

BOROUGH OF BAY HEAD, IN THE COUNTY OF OCEAN, NEW JERSEY

NOTICE OF \$954,000 BOND ANTICIPATION NOTE SALE

(BANK QUALIFIED)

Proposals are being solicited for the above issue of \$954,000 principal amount of Bond Anticipation Notes (the "Notes") for the purchase at not less than the par amount of the Notes through a fair and open process in accordance with N.J.S.A. 40A:2-28. All bids will be publicly opened and announced by Marsha Boutin of GluckWalrath LLP on April 24, 2019, until 11:00 a.m. Bids will be received either (a) via facsimile, at (609) 278-9200, attention Marsha Boutin, or (b) via email, to mboutin@glucklaw.com. All bids submitted are the sole responsibility of the bidder and must be received by 11:00 a.m. to facsimile number (609) 278-9200 or email to mboutin@glucklaw.com. No telephone bids will be accepted. The Chief Financial Officer of the Borough will evaluate the bids on the basis of the lowest net interest cost to the Borough. A determination as to the award will be made no later than 1:00 p.m. on that date. The telephone number for the Chief Financial Officer is (732) 892-8920 and the telephone number for Marsha Boutin is (609) 278-3927. The Borough and the law firm of GluckWalrath LLP ("Bond Counsel") accept no responsibility for the failure of any telecopied or emailed bids to be received on time for whatever reason.

Bids must be on the official bid form attached hereto as Exhibit A signed by the bidder, sent to (609) 278-9200, attention Marsha Boutin, or (b) via email, to mboutin@glucklaw.com..

Warnings: Bids submitted by facsimile transmission or email will not be considered timely unless, at the deadline for submission of bids, the entire bid form has been received by Marsha Boutin on behalf of the Borough. The official time for receipt of bids will be determined by Marsha Boutin on behalf of the Borough at the place of bid opening, and the Borough shall not be required to accept any bidders fax machine time-stamp or email time-stamp as evidence of a timely bid. Neither the Borough, nor Bond Counsel shall be responsible for, and the bidder expressly assumes the risk of, any incomplete or untimely bid submitted by facsimile transmission or email by such bidder, including, without limitation, by reason of garbled transmission, mechanical failure, engaged telephone, telecommunications or computer lines, or any other cause arising from delivery by facsimile transmission or email. Bidders may call (609) 278-3927, to confirm receipt of their bids; however the Borough takes no responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete, illegible or not received.

The Notes will be issued in a single issue in the principal amount of \$954,000. Each bid must offer to purchase all Notes 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 360-day year consisting of twelve 30-day months. **The Chief Financial Officer expects to award the Notes to the responsive bidder specifying the lowest net interest payable by the Borough. However, the Borough 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.**

SPECIFICATION OF NOTES

Principal Amounts:	\$954,000
Dated:	May 7, 2019
Maturity Date:	May 7, 2020
Interest Rates Per Annum:	Specified by Successful Bidder
Legal Opinion:	GluckWalrath LLP Trenton, New Jersey
Paying Agent:	Specified by and at the expense of successful bidder within 24 hours of award, subject to approval of the Chief Financial Officer
Closing:	
a. date	May 7, 2019
b. location	Borough of Bay Head, Borough Hall, 83 Bridge Avenue, Bay Head, New Jersey 08742, or at such other place as agreed to by the Chief Financial Officer
Denominations:	Denominations of \$100,000 or greater if being reoffered, as specified by the successful bidder within 24 hours of award, subject to approval of the Chief Financial Officer
Payment:	Immediately available funds

ESTABLISHMENT OF ISSUE PRICE

(a) The winning bidder of the Notes shall assist the Issuer in establishing the issue price of the Notes and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the forms reflected as Exhibits B, C or D, which are incorporated by reference herein and are available from Bond Counsel and shall be posted with the Notice of Sale on the Issuer's website, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Issuer by the Issuer’s municipal advisor, if any, identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor or Bond Counsel.

(b) The Issuer 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 Notes) will apply to the initial sale of the Notes (the “competitive sale requirements”) because:

(1) the Issuer shall disseminate 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 Issuer may receive bids from at least three Underwriters of municipal Notes who have established industry reputations for underwriting new issuances of municipal notes; and

(4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes 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 Notes, as specified in the bid.

(c) If the successful bidder is purchasing for its own account without a present intention to reoffer the Notes, it must complete Exhibit B, and the provisions of paragraphs (d) – (i) below shall not apply.

(d) In the event that paragraph (c) does not apply and the Competitive Sale Requirements are satisfied, the winning bidder must complete Exhibit C, and the provisions of paragraphs (e) – (i) below shall not apply.

(e) In the event that paragraph (c) does not apply and the Competitive Sale Requirements are not satisfied, the Issuer shall so advise the winning bidder and the winning bidder must complete Exhibit D. The Issuer may determine to treat (i) the first price at which 10% of a Maturity of the Notes (the “10% test”) is sold to the Public as the issue price of that Maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “hold-the-offering-price rule”), in each case applied on a Maturity-by-Maturity basis (and if different interest rates apply within a Maturity, to each separate CUSIP number within that Maturity). Immediately following the award of the Notes, the winning bidder shall advise the Issuer if any Maturity of the Notes satisfies the 10% test. Any Maturity (and if different interest rates apply within a Maturity, any separate CUSIP number within that Maturity) of the Notes as to which the winning bidder has not so advised the Issuer that the 10% test has been satisfied shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the hold-the-offering-price rule applies to any Maturity of the Notes. Bidders should prepare their bids on the assumption that some or all of the maturities of the Notes will be subject to the hold-the-offering-price rule in order to establish the issue price of the Notes.

(f) By submitting a bid, the winning bidder shall (i) confirm that the Underwriters

have offered or will offer the Notes to the Public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, 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 unsold Notes of any Maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (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 that Maturity of the Notes to the Public at a price that is no higher than the initial offering price to the Public.

The winning bidder will advise the Issuer promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that Maturity of the Notes to the Public at a price that is no higher than the initial offering price to the Public.

(g) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each Maturity of the Notes, the winning bidder agrees to promptly report to the Issuer the prices at which the unsold Notes of that Maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Notes of that Maturity have been sold or (ii) the 10% test has been satisfied as to the Notes of that Maturity; provided that, the winning bidder’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel.

(h) The Issuer acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Notes, including, but not limited to, the agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling

group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes.

(i) By submitting a bid, each bidder confirms that:

(i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes 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 third-party distribution agreement, as applicable: (A) (i) to report the prices at which it sells to the Public the unsold Notes of each Maturity allocated to it, whether or not the Closing Date has occurred, until either all Notes of that Maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Notes of that Maturity; provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals upon request of the winning bidder and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of Note that, to its knowledge, are made to a purchaser who is a related party to an Underwriter participating in the initial sale of the Notes to the Public, and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the Public.

(ii) any agreement among Underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allocated to it, whether or not the Closing Date has occurred, until either all Notes of that Maturity allocated to it have been sold or it is notified by the winning bidder or such Underwriter that the 10% test has been satisfied as to the Notes of that Maturity; provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals upon request of the winning bidder and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

(j) Sales of any Notes to any person that is a related party to an Underwriter participating in the initial sale of the Notes to the Public 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 Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes 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 Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public),

(iii) a purchaser of any of the Notes is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (A) more than 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 Notes are awarded by the Issuer to the winning bidder.

The Notes will be noncallable obligations of the Borough. The full faith and credit of the Borough will be pledged for the punctual payment, in accordance with their terms, of the principal of and the interest on the Notes. The Notes will be "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

As a condition to the delivery of the Notes, the successful bidder(s) will be required to furnish on behalf of the underwriter(s) of the Notes, the following information by facsimile transmission or overnight delivery received within twenty-four (24) hours after the award of the Notes: (a) the initial public offering prices or yields (expressed as percentages), (b) selling compensation (aggregate total anticipated compensation to the underwriter(s) expressed in dollars), (c) the identity of the underwriter(s) if the successful bidder is part of a group or syndicate, and (d) any other information necessary to complete the final Official Statement but not known to the Borough (such as the bidder’s purchase of credit enhancement on the Notes).

It shall be the responsibility of the successful bidder to have CUSIP identification numbers, if required, issued for the Notes. The request for the assignment of the CUSIP identification numbers and the CUSIP Service Bureau charges therefor shall be the responsibility of and shall be paid for by the successful bidder. The CUSIP numbers must be communicated to Bond Counsel within 24 hours of the award of the Notes in order to have the CUSIP number printed on the Notes.

The successful bidder is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c.271, s.3) if the successful bidder enters into agreements or contracts, such as its agreement to purchase the Notes, with a public entity, such as the Borough and receives compensation or fees in excess of \$50,000 in the aggregate from public entities, such as the Borough, in a calendar year. It is the successful

bidder's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

In addition, in order to comply with the requirements of Rule 15(c)2-12 of the Securities and Exchange Commission, the successful bidder may only reoffer the Notes in denominations of \$100,000 or more. A certification by the Purchaser as to the foregoing matters will be a condition to delivery of the Notes.

No Preliminary Official Statement or other offering document will be prepared by the Borough for this issue. However, certain financial information concerning the Borough is available upon request. For such information please contact the undersigned Chief Financial Officer at the above address, telephone number (732) 892-8920.

/s/ WILLIAM E. ANTONIDES, JR.

William E. Antonides, Jr., Chief Financial Officer

EXHIBIT A

PROPOSAL FOR NOTES

April 24, 2019

William E. Antonides, Jr., Chief Financial Officer
Borough of Bay Head
c/o Marsha Boutin
GluckWalrath LLP
428 River View Plaza
Trenton, New Jersey 08611

Dear Ms. Boutin:

Subject to the provisions of the "Notice of \$954,000 Bond Anticipation Note Sale" (the "Notes"), which is attached hereto and considered a part hereof, **we offer to purchase the Notes on the following terms:**

Purchase Price: \$ _____ (**not less than \$954,000**)

Interest Rate: _____ %

Name:
Title:
Representing:
Telephone Number:

PLEASE COMPLETE THE FOLLOWING:

Interest Payable on Notes \$ _____

Less: Premium, if any \$ _____

Net Interest Payable \$ _____

THIS PORTION OF THE PROPOSAL IS NOT PART OF THE BID

EXHIBIT B

**BOROUGH OF BAY HEAD,
IN THE COUNTY OF OCEAN, NEW JERSEY**

\$954,000 BOND ANTICIPATION NOTES

CERTIFICATE OF THE PURCHASER

(NO REOFFERING PURCHASER)

The undersigned, on behalf of _____ (the “Purchaser”), hereby certifies as set forth below with respect to the purchase of the above-captioned obligations (the “Notes”).

1. ***Purchase of the Notes.*** On the date of this certificate, the Purchaser is purchasing the Notes for the amount of _____. The Purchaser is not acting as an Underwriter with respect to the Notes. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Notes (or any portion of the Notes or any interest in the Notes). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Notes and the Purchaser has not agreed with the Issuer pursuant to a written agreement to sell the Notes to persons other than the Purchaser or a related party to the Purchaser.

2. ***Defined Terms.***

(a) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. 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.

(b) ***Underwriter*** means (i) any person that agrees pursuant to a written contract with the Issuer (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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax or Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by GluckWalrath LLP, Bond Counsel to the Issuer, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal

income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

[PURCHASER]

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT C

**BOROUGH OF BAY HEAD,
IN THE COUNTY OF OCEAN, NEW JERSEY**

\$954,000 BOND ANTICIPATION NOTES

ISSUE PRICE CERTIFICATE

(Competitive Sale Requirement Satisfied)

The undersigned (the “Representative”), on behalf of itself and each member of the underwriting group (if any) (collectively, the “Underwriter”) hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Notes”).

1. ***Sale of the Notes***

All Maturities of the Notes have been the subject of a bona fide initial offering to the public.

2. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices and yields of the Notes to the Public by the Underwriter are the prices and yields listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Notes used by Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

(d) The reoffering yield of the Notes is ____%.

3. ***Defined Terms.***

(a) *Issuer* means the Borough of Bay Head, in the County of Ocean, New Jersey.

(b) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same Maturity date but different stated interest rates, are treated as separate maturities.

(c) *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” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which the Notes are awarded by the Issuer to the winning bidder. The Sale Date of the Notes is April 24, 2019.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Issuer’s Tax or Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by GluckWalrath LLP, Bond Counsel to the Issuer, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

[REPRESENTATIVE, on behalf of itself and each member of the underwriting group]

By: _____

Name: _____

Title: _____

Dated: _____

SCHEDULE A

EXPECTED OFFERING PRICES AND YIELDS

SCHEDULE B

COPY OF BID

EXHIBIT D

**BOROUGH OF BAY HEAD,
IN THE COUNTY OF OCEAN, NEW JERSEY**

\$954,000 BOND ANTICIPATION NOTES

ISSUE PRICE CERTIFICATE

(Hold the Price for all or some maturities)

The undersigned, on behalf of itself and each member of the underwriting group (if any) (collectively, the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”). Select appropriate provisions below:

1. *Sale of the Notes*

All Maturities of the Notes have been the subject of a bona fide initial offering to the public.

2. *Initial Offering Price of the Notes*

(a) As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A. The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Notes is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Notes of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Notes during the Holding Period.

(c) The reoffering yield of the Notes is ____%.

3. *Defined Terms.*

(a) *General Rule Maturities* means those Maturities of the Notes listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Notes listed in Schedule A hereto as the “Hold-the-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (May 1, 2019), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Borough of Bay Head, in the County of Ocean, New Jersey.

(e) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *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” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is April 24, 2019.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (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 third-party distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only.

Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax or Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by GluckWalrath LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Notes.

[REPRESENTATIVE, on behalf of itself and each member of the underwriting group]

By: _____

Name: _____

Title: _____

Dated: _____

SCHEDULE A

ISSUE PRICE OF THE NOTES

(Attached)

Maturity Date	Par Amount	Rate	Issue Price	GR or HTP

GR - General Rule

HTP – Hold the Offering Price

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

{00137085;v1/ 14-043/003}