

NOTICE OF SALE

\$2,560,000

THE BOARD OF EDUCATION OF THE CITY OF LINWOOD, IN THE COUNTY OF ATLANTIC, NEW JERSEY

SCHOOL BONDS, SERIES 2018

(Book-Entry-Only)

(Bank Qualified) (Callable)

ELECTRONIC PROPOSALS will be received by the undersigned for The Board of Education of the City of Linwood, in the County of Atlantic, New Jersey ("School District") via the BiDCOMP®/Parity® Electronic Competitive Bidding System ("PARITY") of i-Deal LLC ("i-Deal") in the manner described below, until 11:00 a.m. (Eastern), on:

June 19, 2018

at which time they will be publicly opened and announced for the purchase of the following bonds ("Bonds"), due on July 15, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2019	\$140,000	2025	\$210,000
2020	150,000	2026	230,000
2021	160,000	2027	280,000
2022	170,000	2028	280,000
2023	180,000	2029	280,000
2024	200,000	2030	280,000

The Bonds will be dated their date of delivery and bear interest at the rates per annum specified by the successful bidder therefor in accordance herewith, payable semiannually January 15 and July 15, commencing January 15, 2019, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions set forth in the Preliminary Official Statement (defined below).

Upon initial issuance, the Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds and be responsible for maintaining a book-entry-only system for recording the interests of its participants or the transfers of interests among its participants. Individual purchases may be made in the principal amount of \$5,000 each or any integral multiple thereof, or the necessary odd denominations, through book entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interest in the Bonds, but each book-entry-only bondholder will receive a credit balance on the books of its nominee. For additional information, see "THE BONDS-Book-Entry-Only System" in the preliminary official statement prepared in connection with the issuance of the Bonds, dated the date hereof ("Preliminary Official Statement").

The School District has prepared a Preliminary Official Statement in connection with the sale of the Bonds which has been deemed final as of its date for purposes of paragraph (b)(1) of Rule 15c2-12, as amended ("Rule 15c2-12"), promulgated by the Securities and Exchange

Commission pursuant to the Securities Exchange Act of 1934, as amended, except for certain omissions permitted thereunder. Within seven (7) business days of the sale of the Bonds and in sufficient time to accompany any confirmation that requests payment from a customer, the School District will deliver a sufficient number of copies of the final official statement ("Official Statement") to the purchaser in order for the same to comply with Paragraph (b)(4) of Rule 15c2-12.

The Preliminary Official Statement is available for viewing in electronic format through the internet facilities of MuniHub. The MuniHub web address is **www.munihub.com** ("Site"). In addition, broker dealers registered with the National Association of Securities Dealers ("NASD") and dealer banks with DTC clearing arrangements may either: (i) print out a copy of the Preliminary Official Statement by their own means; or (ii) at any time prior to June 19, 2018, elect to receive a printed copy of the Preliminary Official Statement in the mail by requesting the same on the Site or by calling the School District's Bond Counsel, Parker McCay P.A. ("Bond Counsel"), 9000 Midlantic Drive, Suite 300, Mount Laurel, New Jersey 08054. Calls should be directed to Alexis B. Batten, Esquire at (856) 985-4067. In order to view, print a copy or request a copy of the Preliminary Official Statement from the MuniHub web site, please visit **www.munihub.com**. Bidders may log-in to access electronic viewing and delivery. Once logged-in to the Site, bidders must follow the applicable instructions and prompts to access the Preliminary Official Statement. All bidders must review the Preliminary Official Statement and certify that they have done so prior to participating in the bidding.

In accordance with the requirements of Rule 15c2-12, the School District will, prior to the issuance of the Bonds, enter into an agreement, substantially in the form set forth in Appendix "D" to the Preliminary Official Statement ("Disclosure Agreement").

The School District will designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended ("Code").

BID SPECIFICATIONS

Each electronic proposal for the Bonds must be submitted to PARITY in accordance with this notice, 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, including any fee charged, potential bidders may contact BiDCOMP®/PARITY®, at 1359 Broadway, Second Floor, New York, New York 10018; Tel: (212) 849-5021. The School District may, but is not obligated to, acknowledge its acceptance in writing of any bid submitted electronically via PARITY. When submitting a bid via PARITY, the bidder further agrees that:

1. If a bid submitted electronically by PARITY is accepted by the School District, the terms of this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the successful bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the School District, and the School District 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 School District or information provided by the bidder.

3. The School District may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 3:00 p.m. (Eastern Time) on the last business date prior to the bid date set forth above.

4. Once the bids are communicated electronically via PARITY to the School District as described above, each bid will constitute an Official Form of Proposal and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting all Official Forms of Proposals, the time as 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 manner and in compliance with the requirements of this Notice of Sale. Neither the School District nor i-Deal shall have any duty or obligation to provide or assure to any bidder, and neither the School District nor i-Deal 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 School District is using PARITY as a communication mechanism, and not as the School District's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the School District harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Each proposal must specify in a multiple of 1/8th or 1/20th of 1%, a single rate of interest that each maturity of the Bonds are to bear. Not more than one rate of interest may be named for Bonds of the same maturity. No rate of interest named for any maturity may be less than the rate of interest named for a prior maturity, and the difference between the highest and the lowest rates of interest named in the Official Form of Proposal shall not exceed three percent (3%). No proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest net interest cost to the School District under any legally acceptable proposal.

The Bonds will be sold to the bidder who, after having complied with the terms of this Notice of Sale, offers the lowest net interest cost for the Bonds. The net interest cost shall be computed in each instance by adding to the total amount of Bonds bid for, the total interest cost to maturity in accordance with such bid. **Proposals may not include any premium.** If two (2) or more bidders specify the same lowest net interest cost, then to one of such bidders selected by the undersigned by lot. The purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. The School District reserves the right to reject all bids and any bid not complying with the terms of this Notice of Sale.

Each bidder is required to make a good faith deposit ("Deposit") in the form of a cash wire or a certified, cashier's or treasurer's check, in each case in the amount of **\$51,200**, payable to the order of "The Board of Education of the City of Linwood, in the County of Atlantic, New Jersey". If a cash wire is used, the wire must be received by the School District no later than **11:00 A.M. on TUESDAY, JUNE 19, 2018**. If a cash wire is utilized, each bidder must: (i) notify the School District of its intent to use such cash wire prior to **10:00 A.M. on TUESDAY, JUNE 19, 2018**; (ii) provide proof of electronic transfer of such cash wire prior to **11:00 A.M., on TUESDAY, JUNE 19, 2018**; and (iii) also enclose return wiring instructions for use by the School District.

Wiring instructions may be obtained by contacting the School District's Bond Counsel, Parker McCay, P.A., Attention: Alexis B. Batten, Esquire, Telephone: (856) 985-4067 or Email: abatten@parkermccay.com. If a check is used, the check must be certified or cashier's or treasurer's check drawn upon a bank or trust company and must be delivered to the School District by no later than **11:00 A.M. on TUESDAY, JUNE 19, 2018**. Bidders submitting good faith checks should also enclose a return envelope for use by the School District. Each bidder accepts responsibility for delivering such cash wire or check on time and the School District is not responsible for any cash wire or check that is not received on time. No interest on the Deposit will accrue to the successful bidder. When the successful bidder has been ascertained, all such Deposits shall be returned to the persons making the same within a reasonable period of time, except the cash wire or check of the successful bidder which shall be applied as partial payment for the Bonds or to secure the School District from any loss resulting from the failure of the successful bidder to comply with the terms of its bid. Award of the Bonds to the successful bidder or rejection of all bids is expected to be made promptly after opening of the bids. The successful bidder may withdraw its proposal after 5:30 P.M. on the day of such bid opening, but only if such award has not been made prior to the withdrawal.

AT THE TIME OF DELIVERY OF THE BONDS, PAYMENT FOR THE BONDS SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

The successful bidder may refuse to accept the Bonds, if prior to their delivery, any income tax law of the United States of America shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes and, in such case, the deposit made by such bidder will be returned and the successful bidder will be relieved of its contractual obligations arising from the acceptance of its proposal.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned a rating on the Bonds of "AA-". In addition, the Rating Agency has assigned a rating of "BBB+" based upon the additional security on the Bonds provided by the New Jersey School Bond Reserve Act.

OPTIONAL PURCHASE OF MUNICIPAL BOND INSURANCE

Any purchase of municipal bond insurance will be at the sole option and expense of the bidder and increased costs of issuance including, without limitation, any additional rating agency fees, resulting by reason of such insurance will be paid by such bidder.

POSTPONEMENT

The School District reserves the right to postpone, from time to time, the date and time established for receipt of Bids. **ANY SUCH POSTPONEMENT WILL BE PUBLISHED ON THOMSON MUNICIPAL NEWSWIRE, BEFORE 11:00 A.M. ON THE DAY BEFORE THE SALE.** If any date fixed for receipt of bids and the sale of the Bonds is postponed, an alternative sale date will be announced via Thomson Municipal Newswire at least forty-eight hours

prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of the Notice of Sale, except for the date of sale and except for the changes announced on Thomson Municipal Newswire at the time the sale date and time are announced.

DELIVERY OF THE BONDS

It is anticipated that delivery of the Bonds will occur on or about Tuesday, July 3, 2018.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or a refusal by the purchaser thereof to accept delivery of and to pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the School District; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the purchaser.

Closing Certificates:

Simultaneously with the delivery of the Bonds, the purchaser shall assist the School District in establishing the issue price and yield of the Bonds and shall execute and deliver to the School District at closing an "issue price" and "yield" or similar certificate setting forth the reasonably expected initial offering price to the public or the sale price or prices of the Bonds and yield, together with the supporting pricing wires or equivalent communications ("Issue Price Certificate"). The Issue Price Certificate shall be executed in the form attached hereto as Exhibit "A".

Establishment of Issue Price:

(a) The School District 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 Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the School District disseminated 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 School District may receive bids from at least three (3) underwriters of municipal bonds or Bonds who have established industry reputations for underwriting new issuances of municipal bonds or Bonds; and
- (4) the School District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds 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 Bonds, as specified in the bid.

(b) If the successful bidder is a bank or local government unit purchasing for its own account the provisions of paragraphs (d) and (e) below shall not apply

(c) In the event that paragraph (b) above is not applicable and the competitive sale requirements are not satisfied, the School District shall so advise the successful bidder. The School District shall treat the first price at which 10% of the Bonds (the "10% Test") is sold to the public as the issue price of the Bonds. The successful bidder shall advise the School District if the Bonds satisfy the 10% Test as of the date and time of the award of the Bonds. The School District will permit, but will not require, bidders to comply with the "hold-the-offering-price rule". Bids will *not* be subject to cancellation in the event that the competitive sale requirements are not satisfied. *Bidders should prepare their bids on the assumption that the Bonds will be subject to the 10% Test or "hold-the-offering-price rule" in order to establish the issue price of the Bonds.*

(d) If the competitive sale requirements are not satisfied and the successful bidder is not relying on the "hold-the-offering-price rule", then until the 10% Test has been satisfied as to the Bonds, the successful bidder agrees to promptly report to the School District the prices at which the unsold Bonds 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 Bonds. If the 10% Test is not met by the closing date, a supplemental issue price certificate must be provided.

(e) 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 Bonds 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 Bonds allotted to it until it is notified by the successful bidder that either the 10% Test has been satisfied as to the Bonds, if and for so long as directed by the successful bidder and as set forth in the related pricing wires; and (ii) any agreement among underwriters relating to the initial sale of the Bonds 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 Bonds 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 Bonds allotted to it until it is notified by the successful bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

(f) Sales of any securities 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 School District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 Bonds 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 Bonds to the public);

- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) 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); (B) 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 (C) 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 Bonds are awarded by the School District to the successful bidder.

The obligation of the purchaser to purchase and pay for the Bonds is conditioned on the delivery, at the time of settlement of the Bonds, of the following: (i) approving legal opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, a form of which can be found in Appendix "C" to the Preliminary Official Statement; (ii) the delivery of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, including a statement of the School District, 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 relating to the issuance, sale and delivery of the Bonds; and (iii) an executed copy of the Disclosure Agreement.

TERI J. WEEKS,
Business Administrator/Board Secretary

Dated: June 12, 2018

Exhibit “A”

\$2,560,000
THE BOARD OF EDUCATION OF THE CITY OF LINWOOD,
IN THE COUNTY OF ATLANTIC, NEW JERSEY
SCHOOL BONDS, SERIES 2018

CERTIFICATE OF UNDERWRITER
REGARDING YIELD AND ISSUE PRICE

The undersigned, an authorized representative of _____, as underwriter ("Underwriter") for the above-captioned bonds ("Bonds"), hereby certifies as follows:

1. This certificate is delivered to The Board of Education of the City of Linwood, in the County of Atlantic, New Jersey ("Board" when referring to the governing body and "School District" when referring to the legal entity governed by the Board), and may be relied upon in establishing the reasonable expectations of the School District as to the matters stated herein as may be necessary or appropriate in the preparation by the School District of a certificate relating to arbitrage matters in connection with the issuance of the Bonds and in complying with the requirements of the Internal Revenue Code of 1986, as amended ("Code"), and the regulations promulgated thereunder with respect to arbitrage.

2. This certificate is based on facts and estimates in existence on the date hereof and, to the best of the undersigned's knowledge and belief, the matters set forth herein are reasonable in light of such facts and estimates.

3. On June 19, 2018 ("Sale Date"), the Underwriter submitted and the School District accepted its competitive proposal to purchase the Bonds.

4. [As of the date of this certificate, the Underwriter has not sold at least 10% of the Bonds at a single price and agrees once it has sold at least 10% of the Bonds at a single price, it will provide a Supplemental Issue Price Certificate to the School District and Bond Counsel, which date will be not later than thirty (30) days after the last day of the calendar quarter next ending after the date of closing of the Bonds.] [As of the date of this certificate, the first price at which at least 10% of the Bonds was sold to the Public is _____.]

5. Capitalized terms utilized herein and not otherwise defined shall have the meanings ascribed thereto below:

(i) "Public" shall mean 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.

(ii) "Underwriter" shall mean: (a) any person that agrees pursuant to a written contract with the School District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) of this paragraph to participate in the initial sale of the Bonds 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 Bonds to the Public). The representations set forth in this certificate are limited to factual matters only.

(iii) "Yield" shall mean that discount rate, determined on the basis of one interest compounding period equal to the term of the Bonds, which, when used in computing the present value of all unconditionally payable payments of principal (including original issue discount, if any), produces an amount equal to the aggregate issue price thereof.

6. All of the Bonds of each maturity have been the subject of a bona-fide offering to the General Public at reoffering yields no lower than the yields set forth on the cover page of the Official Statement, prepared with respect to the sale of Bonds ("Official Statement"), a copy of which is attached hereto as Exhibit "A" and made a part hereof.

7. Based upon prevailing market conditions on the Sale Date, the Underwriter had no reason to believe that any maturity of the Bonds would be sold to the General Public at yields less than the yields set forth on the cover page of the Official Statement for each respective maturity.

8. The aggregate issue price of the Bonds is the sum of the issue prices of the Bonds (determined separately for Bonds that are not substantially identical). The issue price for the Bonds that are substantially identical is an amount equal to the initial offering price of the Bonds to the General Public at which price a substantial amount of the Bonds were sold, including accrued interest, if any, as of the date of issuance, and without allowance for discount or any fees in connection with the issuance of the Bonds. As thus determined, the aggregate issue price of the Bonds is \$_____.

9. The aggregate issue price of the Bonds, as determined herein, does not exceed the fair market value of the Bonds as of the Sale Date.

10. The yield on the Bonds to maturity, or in the case of Bonds that are subject to redemption prior to maturity and are issued with an original issue premium in excess of twenty-five one-hundredths percent (0.25%) times the number of years to the first optional call date ("Yield-to-Call Bonds"), to the optional call date that produces the lowest yield on each maturity of the Yield-to-Call Bonds, was computed as that discount rate determined on the basis of semi-annual interest compounding (based on a 360 day year consisting of twelve (12) months of thirty (30) days each) which, when used in computing the present value of all the unconditionally payable payments of principal of and interest (including original issue discount, if any) on the Bonds, produces an amount equal to the aggregate issue price of the Bonds. The issue price of the Bonds is an amount equal to the initial offering price of the Bonds to the General Public at which price, including accrued interest, a substantial amount of the Bonds were sold as of the date of issuance, and without allowance for discount or any fees in connection with the issuance of the Bonds.

11. As thus calculated the yield of the Bonds is not less than _____%.

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IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of July, 2018.

_____,
as Underwriter

By: _____
[NAME], [Title]

DRAFT

Exhibit “A”

DRAFT