

**NOTICE OF SALE
\$1,353,000 SCHOOL BONDS, SERIES 2015
OF THE BOARD OF EDUCATION OF THE
BOROUGH OF FRENCHTOWN
IN THE COUNTY OF HUNTERDON, NEW JERSEY**

**Book-Entry Only Bonds
Bank-Qualified
Callable**

SUMMARY

ISSUER:	The Board of Education of the Borough of Frenchtown in the County of Hunterdon, New Jersey (the "Board")
PAR AMOUNT:	\$1,353,000
SECURITY:	General Obligations of the Board and the New Jersey School Bond Reserve Act, <u>N.J.S.A. 18A:56-17 et. seq.</u>
TAX EXEMPT:	Yes
RATINGS:	Standard & Poor's – "A+"
INSURANCE:	The Winning Bidder of the Bonds may, at its sole option and expense, purchase a policy of municipal bond insurance.
TYPE OF SALE:	Electronic bids via the Parity Electronic Bid Submission System ("PARITY")
AUCTION AGENT:	PARITY
BID/AWARD DATE:	July 14, 2015 until 11:00 a.m. eastern daylight saving time. Award by 2:00 p.m.
DATED DATE:	Date of Delivery
DELIVERY DATE:	On or about July 22, 2015
INTEREST PAYMENT DATES:	January 15, 2016 and semiannually thereafter on the fifteenth day of July and January in each year until maturity or prior redemption
MINIMUM BID:	\$1,353,000 (Par)
BID SECURITY:	<u>Good Faith Check in the form of a certified, cashier's or treasurer's check or a wire transfer in the amount of \$27,060 received by the Board no later than 11:00 a.m. on July 14, 2015 or Financial Surety Bond, if available, as provided in this notice</u>
BASIS OF AWARD:	Net Interest Cost - Ascending Coupons Required in multiples of 1/8 or 1/20 of 1%
OFFERING STATEMENT:	Preliminary Official Statement available at www.prospectushub.com

NOTICE

NOTICE IS HEREBY GIVEN that bids will be received by The Board of Education of the Borough of Frenchtown in the County of Hunterdon, New Jersey (the "Board") for the purchase of the Board's \$1,353,000 aggregate principal amount of School Bonds, Series 2015 (the "Bonds"). **All Bids (as defined below) must be submitted in their entirety on i-Deal's PARITY website ("PARITY") prior to 11:00 a.m., eastern daylight saving time on July 14, 2015. To bid via PARITY, Bidders (as defined below) must have submitted a good faith check in the form of a certified, cashier's or treasurer's check, a wire transfer, or Financial Surety Bond, if available, payable to the Board in the amount of \$27,060 no later than 11:00 a.m. on July 14, 2015 (see Bidding Details below).**

Preliminary and Final Official Statement

The Board's Preliminary Official Statement dated on or about July 7, 2015 (the "POS"), is available for viewing in electronic format on www.prospectushub.com. In addition, broker dealers registered with the National Association of Securities Dealers (the "NASD") and dealer banks with The Depository Trust Company, New York, New York, ("DTC") clearing arrangements may either: (a) print out a copy of the POS on their own printer, or (b) at any time prior to July 22, 2015, elect to receive a photocopy of the POS in the mail by requesting it on PARITY or by calling the Board's Bond Counsel, Wilentz, Goldman & Spitzer, P.A. ("Bond Counsel"), 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095. Calls should be directed to Anthony J. Pannella, Esq. at (732) 855-6460. All Bidders must review the POS and certify that they have done so prior to participating in the bidding.

The POS is deemed by the Board to be final as of its date, for purposes of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, except for the omission of information concerning the offering price(s), interest rate(s), selling compensation, aggregate principal amount of the Bonds and any other terms or provisions to be determined from the successful Bid(s) or depending on such matters, and the identity of the underwriter(s). The POS is, however, subject to such further revisions, amendments and completion in a Final Official Statement (the "Final Official Statement") as may be necessary.

The Board 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.

Types of Bids Allowed

Subject to the Bid requirements described below, Bids for the Bonds must be submitted on an "All-or-None" ("AON") basis for the entire amount of bonds offered for sale. First, a Bidder must submit a conforming Bid for the entire issue, and if such Bid is accepted by the Board, the Bidder will be required to purchase the entire issue in accordance with such Bid.

Insurance

If the Bonds qualify for the issuance of any policy of municipal bond insurance, the Bidder of the Bonds may, at its sole option and expense, purchase such insurance. The insurance premium, if any, will be paid by the Bidder. Any failure of the Bonds to be so insured shall not in any way relieve the Winning Bidder of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

Interest Payment Dates; Description of the Bonds

The Bonds will be dated their date of delivery and will bear interest from such date payable semiannually on each January 15 and July 15, commencing on January 15, 2016 (the "Interest Payment Date"), in each year until maturity, by payment of money to DTC or its authorized nominee. DTC will credit payments of principal of and interest on the Bonds to the Participants of DTC as listed on the records of DTC as of each January 1 and July 1 preceding an Interest Payment Date for the Bonds (the "Record Dates").

Principal Amortization

The Bonds will consist of serial bonds maturing on July 15, commencing in 2016, as indicated on the maturity schedule set forth below, except as otherwise may be determined if the "Term Bond Option" is selected as set forth herein. The principal amounts of maturity shall be as set forth below, subject to the applicable limitations set forth herein under "Term Bond Option."

The Bonds shall mature on July 15 in each year as set forth in the following table:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2016	\$75,000	2024	\$90,000
2017	75,000	2025	95,000
2018	75,000	2026	100,000
2019	80,000	2027	100,000
2020	80,000	2028	105,000
2021	85,000	2029	105,000
2022	85,000	2030	113,000
2023	90,000		

Book Entry Only

The Bonds will be issued in book-entry form only, and each certificate will be registered in the name of and held by Cede & Co., as nominee of the DTC, which will act as securities depository for the Bonds. The Bonds will be issued in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and will be payable as to both principal and interest in lawful money of the United States of America. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its Participants or the transfers of the interests among its Participants. The Participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. The Winning Bidder will not receive certificates representing its interests in the Bonds. Individual purchases will be in the principal amount of \$1,000 or any integral multiple thereof, with a minimum purchase of \$5,000 required, through book entries made on the books and records of DTC and its Participants. Payments of principal and interest will be made by the paying agent to DTC for subsequent disbursement to Participants to then be remitted to the Beneficial Owners of the Bonds.

The Bonds shall be entitled to the benefits of the New Jersey School Bond Reserve Act, 1980 Laws c.72, as amended and supplemented.

Redemption Provisions

The Bonds of this issue maturing prior to July 15, 2025 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after July 15, 2025 are subject to

redemption at the option of the Board in whole or in part on any date on or after July 15, 2024 upon notice as required herein, at one hundred percent (100%) of the principal amount to be redeemed (the "Redemption Price"), together with interest accrued to the date of redemption.

Notice of Redemption ("Notice of Redemption") shall be given by mailing at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities 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 Board determines to redeem a portion of the Bonds prior to maturity, such Bonds to be redeemed shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Term Bond Option

Bidders may elect to structure the issue to include term bonds (the "Term Bond Option"), which term bonds, if selected by the Bidder, will be subject to mandatory redemption prior to maturity, in the years and amounts shown above as serial maturities, upon payment of one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for such mandatory redemption of such amounts. If the Bonds are awarded and no term bonds are designated in the Winning Bid (as defined herein), the Bonds will mature serially as shown in the preceding schedule.

Terms of PARITY

Each electronic bid must be submitted via PARITY. No bidder will see any other bidder's bid, nor will any bidder see the status of its bid relative to other bids (e.g., whether its bid is a leading bid). To the extent any instructions or directions set forth on 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 Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, bond counsel to the Board. The Board may, but is not obligated to, acknowledge its acceptance in writing of any bid submitted electronically via PARITY. When a bid for the Bonds is submitted via PARITY, the bidder further agrees that: the Board may regard the electronic transmission of the bid via 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 term Bonds, if any, specified, the initial public offering price of each maturity of the Bonds and any other information included in such transmission) as the official "Bid for Bonds" executed by a duly authorized signatory of the bidder. If the bid submitted electronically via PARITY is accepted by the Board, the terms of the bid and this Notice of Sale and the information that is electronically transmitted via PARITY shall form a contract, and the successful bidder shall be bound by the terms of such contract.

PARITY is not an agent of the Board, and the Board 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 Board or information provided by the bidder.

The Board may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via Thomson News Service ("TM3"), or by other available means, no later than 3:00 p.m., eastern daylight saving time, on the last business date prior to the bid date.

Once the bids are communicated electronically via PARITY to the Board, each bid will constitute an official "Bid 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 "Bids for Bonds" electronically via PARITY, the time as maintained on PARITY shall constitute the official time.

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 Board nor PARITY shall have any duty or obligation to provide or assure to any bidder, and neither the Board 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 Board is using PARITY as a communication mechanism, and not as the Board's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the Board harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

The Board may, in its sole discretion and prior to the electronic receipt of bids, clarify any term hereof, including, without limitation, its decision to discontinue use of electronic bidding via PARITY, by issuing a notification of the clarification via TM3, or any other available means, no later than 11:00 a.m. (eastern daylight saving time) on the Bid Date.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds:

- (1) **BIDDERS MUST SUBMIT A GOOD FAITH CHECK IN THE FORM OF A CERTIFIED, CASHIER'S OR TREASURER'S CHECK, WIRE TRANSFER OR FINANCIAL SURETY BOND, IF AVAILABLE, IN THE AMOUNT OF \$27,060 PAYABLE TO THE BOARD NO LATER THAN 11:00 A.M. ON JULY 14, 2015. A CERTIFIED, CASHIER'S OR A TREASURER'S CHECK SHOULD BE SENT TO THE FOLLOWING ADDRESS:**

**Attn: Teresa E. Barna
c/o Anthony J. Pannella, Esq.
Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Drive
Woodbridge, New Jersey 07095**

BIDDERS SHOULD ALSO ENCLOSE A RETURN ENVELOPE FOR USE BY THE BOARD.

- (2) All Bids must be submitted via PARITY. **No telephone, telefax, telegraph or personal delivery Bids will be accepted.**
- (3) All Bids for the Bonds must be submitted on an AON basis.
- (4) Bidders may bid to purchase the Bonds from the Board with a premium not to exceed \$1,000. 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 Net Interest Cost to the Board under any legally acceptable Bid.

- (5) 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, no interest rate named for any maturity may be less than the interest rate named for any prior maturity and not more than one rate of interest 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.
- (6) Bidders are only permitted to submit Bids for the Bonds during the bidding period.
- (7) The Winning Bidder shall be obligated to furnish to the Board within forty-eight (48) hours prior to the date of delivery of the Bonds a certificate satisfactory to Bond Counsel to the Board to the effect that: (i) each maturity of the Bonds has been the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the initial public offering price set forth in such certificate; (ii) ten percent (10%) or more in par amount of the Bonds of each maturity were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the initial public offering price for such maturity set forth in such certificate; and (iii) at the time the Winning Bidder submitted its bid to the Board, based upon then prevailing market conditions, the Winning Bidder had no reason to believe that any maturity of the Bonds would be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at a price greater than the initial public offering price for that maturity, or that the fair market of any maturity of the Bonds would be in excess of the initial public offering price for that maturity. Such certificate shall state that it is made to the best knowledge, information and belief of the Winning Bidder.
- (8) Additionally, the Winning Bidder shall be obligated to furnish to the Board within forty-eight (48) hours of the Bid Date the public offering prices and reoffering yields for each maturity of each series of Bonds.

Definitions

"Bid"	any confirmed purchase offer received by PARITY on or before the bid submission deadline.
"Bidder"	any firm registered and approved for participation in the sale.
"Net Interest Cost"	computed by adding to the total principal amount of bonds bid for, the total interest cost to maturity in accordance with such bid and by deduction therefrom of the amount of premium, if any. The Net Interest Cost serves as the basis for awarding the Bonds to winning Bidders.
"Winning Bid"	any purchase offer made by a Bidder and received by PARITY which, at the end of the bidding time period, results in the lowest NIC which is acceptable to the Board.

Bid Procedure and Basis of Award

Subject to the right reserved by the Board to reject any or all Bids, the Bonds will be sold to the Bidder whose Bid produces the lowest NIC for the Board and otherwise complies with this Notice of Sale.

Bids must remain valid until at least 2:00 p.m., prevailing time, on the date of the sale, and if accepted by the Board, prior to such time, shall be irrevocable except as otherwise provided in this Notice of Sale. Upon selection of the winning Bidder, the Board will execute an award certificate to award the Bonds and will promptly communicate with the winning Bidder by telephone, e-mail or fax.

Bid Security and Method of Payment for the 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, if available, in the amount of \$27,060, payable to the order of the Board, is required for each bid to be. Wire instructions may be obtained by contacting Teresa E. Barna, Business Administrator/Board Secretary at (908) 996-2751 or Anthony J. Pannella, Esq., Bond Counsel at (732) 855-6460 or apannella@wilentz.com and such wire must be received and confirmed by the Board prior to 11:00 a.m. on July 14, 2015. If a check is used, it must be a certified, cashier's or treasurer's check and must be provided to the Board no later than 11:00 a.m. on July 14, 2015. Each bidder accepts responsibility for delivering such deposit on time and the Board is not responsible for any deposit that is not received on time. If a Financial Surety Bond is available and 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 Board no later than 11:00 a.m. on July 14, 2015 at the address referred to above. Use of any other Financial Surety Bond must be approved by the Director prior to the bid and will not be accepted by the Board 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. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then that Winning Bidder is required to submit its Deposit to the Board by wire transfer as instructed by the Board 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 Board to satisfy the Deposit requirement. No interest on the Deposit will accrue to the Winning Bidder. The Deposit will be applied to the purchase price of the Bonds. In the event the Winning Bidder fails to honor its accepted bid, the Deposit will be retained by the Board. Award of the Bonds to the successful Bidder or rejection of all Bids is expected to be made within two hours after opening of the bids, but such successful Bidder may not withdraw its proposal until after 2:00 p.m. of the day for receipt of such Bids and then only if such award has not been made prior to the withdrawal. The balance of the purchase price shall be paid in Federal Funds by wire transfer to the Board on or about July 22, 2015.

Right to Reject Bids; Waive Irregularities

The Board reserves the right to reject any and all Bids and to the extent permitted by law to waive any irregularity or informality in any Bid.

Delivery of the Bonds

The Bonds will be delivered on or about July 22, 2015 (UNLESS A NOTICE OF A CHANGE IN THE DELIVERY DATE IS PUBLISHED ON PARITY NOT LATER THAN 2 HOURS PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS) in Jersey City, New Jersey at DTC against payment of the purchase price therefor (less the amount of the good faith deposit). PAYMENT FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS.

There will also be furnished the usual closing papers, including (1) a certificate, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery of the Bonds, 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, (2) certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor and compliance with the requirements of the Code (as defined below) necessary to preserve tax exemption, (3) a certificate signed by the Board relating to the Official Statement, and (4) a Continuing Disclosure Certificate evidencing compliance with the Rule (as defined herein) and the undertaking of the Board with respect thereto.

CUSIP Identification Numbers

CUSIP Identification Numbers will be applied for with respect to the Bonds. Obtaining such CUSIP Identification Numbers and the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the Winning Bidder of the Bonds. The Board will assume no obligation for the assignment or printing of such numbers on the bond certificates or for the correctness of such numbers, and neither the failure to print such numbers on any bond certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Winning Bidder thereof to accept delivery of and make payment for the Bonds.

Legal Opinion

The approving opinion of Bond Counsel relating to the Bonds will be furnished without cost to the Winning Bidder, in substantially the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Bonds. Such opinion will state that the Bonds are valid and legally binding obligations of the Board, that all the taxable property therein will be subject to the levy of *ad valorem* taxes to pay the Bonds and the interest thereon without limitation as to rate or amount and that interest on the Bonds is not includable as gross income under current law if the Board complies with all conditions subsequent contained in the Internal Revenue Code of 1986, as amended (the "Code"), except to the extent that interest on the Bonds held by a corporate taxpayer is included in the income computation for calculation of the corporate alternative minimum tax, and that interest on the Bonds and any gain on the sale thereof is not includable as gross income under the existing New Jersey Gross Income Tax Act.

Postponement

The Board reserves the right to postpone, from time to time, the date and time established for receipt of Bids. **ANY SUCH POSTPONEMENT WILL BE PUBLISHED OR POSTED BEFORE 11:00 A.M. ON THE DAY OF THE SALE.** If any date fixed for the receipt of Bids and the sale of the Bonds is postponed, an alternative sale date will be announced via TM3 at least forty-eight (48) 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 this Notice of Sale, except for the date of sale and except for the changes announced on www.prospectushub.com at the time the sale date and time are announced.

Adjustments

The Board further reserves the right to adjust the maturity schedule of the Bonds up to twenty-four (24) hours prior to the date of sale indicated herein, which adjustment shall not exceed ten percent (10%) of the principal amount of any maturity or in the aggregate, the overall issue. **ANY SUCH ADJUSTMENT WILL BE PUBLISHED ON WWW.PROSPECTUSHUB.COM.**

Termination

The Winning Bidder at its option may refuse to accept delivery and pay the purchase price of the Bonds if prior to their delivery any change in any income tax law of the United States of America, shall provide that the interest thereon is includable or shall be includable in gross income at a future date for

Federal income tax purposes. In such case, the deposit made by such Winning Bidder shall be returned and such bidder will be relieved of its contractual obligations arising from the acceptance of its Winning Bid.

Additional Information

For further information relating to the Bonds, reference is made to the POS prepared for and authorized by the Board. This Notice of Sale and the POS may be viewed on www.prospectushub.com. However, the Board makes no assurance or representation with respect to the form of this Notice of Sale and the POS on www.prospectushub.com, and no investment decision should be made in reliance thereon. Printed copies of the POS and this Notice of Sale may be obtained from Bond Counsel at the address and phone number stated above. Additional information relating to the Board can be obtained by contacting Teresa E. Barna, Business Administrator/Board Secretary, The Board of Education of the Borough of Frenchtown, 902 Harrison Street, Frenchtown, New Jersey 08825, (908) 996-2751.

/s/ Teresa E. Barna
Teresa E. Barna,
Business Administrator/Board Secretary
The Board of Education of the Borough of
Frenchtown in the County of Hunterdon, New
Jersey

Dated: July 7, 2015

[THIS PAGE INTENTIONALLY LEFT BLANK]