offering Price shall consist of the price of the Note used by the winning bidder in formulating its bid to purchase the Note. The winning bidder shall be required to deliver on the closing date a certificate to such effect, and provide to the Borough, in writing, the Expected Offering Price as of the Bid Date.

In the event the Borough receives fewer than three (3) bids for the Note, then the issue price for the Note shall be established based on the following method as selected by the winning bidder on the Bid Date:

10% Sold: The issue price for the Note shall be established based on the first price at which at least 10% of the Note was sold to the Public (as defined herein). The winning bidder shall be required to deliver on the closing date a certificate to such effect and provide to the Borough, in writing, evidence satisfactory to Bond Counsel to the Borough of such sale price for the Note. In the event that the winning bidder has not sold at least 10% of the Note to the Public as of the closing date, the winning bidder shall (i) provide to the Borough, in writing, on the closing date, the Expected Offering Price for the Note and a certificate regarding same and (ii) have a continuing obligation to provide to the Borough, in writing, evidence satisfactory to Bond Counsel to the Borough of the first price at which at least 10% of the Note is sold to the Public, contemporaneous with each such sale.

Hold-the-Price: The issue price for the Note shall be established based on the initial offering price of the Note to the Public as of the Bid Date, provided that the winning bidder shall, in writing, (i) confirm that the Underwriters (as defined herein) have offered or will offer the Note to the public on or before the Bid Date at the offering price set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the Underwriters participating in the purchase of the Note, that the Underwriters will neither offer nor sell the Note to any person at a price that is higher than the initial offering price to the Public during the period starting on the Bid Date and ending on the earlier of: (1) the close of the fifth (5th) business day after the sale date; or (2) the date on which the Underwriters have sold at least 10% of the Note to the Public at a price that is no higher than the initial offering price to the Public.

"Public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter (as defined herein) or a related party to an Underwriter. The term "related party" generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly. "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 Note 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 Note 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 Note to the Public).

At the delivery of the Note, the Borough will furnish to the winning bidder customary closing documents, including a certificate executed by the officials who execute the Note stating that no litigation of any kind is now pending or, to their knowledge, threatened to restrain or enjoin the issuance or the delivery of the Note or the levy or collection of taxes to pay the principal of or interest due on the Note, or in any manner questioning the authority or the proceedings for the issuance of the Note or the levy or the collection of taxes, or affecting the validity of the Note or the levy or the collection of taxes.

Procedure Regarding Electronic Bidding

Bids may be submitted electronically via PARITY® in accordance with this Notice of Sale, until 11:30 a.m., New Jersey time on the Bid Date, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY®, potential bidders may contact the Borough's Municipal Advisor (using the contact information set forth in the final paragraph of this Notice of Sale) or PARITY® at (212) 404-8102. In the event that a bid for the Note is submitted via PARITY®, the bidder further agrees that:

1. The Borough may regard the electronic transmission of the bid through PARITY® (including information about the purchase price of the Note, the interest rate or rates to be borne by the Note and any other information included in such transmission) as though the same information were submitted on the Proposal for Notes provided by the Borough and executed and submitted by a duly authorized representative of the bidder. If the bid submitted electronically via PARITY® is accepted by the Borough, the terms of the bid for the Note and this Notice of Sale, as well as the information that is electronically transmitted through PARITY®, shall form a contract and the Purchaser shall be bound by the terms of such contract.

2. PARITY® is not an agent of the Borough, and the Borough shall have no liability whatsoever based on any bidder's use of PARITY®, including but not limited to any failure by PARITY® to correctly or timely transmit information provided by the Borough or information provided by the bidder.

3. The Borough may choose to discontinue use of electronic bidding via PARITY® by issuing a notification to such effect via Thomson News Service ("TM3") no later than 3:00 p.m. (New Jersey time) on the last business date prior to the Bid Date.

4. Once the bids are communicated electronically via PARITY® to the Borough, as described above, each bid will constitute a bid for the Note and shall be deemed to be an irrevocable offer to purchase the Note on the terms provided in this Notice of Sale. For purposes of submitting bids for the Note electronically via PARITY®, the time maintained on PARITY® shall constitute the official time.

5. Each bidder shall be solely responsible to make necessary arrangements to access PARITY® for purposes of submitting its bid in a timely matter and in compliance with the requirements of this Notice of Sale. Neither the Borough, the Municipal Advisor, nor PARITY® shall have any duty or obligation to provide or assure access to any bidder, and neither the Borough, the Municipal Advisor nor PARITY® shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Borough is using PARITY® as a communication mechanism, and not as the Borough's agent, to conduct the electronic bidding for the Note. By using PARITY®, each bidder agrees to hold the Borough harmless for any harm or damages caused by such bidder in connection with its use of PARITY® for bidding on the Note.

The request for the assignment of CUSIP identification numbers shall be the responsibility of the Borough's Municipal Advisor and the CUSIP Service Bureau charge for such CUSIP identification numbers, if required,

therefor shall be the responsibility of and shall be paid for by the successful bidder. The CUSIP number must be communicated to McManimon, Scotland & Baumann, LLC, Bond Counsel to the Borough, within 24 hours of the award of the Note in order to have the CUSIP number printed on the Note.

A Preliminary Official Statement has been prepared in connection with the Note by the Borough and is "deemed final" in accordance with Rule 15c2-12 of the Securities and Exchange Commission. The winning bidder shall be responsible for providing a reoffering yield within 24 hours of award, which yield will appear on the front cover of the Preliminary Official Statement. A copy of the Preliminary Official Statement can be found at: www.MuniHub.com. The Borough, at its expense, will make available to the winning Bidder a reasonable number of Final Official Statements, within seven (7) business days following the date of acceptance of the Bid.

Patrick J. DeBlasio, Chief Financial Officer
Dated: January 10, 2019

**BOROUGH OF CARTERET,
County of Middlesex, New Jersey**

\$12,800,000 BOND ANTICIPATION NOTE

TO: Sherry L. Tracey
FAX NO.: (609) 291-9940
E-MAIL ADDRESS: stracey@muniadvisors.com
PHONE NO.: (609) 291-0130

DATE: January 17, 2019

PROPOSAL

<u>Amount of Note</u>	<u>Price</u>	<u>Rate of Interest</u>
\$12,800,000	\$ _____	_____ % per annum
Name of Bidder: _____	Authorized Signature: _____	
Phone Number _____	Print Name: _____	

PLEASE COMPLETE THE FOLLOWING:

Interest Payable on Note	\$ _____
Less: Premium (if any)	\$ _____
Net Interest Payable	\$ _____
Net Interest Cost %	_____ %
Purchased and Reoffered for Sale	_____ yes _____ no
Direct Purchase, Not Reoffered	_____ yes _____ no

THIS PORTION OF THE PROPOSAL IS NOT PART OF THE BID

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