

NOTICE OF SALE

\$28,399,000 BOND ANTICIPATION NOTES, SERIES 2018, THE COUNTY OF SOMERSET, NEW JERSEY

Sealed written proposals, telecopied proposals or e-mailed proposals (with the completed bid form scanned and attached) for the purchase of \$28,399,000 Bond Anticipation Notes, Series 2018 (the "Notes"), of the County of Somerset, New Jersey (the "County") will be received on **Thursday, September 6, 2018 until 11:00 a.m.** by the undersigned Chief Financial Officer c/o Phoenix Advisors, LLC, Financial Advisor to the County. Telecopied bids must be submitted in writing sent to 609-291-9940. Emailed bids must be submitted in writing and sent to the Chief Financial Officer c/o Phoenix Advisors, LLC at ainverso@muniadvisors.com. Bids must be received by 11:00 a.m. Bids submitted by telecopy or e-mail are the sole responsibility of the bidder and must be received by **11:00 a.m.** The County accepts no responsibility for the failure of any telecopied or e-mailed bids to be received on time for whatever reason. No telephone bids will be accepted. No bids will be received after **11:00 a.m.** A determination as to the award will be made no later than 1:00 p.m. on that date.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law"), Bond Ordinances No. 13-305, 14-153, 14-431, 15-475, 16-028, 16-556, 17-080, 17-434, 17-428 and 18-158. The Notes will be issued by the County to ((i) currently refund a \$4,000,000 portion of the County's Bond Anticipation Notes, Series 2017, dated September 19, 2017 and maturing on September 18, 2018 (the "Prior Notes"); (ii) finance the acquisition and undertaking of \$24,449,633 of capital improvements and (iii) to pay a pro-rata share of the costs associated with the issuance of the Notes.. The remaining \$23,550,000 of the Prior Notes will be refunded by the proceeds of the County's General Improvement Bonds, Series 2018A and Vocational School Bonds, Series 2018B, issued on August 22, 2018.

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 Notes. Interest shall be calculated on a 360-day year consisting of twelve 30-day months. Bids may be submitted by completing the proposal form attached hereto and made a part hereof and by submitting it in writing or by telecopy in accordance with this Notice of Sale. The Chief Financial Officer expects to award the Notes to the bidder specifying the lowest net interest payable by the County. However, the Chief Financial Officer reserves the right to reject all bids or to award the Notes to a bidder other than the lowest bidder. The bidder, by submitting a bid agrees to accept the determination of the Chief Financial Officer.

The Notes will NOT be "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

SPECIFICATION OF BOND ANTICIPATION NOTES

Principal Amount:	\$28,399,000
Dated:	September 17, 2018
Maturity Date:	September 16, 2019
Interest Rate Per Annum:	Specified by Successful Bidder
Tax Matters:	Federal and State tax exempt
Bank Qualified:	No

Legal Opinion: Capehart & Scatchard, P.A.,
Trenton, New Jersey

Paying Agent: The County will act as paying agent.

Closing:

a. date September 17, 2018

b. location County of Somerset, 20 Grove Street, 3rd Floor, Somerville, New Jersey 08876, or at such other place as agreed to by the Chief Financial Officer.

Denominations: As specified by the successful bidder within 24 hours of award, subject to approval of the Chief Financial Officer either (i) one DTC Book-entry-only Registered Note, or (ii) Bearer Notes

Payment: Immediately available funds

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

The Notes will be noncallable general obligations of the County. The full faith and credit of the County will be pledged for the punctual payment, in accordance with their terms, of the principal of and the interest on the Notes.

At delivery of the Notes, the County will furnish to the Purchaser customary closing documents, including (1) a certificate executed by the officials who execute the Notes 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 Notes or the levy or collection of taxes to pay the principal of or interest due on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or the levy or the collection of taxes, or affecting the validity of the Notes or the levy or the collection of taxes, and (2) the approving legal opinion of Capehart & Scatchard, P.A., Bond Counsel to the County, in the form attached hereto as **Exhibit A**.

Determination of Issue Price for the Notes: In the event the County receives at least three (3) bids for the Notes, then the Issue Price for the Notes shall be established based on the reasonably expected initial offering prices of the Notes as of the Sale Date (the "Expected Offering Prices"). The Expected Offering Prices shall consist of the prices for each maturity of the Notes used by the winning bidder in formulating its bid to purchase the Notes. The winning bidder shall be required to deliver on the Delivery Date a certificate to such effect, and provide to the County, in writing, the Expected Offering Prices as of the Sale Date. In the event the County receives fewer than three (3) bids for the Notes, then the Issue Price for the Notes shall be established based on the first price at which at least 10% of each maturity of the Notes was sold to the Public (as defined below). The winning bidder shall be required to deliver on the Delivery Date a certificate to such effect, and provide to the County, in writing, evidence satisfactory to Bond Counsel to the County of such sales prices for each maturity of the Notes. In the event that the winning bidder has not sold at least 10% of each maturity of the Notes to the Public as of the Delivery Date (each, an "Unsold Maturity"), the winning bidder shall (i) provide to the County, in writing, on the Delivery Date, the Expected Offering Prices for each Unsold Maturity and a certificate regarding same and (ii) have a continuing obligation to provide to the County, in writing, evidence satisfactory to Bond Counsel to the County of the first price at which at least 10% of each Unsold

Maturity is sold to the Public, contemporaneous with each such sale, until at least 10% of all such Unsold Maturities have been sold to the Public. For purposes of this paragraph, “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. The term “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).

It is anticipated that CUSIP Identification Numbers will be printed on the Notes. Phoenix Advisors, LLC, municipal adviser to the County, will timely apply for CUSIP Identification Numbers with respect to the Notes as required by MSRB Rule G-34. The CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the successful bidder. The successful bidder will be responsible for notifying CUSIP Global Services of any changes in structure and shall add or cancel CUSIP numbers as needed to conform to the final structure. The County will assume no obligation for the assignment or printing of such numbers on the Notes or for the correctness of such numbers, and neither the failure to print such numbers on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and make payment for the Notes.

A preliminary official statement has been prepared for this issue and is available for download at www.munihub.com beginning on August 30, 2018.

/s/ Nicola Trasente
Nicola Trasente, Director of Finance and
Administrative Services/Chief Financial Officer

PROPOSAL FOR NOTES

September 6, 2018

Via FAX (609) 291-9940
Nicola Trasente
Director of Finance and
Administrative Services
County of Somerset
c/o Anthony Inverso
Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, N.J. 08505

Dear Mr. Trasente:

Subject to the provisions of the Notice of Sale for the purchase of \$28,399,000 Bond Anticipation Notes, Series 2018 (the "Notes"), of the County of Somerset, New Jersey, which is attached hereto and considered a part hereof, we offer to purchase the Notes on the following terms:

<u>Amount of Notes</u>	<u>Price (not less than par)</u>	<u>Rate of Interest</u>
\$28,399,000	\$ _____	_____ %

Authorized Bidder: _____

Signature: _____

Phone: _____

PLEASE COMPLETE THE FOLLOWING:

Interest Payable on Notes \$ _____

Less: Premium, if any \$ _____

Net Interest Payable \$ _____

Net Interest Rate _____ %

Purchased and Reoffered for Sale ____yes ____no

Direct Purchase, Not Reoffered ____yes ____no

THIS PORTION OF THE PROPOSAL IS NOT PART OF THE BID

Exhibit A

Form of Approving Opinion of Bond Counsel



September __, 2018

The Board of Chosen Freeholders of the
County of Somerset, New Jersey

Re: County of Somerset, New Jersey
\$28,399,000 Bond Anticipation Notes, Series 2018

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the County of Somerset, New Jersey (the "County") of its \$28,399,000 Bond Anticipation Notes, Series 2018 (the "Notes"). The Notes are general obligations of the County and the full faith, credit and taxing power of the County are available to pay the principal of and the interest on the Notes. The Notes are dated September 17, 2018, mature on September 16, 2019, bear interest at a rate of __% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law"), Bond Ordinances No. 13-305, 14-153, 14-431, 15-475, 16-028, 16-556, 17-080, 17-434, 17-428 and 18-158. The Notes will be issued by the County to ((i) currently refund a \$4,000,000 portion of the County's Bond Anticipation Notes, Series 2017, dated September 19, 2017 and maturing on September 18, 2018 (the "Prior Notes"); (ii) finance the acquisition and undertaking of \$24,449,633 of capital improvements and (iii) to pay a pro-rata share of the costs associated with the issuance of the Notes.. The remaining \$23,550,000 of the Prior Notes will be refunded by the proceeds of the County's General Improvement Bonds, Series 2018A and Vocational School Bonds, Series 2018B, issued on August 22, 2018.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined such matters of law, including the Local Bond Law, the Local Budget Law and the Code, such documents, including the ordinances set forth above, and such other statutes, resolutions, certificates, instruments and records of the County, as we have deemed necessary or appropriate for the purpose of the opinion rendered below. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Notes have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the County enforceable in accordance with their terms.

2. The power and obligation of the County to pay the Notes is unlimited, and, if not paid from other sources, the County is required to levy ad valorem taxes upon all the taxable property within the County for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. On the date hereof, the County has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the County continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the County in its Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax ("AMT"); however, during tax years beginning before January 1, 2018, interest on the Notes held by a corporation (other than an S corporation, regulated investment company or real estate investment trust) may be indirectly subject to federal AMT because of its inclusion in the adjusted current earnings of a corporate holder. Except as set forth in paragraph 5 below, we express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraph 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,