

**BOROUGH OF HOPEWELL,
County of Mercer, New Jersey**

**NOTICE OF SALE FOR \$2,679,273 NOTES,
CONSISTING OF A \$1,941,979 BOND ANTICIPATION NOTE
AND
A \$737,294 WATER UTILITY BOND ANTICIPATION NOTE**

Sealed written proposals, telecopied proposals or e-mailed proposals (with the completed bid form scanned and attached) for the purchase of \$2,679,273 Notes, consisting of a \$1,941,979 Bond Anticipation Note (the "Bond Anticipation Note") and a \$737,294 Water Utility Bond Anticipation Note (the "Water Utility Bond Anticipation Note" and, together with the Bond Anticipation Note, the "Notes") of the Borough of Hopewell, in the County of Mercer, New Jersey (the "Borough") will be received by the Borough's Municipal Advisor, Phoenix Advisors, LLC, 625 Farnsworth Avenue, Bordentown, New Jersey 08505, FAX NO (609) 291-9940, e-mail address: mlyons@muniadvisors.com on **Thursday, September 6, 2018 until 11:30 a.m. (the "Bid Date")**. Bids submitted by telecopy or e-mail are the sole responsibility of the bidder and must be received by 11:30 a.m. The Borough 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.

The Bond Anticipation Note will be issued by the Borough to 1) currently refund \$1,841,979 of the Borough's \$1,914,892 Bond Anticipation Note dated September 19, 2017 and maturing September 19, 2018, together with \$72,913 in principal reduction payments from the 2018 budget and 2) provide new money in the amount of \$100,000 to provide for the acquisition of a dump truck.

The Water Utility Bond Anticipation Note will be issued by the Borough to currently refund \$737,294 of the Borough's \$744,250 Water Utility Bond Anticipation Note dated September 19, 2017 and maturing September 19, 2018, together with \$6,956 in principal reduction payments from the 2018 budget.

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 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 Notes to the bidder specifying the lowest net interest payable by the Borough. 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.

SPECIFICATIONS OF NOTES

| | |
|-------------------------|--------------------------------|
| Principal Amount | \$2,679,273 |
| Dated | September 18, 2018 |
| Maturity Date | September 18, 2019 |
| Interest Rate Per Annum | Specified by successful bidder |
| Tax Matters | Federal and State tax exempt |

| | |
|----------------|--|
| Bank Qualified | Yes |
| Legal Opinion | McManimon, Scotland & Baumann, LLC, Roseland, NJ |
| Paying Agent | The Borough will act as paying agent |
| Closing | |
| a. date | September 18, 2018 |
| b. location | McManimon, Scotland & Baumann, LLC, 75 Livingston Avenue, 2 nd Floor, Roseland, New Jersey or at such other place as agreed to by the Chief Financial Officer |
| Denominations | \$100,000 or any denomination greater than \$100,000, specified by successful bidder |
| Payment | Immediately available funds received prior to 11:00 a.m. on the date of closing |

The Notes will be noncallable general obligations of the Borough payable ultimately from *ad valorem* taxes levied upon all the taxable property within the Borough to the extent that payment is not otherwise provided.

Each bidder may, on the attached bid sheet, designate the Notes as "Direct Purchase, Not Reoffered". If a bidder makes such designation and is awarded the Notes, such winning bidder 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.

If the Notes are being purchased and reoffered for sale, the winning bidder may not reoffer the Notes to more than thirty-five (35) persons in order to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission. The winning bidder must believe that each of the persons to whom the Notes are sold has such knowledge and experience in financial and business matters and that it is capable in evaluating the merits and the risks of the Notes as an investment and is not purchasing the Notes for more than one account with the intent to distribute the Notes.

In the event the winning bidder designates the Notes as "Direct Purchase, Not Reoffered", then the issue price for the Notes shall be the purchase price offered by the winning bidder.

Otherwise, in the event the Borough 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 price of the Notes as of the Bid Date (the "Expected Offering Price"). The Expected Offering Price shall consist of the price 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 closing date a certificate to such effect, and provide to the Borough, in writing, the Expected Offering Price as of the Bid Date.

In the event the Borough receives fewer than three (3) bids for the Notes, then the Issue Price for the Notes shall be established based on the following method as selected by the winning bidder on the Bid Date:

10% Sold: The Issue Price for the Notes shall be established based on the first price at which at least 10% of the Notes was sold to the Public (as defined herein). The winning bidder shall be required to deliver on the closing date a certificate to such effect, and provide to the Borough, in writing, evidence satisfactory to Bond

Counsel to the Borough of such sale price for the Notes. In the event that the winning bidder has not sold at least 10% of the Notes to the Public as of the closing date, the winning bidder shall (i) provide to the Borough, in writing, on the closing date, the Expected Offering Price for the Notes and a certificate regarding same and (ii) have a continuing obligation to provide to the Borough, in writing, evidence satisfactory to Bond Counsel to the Borough of the first price at which at least 10% of the Notes is sold to the Public, contemporaneous with each such sale.

Hold the Price: The Issue Price for the Notes shall be established based on the initial offering price of the Notes to the Public as of the Bid Date, provided that the winning bidder shall, in writing, (i) confirm that the Underwriters (as defined herein) have offered or will offer the Notes to the public on or before the Bid Date at the offering price set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the Underwriters participating in the purchase of the Notes, that the Underwriters will neither offer nor sell the Notes to any person at a price that is higher than the initial offering price to the Public during the period starting on the Bid Date and ending on the earlier of: (1) the close of the fifth (5th) business day after the sale date; or (2) the date on which the Underwriters have sold at least 10% of the Notes to the Public at a price that is no higher than the initial offering price to the Public.

Public means 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” 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 Borough (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).

At delivery of the Notes, the Borough will furnish to the winning bidder 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 McManimon, Scotland & Baumann, LLC, Bond Counsel to the Borough, in the form attached hereto as **Exhibit A**.

The request for the assignment of CUSIP identification numbers shall be the responsibility of the Borough’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 Borough, within 24 hours of the award of the Notes in order to have the CUSIP number printed on the Notes. **Only one CUSIP number will be issued for the Notes.**

No Preliminary Official Statement or other offering document will be prepared by the Borough for this issue. However, financial information concerning the Borough is available at www.hopewellboro-nj.us, or by contacting the undersigned Chief Financial Officer at telephone number 609-466-2636, e-mail address: diane.mcdaniel@hopewellboro-nj.us.

Diane Soriero McDaniel, Chief Financial Officer
August 30, 2018

**BOROUGH OF HOPEWELL,
County of Mercer, New Jersey**

**NOTICE OF SALE FOR \$2,679,273 NOTES,
CONSISTING OF A \$1,941,979 BOND ANTICIPATION NOTE
AND
A \$737,294 WATER UTILITY BOND ANTICIPATION NOTE**

TO: Mary Lyons
FAX NO.: (609) 291-9940
E-MAIL ADDRESS: mlyons@muniadvisors.com
PHONE NO.: (609) 291-0130

DATE: September 6, 2018

PROPOSAL

| <u>Amount of Notes</u> | <u>Price</u> | <u>Rate of Interest</u> |
|------------------------|--------------|-------------------------|
| \$2,679,273 | \$ _____ | _____ % per annum |

Name of Bidder: _____ Authorized Signature: _____

Phone Number _____ Print Name: _____

PLEASE COMPLETE THE FOLLOWING:

| | |
|----------------------------------|--------------------|
| Interest Payable on Notes | \$ _____ |
| Less: Premium (if any) | \$ _____ |
| Net Interest Payable | \$ _____ |
| Net Interest Cost % | _____ % |
| 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 Legal Opinion of Bond Counsel

_____, 2018

Borough Council of the
Borough of Hopewell, in the
County of Mercer, New Jersey

Dear Council Members:

We have acted as bond counsel to the Borough of Hopewell, in the County of Mercer, New Jersey (the "Borough") in connection with the issuance by the Borough of \$2,679,273 Notes, consisting of a \$1,941,979 Bond Anticipation Note and \$737,294 Water Utility Bond Anticipation Note, each dated the date hereof (together, the "Notes"). In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction, and have undertaken such research and analyses as we have deemed necessary.

The Notes are issued pursuant to the Local Bond Law of the State of New Jersey and the bond ordinances of the Borough listed in the Certificate of Determination and Award dated the date hereof, each in all respects duly approved and published as required by law. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Notes are valid and legally binding obligations of the Borough, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the Borough without limitation as to rate or amount.

On the date hereof, the Borough 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 Borough continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Borough in the 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. 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. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,