

**CITY OF OCEAN CITY,  
County of Cape May, New Jersey**

**NOTICE OF SALE OF:  
\$44,000,000 BOND ANTICIPATION NOTE, SERIES 2018A**

Pursuant to the Preliminary Official Statement dated November 6, 2018, proposals for the \$44,000,000 Bond Anticipation Note, Series 2018A (the "Series 2018A Note") of the City of Ocean City, in the County of Cape May, New Jersey (the "City") will be received by (i) telecopied proposals or e-mailed proposals (with the completed bid form scanned and attached) to the City's Municipal Advisor, Phoenix Advisors, LLC, 625 Farnsworth Avenue, Bordentown, New Jersey, 08505, FAX NO. (609) 291-9940, e-mail address [stracey@muniadvisors.com](mailto:stracey@muniadvisors.com) or (ii) electronic submission (via Parity) in the manner described below under the heading "Procedure Regarding Electronic Bidding" on **Tuesday, November 13, 2018 (the "Bid Date") until 11:30 a.m.** Bids submitted by telecopy or e-mail are the sole responsibility of the bidder and must be received by 11:30 a.m. The City accepts no responsibility for the failure of any telecopied or e-mailed 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 Series 2018A Note issue being offered at a price of not less than par and must specify a single rate of interest offered for the Series 2018A 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. The Chief Financial Officer expects to award the Series 2018A Note to the bidder specifying the lowest net interest payable by the City. However, the Chief Financial Officer reserves the right to reject all bids or to award the Series 2018A 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 SERIES 2018A NOTE**

Principal Amount	\$44,000,000
Dated	November 27, 2018
Maturity Date	November 26, 2019
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 City will act as paying agent
Closing	
a. date	November 27, 2018
b. location	McManimon, Scotland & Baumann, LLC, 75 Livingston Avenue, 2 <sup>nd</sup> 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 Series 2018A Note will be a noncallable, valid and legally binding obligation of the City payable ultimately from *ad valorem* taxes levied upon all the taxable property within the City to the extent that payment is not otherwise provided.

Each bidder may, on the attached bid sheet, designate the Series 2018A Note as "Direct Purchase, Not Reoffered". If a bidder makes such designation and is awarded the Series 2018A Note, such winning bidder shall certify at closing that (i) it has not reoffered the Series 2018A Note to the public and does not expect to do so and (ii) it has purchased the Series 2018A 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 Series 2018A Note as "Direct Purchase, Not Reoffered", then the issue price for the Series 2018A Note shall be the purchase price offered by the winning bidder.

Otherwise, in the event the City receives at least three (3) bids for the Series 2018A Note, then the Issue Price for the Series 2018A Note shall be established based on the reasonably expected initial offering price of the Series 2018A Note as of the Bid Date (the "Expected Offering Price"). The Expected Offering Price shall consist of the price of the Series 2018A Note used by the winning bidder in formulating its bid to purchase the Series 2018A Note. The winning bidder shall be required to deliver on the closing date a certificate to such effect, and provide to the City, in writing, the Expected Offering Price as of the Bid Date.

In the event the City receives fewer than three (3) bids for the Series 2018A Note, then the Issue Price for the Series 2018A Note shall be established based on the first price at which at least 10% of the Series 2018A Note was sold to the Public (as defined below). The winning bidder shall be required to deliver on the closing date a certificate to such effect, and provide to the City, in writing, evidence satisfactory to Bond Counsel to the City of such sales price for the Series 2018A Note. In the event that the winning bidder has not sold at least 10% of the Series 2018A Note to the Public as of the closing date, the winning bidder shall (i) provide to the City, in writing, on the closing date, the Expected Offering Price for the Series 2018A Note as of the Bid Date and a certificate regarding same and (ii) have a continuing obligation to provide to the City, in writing, evidence satisfactory to Bond Counsel to the City of the first price at which at least 10% of the Series 2018A Note is sold to the Public, contemporaneous with such sale.

"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 City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018A 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 Series 2018A 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 Series 2018A Note to the Public).

At the delivery of the Series 2018A Note, the City will furnish to the winning bidder customary closing documents, including a certificate executed by the officials who execute the Series 2018A 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 Series 2018A Note or the levy or collection of taxes to pay the principal of or interest due on the Series 2018A Note, or in any manner questioning the authority or the proceedings for the issuance of the Series 2018A 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 City'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 Series 2018A Note is submitted via PARITY®, the bidder further agrees that:

1. The City may regard the electronic transmission of the bid through PARITY® (including information about the purchase price of the Series 2018A Note, the interest rate or rates to be borne by the Series 2018A Note and any other information included in such transmission) as though the same information were submitted on the Proposal for Notes provided by the City and executed and submitted by a duly authorized representative of the bidder. If the bid submitted electronically via PARITY® is accepted by the City, the terms of the bid for the Series 2018A 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 City, and the City 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 City or information provided by the bidder.

3. The City 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 City, as described above, each bid will constitute a bid to the Series 2018A Note and shall be deemed to be an irrevocable offer to purchase the Series 2018A Note on the terms provided in this Notice of Sale. For purposes of submitting bids for the Series 2018A Notes 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 City, the Municipal Advisor, nor PARITY® shall have any duty or obligation to provide or assure access to any bidder, and neither the City, 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 City is using PARITY® as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Series 2018A Note. By using PARITY®, each bidder agrees to hold the City harmless for any harm or damages caused by such bidder in connection with its use of PARITY® for bidding on the Series 2018A Note.

The request for the assignment of CUSIP identification numbers shall be the responsibility of the City'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 City, within 24 hours of the award of the Series 2018A Note in order to have the CUSIP number printed on the Series 2018A Note.

A Preliminary Official Statement has been prepared in connection with the Series 2018A Note by the City 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](http://www.MuniHub.com).

Frank Donato, III, Director of Financial Management/CFO  
Dated: November 6, 2018

**CITY OF OCEAN CITY,  
County of Cape May, New Jersey**

**\$44,000,000 BOND ANTICIPATION NOTE, SERIES 2018A**

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

DATE: November 13, 2018

**PROPOSAL**

Amount of Series 2018A Note

Price

Rate of Interest

\$44,000,000

\$ \_\_\_\_\_

\_\_\_\_\_ % per annum

Name of  
Bidder: \_\_\_\_\_

Authorized  
Signature: \_\_\_\_\_

Phone Number \_\_\_\_\_

Print Name: \_\_\_\_\_

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PLEASE COMPLETE THE FOLLOWING:

Interest Payable on Series 2018A Note \$ \_\_\_\_\_

Less: Premium (if any) \$ \_\_\_\_\_

Net Interest Payable \$ \_\_\_\_\_

Net Interest Cost % \_\_\_\_\_ %

Purchased and Reoffered for Sale \_\_\_\_\_ yes \_\_\_\_\_ no

Direct Purchase, Not Reoffered \_\_\_\_\_ yes \_\_\_\_\_ no

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THIS PORTION OF THE PROPOSAL IS NOT PART OF THE BID

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