**NOTICE OF SALE**
**BOROUGH OF SOUTH RIVER**
**(Middlesex County, New Jersey)**

**$15,546,000 BOND ANTICIPATION NOTES, SERIES 2016A**

**NON-CALLABLE**

Bids are being solicited through a fair and open process in accordance with N.J.S.A. 19:44A-20.5 for the purchase of $15,546,000 Bond Anticipation Notes (the "Notes") of the Borough of South River, in the County of Middlesex, New Jersey. All bids will be received at the office of the Borough's Financial Advisor, Phoenix Advisors, LLC, on behalf of the Borough on **Tuesday, December 6, 2016, at 11:30 a.m.,** prevailing local time ("Sale Date").

**No telephone bids will be accepted. Bids must be received by 11:30 a.m. on the Sale Date, and may be submitted by completing the attached bid form and submitting to the address, fax number, and/or email address shown on the bid form. Sealed bids marked on the outside "BID FOR NOTES" are encouraged, but faxed and emailed bids will be accepted provided they comply with the conditions stated herein. If a bidder wishes to transmit its bid by fax or email, such bidder hereby acknowledges that such faxed or emailed bid will not be reviewed by the Borough until the public opening of the bids as aforesaid. This Notice of Sale has been posted on the Borough of South River's website (www.southrivernj.org) and** www.mcelweequinn.com.

Each bid must offer to purchase the entire Note issue being offered at no less than par plus accrued interest and must specify a single rate of interest per annum offered for the Notes. The Chief Financial Officer will evaluate the bids on the basis of the lowest net interest cost to the Borough. Award of the Notes to the bidder proposing the lowest net interest cost or rejection of all bids will be made by 2:00 p.m. on the Sale Date. As between bidders specifying the same lowest net interest cost, the Notes will be sold to the bidder selected by lot from among all such bidders.

The Borough reserves the right to reject all bids. In addition, any proposals not complying with the terms of this notice or specifying additional conditions will be rejected. The right is also reserved by the Borough to waive any irregularities or informalities in proposals submitted on the attached bid form.

The successful bidder is advised of the responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c.271, s.3) if the successful bidder receives contracts in excess of $50,000 from public entities in a calendar year. It is the successful bidder's responsibility to determine if filing is necessary. Additional information on this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

## SPECIFICATIONS OF NOTES

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|---|---|
| Principal Amount: | $15,546,000 Bond Anticipation Notes, Series 2016A |
| Dated Date: | December 13, 2016 |
| Maturity Date: | December 12, 2017 (non-callable) |
| Interest Rate per Annum: | Specified by successful bidder, payable at maturity (calculated on the basis of twelve (12) thirty (30)-day months in a 360-day year) |
| Denominations: | $5,000 each or any integral multiple thereof |
| Legal Opinion: | GluckWalrath LLP, Red Bank, New Jersey, Bond Counsel |
| Closing: | December 13, 2016, at the Borough offices or elsewhere, as agreed to with the successful bidder |
| Form of Notes: | Book-Entry Only (at the option of the successful bidder) |
| Note Registrar/Paying Agent: | Chief Financial Officer |
| Payment: | Wire transfer of immediately available funds on December 13, 2016 |
| CUSIP Number: | Purchaser is responsible for obtaining and paying for the CUSIP number (the Notes will be issued with one CUSIP number for the aggregate principal amount of the Notes) if necessary – to be communicated within 24 hours of award. |
| Bank-Qualification: | The Notes are **not** bank qualified. |

The Notes have been authorized pursuant to (1) the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented, and (2) various bond ordinances duly adopted by the Borough Council and published as required by law. The proceeds of the Notes will be used to: (i) currently refund a portion of the Borough's bond anticipation notes originally issued in the amount of $24,775,000, dated December 14, 2015 and maturing December 13, 2016; (ii) temporarily finance the cost of various general capital, Electric Utility and Water Utility improvements to be undertaken in and by the Borough in the amount of $1,750,000; and (iii) pay the costs associated with the issuance of the Notes.

The Notes shall be general obligations of the Borough and to the extent the Notes are not paid from other sources, the Borough is obligated to levy ad valorem taxes upon all the taxable real property therein for the payment of the debt service on the Notes without limitation as to rate or amount.

At the option of the successful bidder if the Notes are to be reoffered, the Notes will be issued in book-entry only form and will be payable as to both principal and interest in lawful money in the United States of America by the Borough or a duly appointed paying agent to the Depository Trust Company, New York, New York ("DTC") or its authorized nominee. The Notes will be registered in the name of and held by Cede & Co., as nominee of DTC, which will act as securities depository for the Notes (the "Securities Depository"). The Note certificate 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 Notes on behalf of the individual purchasers.

The obligations hereunder to deliver and to accept the Notes shall be conditioned on the availability and delivery at the time of delivery of the Notes of (a) the approving legal opinion of the law firm of GluckWalrath LLP, Red Bank, New Jersey ("Bond Counsel"), which will be furnished without cost to the successful bidder, to the effect that the Notes are valid and legally binding obligations of the Borough of South River, New Jersey, payable in the first instance from bonds in anticipation of which the Notes are issued, but if not so paid or if not paid from other sources, payable ultimately from ad valorem taxes which may be levied on all the taxable real property in the Borough without limitation as to rate or amount, and that interest on the Notes is excluded from gross income for Federal 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 to the extent that interest on the Notes held by a corporate taxpayer is included in the relevant income computations for calculation of the corporate alternative minimum tax and that interest on the Notes and any gain on the sale thereof are not includable as gross income under the present New Jersey Gross Income Tax Act; (b) certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes, the receipt of payment therefor and the compliance with the requirements of the Code necessary so that the Notes will not be arbitrage obligations within the meaning of the Code; and (c) a certificate, in 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 Notes.

The purchaser thereof is required to certify the initial offering price to the public at which a substantial amount of the Notes were sold (if applicable), the yield, net interest cost for the Notes and CUSIP identifications numbers therefore prior to the Closing on the Notes.

The Borough has authorized the distribution of an Official Statement (the "Official Statement") "deemed final" for purposes of Rule 15c2-12 and distributed in preliminary form on November 28, 2016 (the "Preliminary Official Statement"). Copies of the Preliminary Official Statement may be obtained by either through viewing electronically at www.mcelweequinn.com or from the individuals at the addresses and telephone numbers listed below in the last paragraph hereof. Final Official Statements will be delivered to the purchaser of the Notes with the earlier of seven (7) business days following the award of the Notes or the date of closing or to accompany the purchaser's confirmations that request payment for the Notes, such Official Statement to be dated as of the date of the award of the Notes. The purchaser will be furnished upon request, without cost, with a reasonable number of copies of the Official Statement, which number shall not exceed fifteen (15).

Copies of the bond ordinances and additional copies information concerning the sale of the Notes can be obtained by contacting Anthony P. Inverso, Phoenix Advisors, LLC, at phone number (609) 291-0130 or at ainverso@muniadvisors.com, or Meghan Bennett Clark, Esq., GluckWalrath LLP, at phone number (732) 383-5529 or at mclark@glucklaw.com.

BOROUGH OF SOUTH RIVER, IN THE
COUNTY OF MIDDLESEX, NEW JERSEY
/s/ Joseph Zanga
JOSEPH ZANGA,
Chief Financial Officer

DATED: November 28, 2016

December 6, 2016

Anthony P. Inverso
Senior Managing Director
Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505
on behalf of: BOROUGH OF SOUTH RIVER

**FAX: 609-291-9940**
**EMAIL: ainverso@muniadvisors.com**

**RE: BID FOR $15,546,000 BOND ANTICIPATION NOTES, SERIES 2016A**

Dear Mr. Inverso:

Subject to the provisions of the Notice of Sale dated November 28, 2016, relating to $15,546,000 Bond Anticipation Notes, Series 2016A dated December 13, 2016 and due December 12, 2017, that is made a part hereof, we offer to purchase the Notes described therein as follows:

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|---|---|
| Interest Rate Per annum | _____% |
| Amount of Notes Bid for | $15,546,000 |
| Price of Notes Bid for (at no less than par) | $_____ |
| Net Interest Cost (please specify in both dollars and percent) | $_____ / _____% |

and, in addition thereto, to pay interest accrued from the Dated Date of the Notes to the date of delivery, if Closing shall occur subsequent to the Dated Date.

_____
Signature of Authorized Officer

_____
Name of Bidder

_____
Address of Bidder

_____
Telephone Number

_____
Email Address