

NOTICE OF BOND SALE
BOROUGH OF SEASIDE HEIGHTS
IN THE COUNTY OF OCEAN, NEW JERSEY
\$5,241,000 GENERAL OBLIGATION BONDS, SERIES 2015
Consisting of
\$4,827,000 General Capital Improvement Bonds, Series 2015 and
\$414,000 Water/Sewer Utility Bonds, Series 2015
BOOK ENTRY ISSUE (CALLABLE)

NOTICE IS HEREBY GIVEN that ELECTRONIC BIDS, via BiDCOMP/PARITY Competitive Bidding System (BiDCOMP/Parity) (the “Proposals”) will be received by the Borough of Seaside Heights, County of Ocean, New Jersey (the “Borough”) for the purchase of its \$5,241,000 General Obligation Bonds, Series 2015, consisting of \$4,827,000 General Capital Improvement Bonds, Series 2015 and \$414,000 Water/Sewer Utility Bonds, Series 2015 (the “Bonds”). All bids must be submitted prior to 11:15 a.m., New Jersey time on January 22, 2014 (the “Sale Date”), consistent with the procedures related to the use of BiDCOMP/Parity described in Annex I of this Notice of Sale. The Bonds are due on January 15th of each year as follows:

<u>Maturity (January 15th)</u>	<u>General Capital Improvement Bonds, Series 2015 Principal Amount</u>	<u>Water/Sewer Utility Bonds, Series 2015 Principal Amount</u>	<u>Combined Maturity</u>
2016	\$150,000	\$15,000	\$165,000
2017	150,000	15,000	165,000
2018	150,000	15,000	165,000
2019	150,000	15,000	165,000
2020	150,000	15,000	165,000
2021	150,000	15,000	165,000
2022	240,000	15,000	255,000
2023	245,000	15,000	260,000
2024	255,000	30,000	285,000
2025	265,000	30,000	295,000
2026	270,000	30,000	300,000
2027	280,000	25,000	305,000
2028	285,000	25,000	310,000
2029	295,000	25,000	320,000
2030	295,000	25,000	320,000
2031	300,000	25,000	325,000
2032	300,000	20,000	320,000
2033	300,000	20,000	320,000
2034	300,000	20,000	320,000
2035	297,000	19,000	316,000

PLEASE SEE ANNEX I OF THIS NOTICE OF SALE FOR FURTHER DETAILS REGARDING, AMONG OTHER THINGS, THE ELECTRONIC BIDDING PROCESS AND THE AVAILABILITY OF THE BOROUGH'S PRELIMINARY OFFICIAL STATEMENT IN ELECTRONIC FORMAT.

The Bonds will be dated the date of delivery (which is expected to be January 29, 2015) (the "Dated Date" and the "Closing Date") and will bear interest from said date at the rate per annum specified by the successful bidder therefor in accordance herewith, payable semi-annually on January 15th and July 15th of each year until maturity commencing July 15, 2015 (or on the next business day if any such interest payment date is not a business day) and are subject to redemption prior to maturity. Interest on the Bonds will be calculated on the basis of twelve 30-day months/360-day year. The Bonds will be issued in fully registered form and will be payable as to both principal and interest in lawful money of the United States of America. The Bonds will be issued in book-entry only form with one certificate for the aggregate principal amount of the Bonds maturing in each year, registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee of Cede & Co., as securities depository for the Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee for DTC, except as otherwise provided in any agreement between the Borough and DTC. Disbursements of such payments to DTC Participants are the responsibility of DTC and disbursements of such payments to the actual purchasers of the Bonds are the responsibility of the DTC Participants. Individual ownership interests will be in the amount of \$1,000 or any integral multiple thereof (with a minimum purchase of \$5,000 required) except for the final maturity which may contain a denomination other than \$1,000 if the maturity does not equal a multiple of \$1,000. Unless paid from other sources, the Bonds are payable from *ad valorem* taxes levied upon all taxable property within the Borough for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

The Bonds will not be designated "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds maturing prior to January 15, 2024 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after January 15, 2024 are redeemable at the option of the Borough in whole or in part, on any date on or after January 15, 2023 at par, plus unpaid accrued interest to the date fixed for redemption.

Notice of Redemption shall be mailed by first-class mail, with postage prepaid, to the registered owners of the Bonds or portions thereof which are to be redeemed, not less than thirty (30) but not more than sixty (60) the date fixed for redemption, at their respective addresses as they last appear on the registration books of the Borough kept for that purpose. So long as DTC (or any successor thereto) acts as depository for the Bonds, notice of redemption shall be sent to such depository and shall not be sent to the Beneficial Owners of the Bonds. Any failure of such depository to advise any of its participants or any failure of any participant to notify any Beneficial Owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Borough (or the Paying Agent, if any). The Bonds to be redeemed having the same maturity shall be selected by the securities depository in accordance with its regulations.

All bidders for the Bonds must be participants of DTC or affiliated with its participants. Bidders may bid to purchase the Bonds from the Borough with a bid premium payable to the Borough in an amount not to exceed \$104,820. No Bid shall be considered that offers to pay an

amount less than the total principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest True Interest Cost to the Borough under any legally acceptable Bid.

Bidders must specify a rate of interest for each maturity of the Bonds which rate of interest must be expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). If more than one rate of interest is named the difference between the highest rate and the lowest rate may not exceed two (2) percent (2%) per annum and not more than one rate may be named for the Bonds of the same maturity. There is no limitation on the number of rates of interest that may be named. Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal results in the lowest true interest cost to the Issuer ("True Interest Cost" or "TIC"). The True Interest Cost for the Bonds (expressed as an annual interest rate) will be computed by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from their respective payment dates to the Dated Date of the Bonds, and resulting in an amount equal to the bid price, not including accrued interest, if any.

In the event that two or more bidders have bid the same True Interest Cost, the award shall be made by lot. The successful bidder (also referred to herein as the "Purchaser") also must pay an amount equal to the interest on such Bonds accrued from the Dated Date of the Bonds to the date of payment of the purchase price, if any.

Change of Bid Date and Closing Date. The Borough reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective Bidders via notification published on Thomson Municipal Market Monitor ("TM3") (www.tm3.com) and/or BIDCOMP/Parity. Prospective Bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to Phoenix Advisors, LLC at telephone number (609) 291-0130 by 12:00 Noon, New Jersey time, on the day prior to the announced date for receipt of bids. In addition, the Borough reserves the right to make changes to this Notice of Sale. Such changes will be announced on TM3 and/or BIDCOMP/Parity.

A postponement of the bid date will be announced via TM3 not later than 11:00 a.m., New Jersey time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 and/or BIDCOMP/Parity by Noon, New Jersey time, not less than forty-eight (48) hours prior to such alternative date for receipt of bids.

On any such alternative date and time for receipt of bids, the Borough will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 and/or BIDCOMP/Parity at the time the date and time for receipt of bids are announced.

Bid Security and Method of Payment for Bonds. A Good Faith Deposit ("Deposit") in the form of a certified or cashier's or treasurer's check, wire transfer or a Financial Surety Bond in the amount of \$104,820, payable to the order of the Borough, is required for each Bid to be considered. **Wire instructions may be obtained by contacting Anthony P. Inverso, Financial Advisor at telephone number (609) 291-0130 or ainverso@muniadvisors.com prior to 10:30 a.m., prevailing New Jersey time on the date of Sale, and such wire must be received and confirmed by the Borough prior to the time for bids to be submitted. If a check is used, it must be a certified or cashier's or treasurer's check and must be provided to the Borough prior to the time for Bids to be submitted at the following address: Barbara Risley, Chief Financial Officer, Borough of Seaside Heights, 901 Boulevard, Seaside Heights, New Jersey 08751. Each Bidder accepts responsibility for delivering such check or wire on time and the**

Borough is not responsible for any check or wire that is not received on time. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of New Jersey and approved by the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs (the “Director”) and such bond must be submitted to the Borough prior to the opening of the Bids at the address referred to above. At present, the Director has approved the use of Sure-Bid, a division of Financial Security Assurance Inc. Use of any other Financial Surety Bond must be approved by the Director prior to the Bid and will not be accepted by the Borough unless evidence of such approval is provided prior to the Bid.

The Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. The successful bidder for the Bonds is required to submit its Deposit to the Borough by wire transfer not later than 3:30 p.m. on the next business day following the award. If such deposit is not received by that time, the Financial Surety Bond may be drawn by the Borough to satisfy the Deposit requirement. In the event the successful bidder fails to honor its accepted bid, the Deposit will be retained by the Borough.

Award of the Bonds to the successful bidder therefor or rejection of all bids is expected to be made by 2:00 p.m., but the successful bidder may not withdraw its proposal until 4:00 p.m. on the Sale Date and then only if such award has not been made prior to the withdrawal. When the successful bidder has been ascertained, all such Deposits will be promptly returned to the persons making them, except the Deposit of the successful bidder, which will be applied in part payment for the Bonds or to partially secure the Borough from any loss resulting from the failure of the successful bidder to comply with the terms of its bid. No interest will be paid upon any Deposits, including the Deposit made by the successful bidder.

The Borough reserves the right to reject all bids, and any bid not complying with the terms of this Notice may be rejected. The Borough reserves the right to waive any irregularity or informality in any or all proposals.

Responsibility for the proper transmission of the bid is solely that of the bidder.

The Bonds will be delivered and the Purchaser thereof must accept delivery and tender full payment therefor on or about the Closing Date at the offices of Dilworth Paxson LLP, Red Bank, New Jersey, Bond Counsel for the Bonds, or at such other place and date as may be agreed to by and in the sole discretion of the Borough. PAYMENT FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS. On or prior to the Closing Date, the Purchaser of the Bonds will be required to certify either the initial offering price to the public at which a substantial amount (at least 10%) of each maturity of such Bonds were sold, were reasonably expected to be sold or that the Bonds are purchased as an investment for the account of the Purchaser and not with a view toward resale or distribution and to certify the issue price of the final maturity and of the entire issue and as to the arbitrage yield, net interest cost and weighted average maturity of the Bonds.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the Purchaser and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by the Purchaser. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the Purchaser of any contractual obligation arising from the acceptance of its proposal for the purchase of the Bonds. 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 its proposal for the purchase of the Bonds. All expenses relating to the printing of CUSIP numbers on the Bonds shall be paid for by the Purchaser.

The Purchaser may at its option 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 the Purchaser will be returned and the Purchaser will be relieved of its contractual obligations arising from the acceptance of its proposal. The Purchaser should consult with its own tax advisors as to the ultimate tax impact of the ownership of the Bonds.

The Borough has issued an Official Statement with respect to the sale of the Bonds in preliminary form (the "Preliminary Official Statement"). The Borough, by accepting the proposal submitted by the successful bidder, (a) certifies to the successful bidder as of the date of acceptance of such proposal, that the Preliminary Official Statement furnished prior to the date of such acceptance has been "deemed final" as of its date by the Borough within the meaning of Rule 15c2-12, promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for certain omissions permitted thereunder and except for changes permitted by other applicable law; (b) agrees to provide the successful bidder, in order to permit the successful bidder to comply with Rule 15c2-12, with a reasonable number of copies of the final Official Statement adopted by the Borough in relation to the sale by the Borough of the Bonds within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the Borough, with any additional copies which the successful bidder shall reasonably request to be provided at the sole cost and expense of the successful bidder; and (c) agrees to deliver on the Closing Date a Continuing Disclosure Certificate to be dated as of the Closing Date pursuant to which the Borough shall agree to provide at the times and to the information repositories and other persons described in Rule 15c2-12 the financial or operating data required to be disclosed on a continual basis pursuant to Rule 15c2-12.

The obligations hereunder to deliver and accept the Bonds shall be conditioned on the availability and delivery at the time of delivery of the Bonds of (a) the approving opinion of the law firm of Dilworth Paxson LLP, Red Bank, New Jersey ("Bond Counsel"), which will be furnished without cost to the Purchaser, to the effect that the Bonds are valid and legally binding obligations of the Borough and that all the taxable property in the Borough will be subject to the levy of *ad valorem* taxes to pay the Bonds and interest thereon without limitation as to rate or amount, and that interest on the Bonds is excluded from gross income for Federal income 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 that such interest is included in the adjusted current earnings of certain corporations for the purpose of calculating the corporate alternative minimum tax, and that interest on the Bonds is not includable in gross income under the New Jersey Gross Income Tax Act, such opinions to be substantially in the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Bonds; (b) certificates in the form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor, and the compliance with the requirements of the Code necessary to preserve the exclusion of interest on the Bonds from gross income under the Code; (c) a certificate in the 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 Bonds; and (d) payment, in IMMEDIATELY AVAILABLE FUNDS, from the Purchaser to the Borough of the full amount of the price bid plus accrued interest from the Dated Date of the Bonds to the Closing Date, if any, less the amount of the Deposit.

Copies of this Notice of Sale and the Preliminary Official Statement may be obtained from www.prospectushub.com or from the Borough's Financial Advisor and additional information on the Bond Sale may be obtained from the Borough's Financial Advisor at phone number (609) 291-0130.

BOROUGH OF SEASIDE HEIGHTS, IN THE
COUNTY OF OCEAN, NEW JERSEY

/s/ Barbara Risley
Barbara Risley, Chief Financial Officer

Dated: January 15, 2015

PROVISIONS RELATED TO USE OF BiDCOMP/PARITY

Bids may be submitted electronically via PARITY in accordance with this Notice of Sale, until 11:15 a.m., New Jersey time, on the Sale 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 PARITY at (212) 849-5021. In the event that a bid for the Bonds 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 Bonds, the interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) as though the same information were submitted directly to the Borough and executed by a duly authorized signatory of the bidder. If a bid submitted electronically by PARITY is accepted by the Borough, the terms of the Proposal for Bonds and 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 Borough, and neither the Borough, Bond Counsel nor Financial Advisor 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 TM3 News Services and/or BIDCOMP/Parity, or by other available means, no later than 3:00 p.m. (New Jersey Time) on the last business date prior to the Sale Date.

4. Once the bids are communicated electronically via PARITY to the Borough as described above, each bid will constitute a Proposal for Bonds 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 Proposal for Bonds, the time as maintained on PARITY shall constitute the official time.

5. Each bidder choosing to bid electronically 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 Borough, Bond Counsel, Financial Advisor nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure access to any qualified prospective bidder, and neither the Borough, Bond Counsel, Financial 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 Bonds. By using PARITY, each bidder agrees to hold the Borough, Bond Counsel and Financial Advisor harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Preliminary Official Statement

The Preliminary Official Statement may be accessed via the Internet at www.prospectushub.com. A printed version is also available upon request made to the Borough's Financial Advisor, Anthony P. Inverso, Phoenix Advisors, LLC., 4 West Park Street, Bordentown, New Jersey 08505 (telephone (609) 291-0130).