

REVISED AS OF SEPTEMBER 27, 2016

**NOTICE OF SALE OF THE
BOROUGH OF HAWTHORNE,
IN THE COUNTY OF PASSAIC, NEW JERSEY**

**\$7,989,000
GENERAL OBLIGATION BONDS, SERIES 2016
CONSISTING OF
\$7,010,000 GENERAL IMPROVEMENT BONDS,
\$679,000 SPECIAL ASSESSMENT BONDS AND
\$300,000 WATER UTILITY BONDS
(Book-Entry-Only Bonds)/(Callable)/(Bank Qualified)**

SUMMARY

ISSUER:	Borough of Hawthorne, County of Passaic, New Jersey
PAR AMOUNT:	\$7,989,000
SECURITY:	General Obligations of the Borough
TAX EXEMPT:	Yes
RATING:	To be Assigned.
TYPE OF SALE:	Electronic Open Auction with Two Minute Rule (See Bidding Details Item (7) herein)
AUCTION AGENT:	MuniAuction
BID/AWARD DATE:	September 28, 2016 at 11:30 AM to 11:45 AM with Two Minute Rule applicable. Award by 2:00 PM
DATED DATE:	Date of Delivery
DELIVERY DATE:	October 27, 2016
INTEREST PAYMENT DATES:	April 15 and October 15, commencing April 15, 2017
CALL DATE:	October 15, 2026 @ par for Bonds maturing on or after October 15, 2027.
MINIMUM BID:	\$7,989,000 (Par)
MAXIMUM BID:	\$8,669,600 (Par plus original issue premium limitation of \$680,600)

BID SECURITY: **Good Faith Check or wire transfer in the amount of \$159,780 received by Borough (prior to bidding) or Financial Surety Bond from Sure-Bid**

BASIS OF AWARD: True Interest Cost

LEGAL OPINION: McManimon, Scotland & Baumann, LLC, Roseland, New Jersey

OFFERING STATEMENT: Preliminary Official Statement available at www.GrantStreet.com

NOTICE

NOTICE IS HEREBY GIVEN that bids will be received by the Borough of Hawthorne, in the County of Passaic, New Jersey (the "Borough") for the purchase of \$7,989,000 original principal amount of the Borough's General Obligation Bonds, Series 2016, consisting of \$7,010,000 General Improvement Bonds, \$679,000 Special Assessment Bonds and \$300,000 Water Utility Bonds (collectively, the "Bonds"). **All Bids (as defined below) must be submitted in their entirety on Grant Street Group's MuniAuction website ("MuniAuction") prior to 11:45 a.m., New Jersey time on September 28, 2016, unless otherwise extended by the two-minute rule described herein (see "Bidding Details"). The auction will begin at 11:30 a.m., New Jersey time on September 28, 2016 (the "Bid Date"). To bid via MuniAuction, Bidders (as defined below) must have both (1) completed the registration form on either MuniAuction or Grant Street Group website (parent of MuniAuction, herein referred to as "Grant Street") and (2) requested and received admission to the Borough's auction, as described herein (see "Registration and Admission to Bid") and (3) submitted a good faith check, wire transfer or Financial Surety Bond, payable to the Borough, in the amount of \$159,780 prior to the Bid Date (see Bidding Details below). The use of MuniAuction shall be at the Bidder's risk and expense, and the Borough shall have no liability with respect thereto.**

Preliminary and Final Official Statement

The Borough's Preliminary Official Statement (the "POS"), dated on or about September 21, 2016, is available for viewing in electronic format on MuniAuction. The MuniAuction address is www.GrantStreet.com. In addition, broker dealers registered with the National Association of Securities Dealers ("NASD") and dealer banks with The Depository Trust Company ("DTC") clearing arrangements may either: (a) print out a copy of the POS on their own printer, or (b) at any time prior to September 28, 2016, elect to receive a photocopy of the POS in the mail by requesting it on MuniAuction or by calling the Borough's bond counsel, Matthew D. Jessup, Esq., of McManimon, Scotland & Baumann, LLC ("Bond Counsel"), 75 Livingston Avenue, Roseland, New Jersey 07068 (telephone no. 973-622-4850) or attention of Sandra S. Jessup, Paralegal (telephone no. 973-622-5258). In order to print a copy or request a photocopy of the POS from MuniAuction, click the "View POS" button on the MuniAuction Selections Page and follow the instructions. 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 Borough to be final as of its date, for purposes of SEC Rule 15c2-12(b)(1) under the Securities and Exchange Act of 1934, 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 Borough 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 \$7,989,000. There will be only one CUSIP assigned to each annual maturity of the issue. First, a Bidder must submit a conforming Bid for the entire issue, and if such Bid is accepted by the Borough, the Bidder will be required to purchase the entire issue in accordance with such Bid.

Interest Payment Dates; Description of the Bonds

The Bonds will be dated the date of delivery and will bear interest from such date payable semiannually on each April 15 and October 15, commencing on April 15, 2017.

Principal Amortization

The Bonds shall mature on October 15 as set forth in the following table:

<u>Year</u>	<u>General Improvement Bonds</u>	<u>Special Assessment Bonds</u>	<u>Water Utility Bonds</u>	<u>Total Principal Amount</u>
2017	\$300,000	\$70,000	\$30,000	\$400,000
2018	300,000	70,000	30,000	400,000
2019	400,000	70,000	30,000	500,000
2020	600,000	70,000	30,000	700,000
2021	600,000	70,000	30,000	700,000
2022	600,000	70,000	30,000	700,000
2023	600,000	65,000	30,000	695,000
2024	600,000	65,000	30,000	695,000
2025	380,000	65,000	30,000	475,000
2026	380,000	64,000	30,000	474,000
2027	380,000	--	--	380,000
2028	380,000	--	--	380,000
2029	380,000	--	--	380,000
2030	380,000	--	--	380,000
2031	380,000	--	--	380,000
2032	350,000	--	--	350,000

Book-Entry-Only

The Bonds will be issued in book-entry form only, initially in the name of Cede & Co., as nominee of DTC. Purchasers will not receive certificates representing their interests in the Bonds. Individual purchases will be in the principal amount of \$5,000 and, where necessary, also in the amount of \$1,000. Payments of principal, interest and redemption premium, if any, will be made by the paying agent to DTC for subsequent disbursement to DTC participants to then be remitted to the beneficial owners of the Bonds.

Redemption Provisions

The bonds of this issue maturing prior to October 15, 2027, are not subject to redemption prior to their stated maturities. The bonds of this issue maturing on or after October 15, 2027 are redeemable at the option of the Borough in whole or in part on any date on or after October 15, 2026 at 100% of the principal amount outstanding (the "Redemption Price") plus interest accrued to the date of redemption upon notice as required herein.

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the bonds not less than thirty (30) days, nor more than sixty (60) days prior to the date fixed for redemption. Such mailing shall be to the owners of such bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Borough or a duly appointed Bond Registrar. 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 Borough determines to redeem a portion of the bonds prior to maturity, the bonds to be redeemed shall be selected by the Borough; 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 and no further interest shall accrue beyond the redemption date. Payment shall be made upon surrender of the bonds redeemed.

Registration and Admission to Bid

To bid by MuniAuction, Bidders must first visit MuniAuction where, if they have never registered with either MuniAuction or Grant Street, they can register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers or dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with MuniAuction may call MuniAuction at (412) 391-5555 (ext. 370 Auction Support) for their ID Number or password. Rules governing the sale and the rules applicable to MuniAuction are available in the full Notice of Sale at www.muniauction.com.

Bidding Details

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

- (1) **BIDDERS MUST SUBMIT EITHER A GOOD FAITH CHECK, A WIRE TRANSFER OR A FINANCIAL SURETY BOND IN THE AMOUNT OF \$159,780 PAYABLE TO THE BOROUGH PRIOR TO THE TIME FOR SUBMISSION OF BIDS AT THE FOLLOWING ADDRESS:**

**Mary Jeanne Hewitt
Chief Financial Officer
Borough of Hawthorne
445 Lafayette Avenue
Hawthorne, NJ 07506**

BIDDERS SUBMITTING GOOD FAITH CHECKS SHOULD ALSO ENCLOSE A RETURN ENVELOPE FOR USE BY THE BOROUGH.

UNSUCCESSFUL BIDDERS SUBMITTING THE GOOD FAITH DEPOSIT BY WIRE TRANSFER SHALL, NO LATER THAN THE CLOSE OF BUSINESS ON THE DATE OF SALE OF THE BONDS, PROVIDE THE CHIEF FINANCIAL OFFICER IN WRITING WITH WIRING INSTRUCTIONS FOR THE RETURN OF SUCH UNSUCCESSFUL BIDDER'S GOOD FAITH DEPOSIT. IN THE EVENT THAT THE BOROUGH FAILS TO RETURN ANY GOOD FAITH WIRES IN A TIMELY FASHION, THE BOROUGH SHALL NOT BE LIABLE FOR MONETARY DAMAGES, REMEDY BEING HEREBY SPECIFICALLY LIMITED TO SPECIFIC PERFORMANCE.

- (2) All Bids must be submitted on the MuniAuction website at www.GrantStreet.com. **No telephone, telefax, telegraph or personal delivery Bids will be accepted.**
- (3) All Bids for the Bonds must be submitted on an AON basis. Bidders may change and submit Bids as provided for herein, but a submitted Bid may not be withdrawn.
- (4) Bidders may bid to purchase Bonds from the Borough with a bid premium in an amount not in excess of \$680,600, representing a bid price of not in excess of \$8,669,600. No Bid will be considered if the Bid is to purchase Bonds at a price less than 100% of the principal amount thereof.
- (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%). All of the Bonds of the same maturity must bear the same interest rate. The difference between the highest and lowest interest rates named in the Bid shall not exceed three percent (3%) per annum.
- (6) Bidders are only permitted to submit Bids for the Bonds during the bidding period.
- (7) If any Bid on the auction becomes a leading Bid two (2) minutes, or less, prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such Bid was received by MuniAuction. The auction end time will continue to be extended, indefinitely, until a single leading Bid remains the leading Bid for at least two (2) minutes.

- (8) Bidders may change and submit Bids as many times as they like during the bidding time period; provided however, each and any Bid submitted subsequent to a Bidder's initial Bid must result in a lower True Interest Cost (as defined herein and referred to as "TIC") when compared to the immediately preceding Bid of such Bidder. In the event that the revised Bid does not produce a lower TIC, the prior Bid will remain valid.
- (9) The last Bid submitted by a Bidder before the end of the bidding time period will be compared to all other final Bids submitted by others to determine the winning Bidder or Bidders.
- (10) During the bidding, no Bidder will see any other Bidder's Bid, but Bidders will be able to see the ranking of their Bid relative to other Bids (i.e., "Leader", "Cover", "3rd", etc.).

Rules of MuniAuction

The rules of MuniAuction (the "Rules") can be viewed on MuniAuction and are incorporated herein by reference. Bidders must comply with the Rules in addition to the requirements of this Notice of Sale dated the date hereof (the "Notice of Sale"). To the extent there is a conflict between the Rules and this Notice of Sale, this Notice of Sale shall control.

Rules

- (1) A Bidder submitting a Winning Bid is irrevocably obligated to purchase the Bonds at the rates and prices of the Winning Bid, if acceptable to the Borough, as set forth in the related Notice of Sale. **Winning Bids are not officially awarded to the Bidder until formally accepted by the Borough.**
- (2) Neither the Borough, Bond Counsel nor MuniAuction (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with MuniAuction, slowness in transmission of Bids, or other technical problems.
- (3) If for any reason a Bidder is disconnected from MuniAuction's Auction Page during the auction after having submitted a Winning Bid, such Bid is valid and binding upon the Bidder, unless the Borough exercises its right to reject Bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and the Bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Notice of Sale (including amendments, if any) related to each auction.
- (6) Neither the Borough, Bond Counsel nor the Auction Administrator is responsible to any Bidder for any defect or inaccuracy in the Notice of Sale, amendments, or POS as they appear on MuniAuction.
- (7) Only Bidders who request and received admission to an auction and who have submitted a Good Faith Deposit (as defined herein) as required by the terms of

this Notice of Sale may submit Bids. Bond Counsel and the Auction Administrator reserve the right to deny access to MuniAuction to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

- (8) Neither the Borough, Bond Counsel nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's MuniAuction password.
- (9) If two (2) Bids are submitted in the auction by the same or two or more different Bidders and result in same TIC, the first confirmed Bid received by MuniAuction prevails. Any change to a submitted Bid constitutes a new Bid, regardless of whether there is a corresponding change in TIC.
- (10) Bidders must compare their final Bids to those shown on the Observation Pages immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Pages they must report them to MuniAuction within fifteen (15) minutes after the bidding time period ends. Regardless of the final results reported by MuniAuction, bonds are definitively awarded to winning Bidders only upon official award by the Borough. If, for any reason, the Borough fails to: (i) award bonds to the winning Bidder reported by MuniAuction, or (ii) deliver bonds to the winning Bidders at settlement, neither Bond Counsel nor the Auction Administrator will be liable for damages.

Definitions

"Bid"	any confirmed purchase offer received by MuniAuction on or before the auction deadline.
"Bidder"	any firm registered with either MuniAuction or Grant Street and approved for participation in auctions.
"True Interest Cost"	true interest cost shall be computed in each instance by determining the interest rate, compounded semi-annually, necessary to discount the debt service payments to the date of the bonds and to the price bid, excluding interest accrued to the delivery date. The True Interest Cost serves as the basis for awarding bonds to winning Bidders.
"Winning Bid"	any purchase offer made by a Bidder by clicking the "Submit Bid" button and received by MuniAuction which, at the end of the bidding time period, results in the lowest TIC which is acceptable to the Borough.

Bid Procedure and Basis of Award

Subject to the right reserved by the Borough to reject any or all Bids, the Bonds will be sold to the Bidder whose Bid produces the lowest TIC for the Borough and otherwise complies with the 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 Borough, prior to such time, shall be irrevocable except as otherwise provided in the Notice of Sale. Upon selection of the winning Bidder, the Borough 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 Bonds

A Good Faith Deposit (the "Good Faith Deposit") in the form of a certified or cashier's check, wire transfer (wiring instructions can be obtained from the Borough's Bond Counsel) or a Financial Surety Bond in the amount of \$159,780, payable to the order of the Borough, is required for each bid to be considered. If a check is used, it must be a certified treasurer's or cashier's check and must be provided to the Borough prior to the time for bids to be submitted. Each bidder accepts responsibility for delivering such check on time and the Borough is not responsible for any check 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 Government Services of New Jersey (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 Good Faith Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then that purchaser (the "Purchaser") is required to submit its Good Faith Deposit to the Borough by wire transfer as instructed by the Borough not later than 3:30 p.m. on the next business day following the award. If such Good Faith Deposit is not received by that time, the Financial Surety Bond may be drawn by the Borough to satisfy the Good Faith Deposit requirement. No interest on the Good Faith Deposit will accrue to the Purchaser. The Good Faith Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the Good Faith Deposit will be retained by the Borough. 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 Borough on or about October 27, 2016.

Right to Reject Bids; Waive Irregularities

The Borough 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 October 27, 2016 (UNLESS A NOTICE OF A CHANGE IN THE DELIVERY DATE IS PUBLISHED ON MUNIAUCTION NOT LATER THAN 2 HOURS PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS) in New York City at DTC against payment of the purchase price therefor (less the amount of the Good Faith Deposit) in Federal funds.

There will also be furnished the usual closing papers, including (1) a certificate signed by the officials who signed the Bonds stating that no litigation of any kind is now pending or, to their knowledge, threatened to restrain or enjoin the issuance or delivery of the Bonds, or in any manner questioning the proceedings and authorization under which the Bonds are issued or

affecting the validity of the Bonds and (2) a certificate signed by the Borough relating to the official statement.

CUSIP Numbers

CUSIP numbers will be applied for with respect to the Bonds, but the Borough will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and make payment for the Bonds. 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. There will only be one CUSIP required to be assigned to each annual maturity of the issue.

Legal Opinion

The approving opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel to the Borough, will be furnished without cost to the winning Bidder.

Postponement

The Borough reserves the right to postpone, from time to time, the date and time established for receipt of Bids. **ANY SUCH POSTPONEMENT WILL BE PUBLISHED ON MUNIAUCTION, BEFORE 10:00 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 MuniAuction 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 MuniAuction at the time the sale date and time are announced.

Additional Information

For further information relating to the Bonds, reference is made to the POS prepared for and authorized by the Borough. The Notice of Sale and the POS may be viewed on MuniAuction. However, the Borough makes no assurance or representation with respect to the form of the Notice of Sale and the POS on MuniAuction, and no investment decision should be made in reliance thereon. Printed copies of the POS and the Notice of Sale may be obtained from Bond Counsel at the addresses and phone numbers stated above. Additional information relating to the auction or a private bidding tutorial may be obtained by calling the Auction Administrator at (412) 391-5555 (ext. 370 Auction Support). Additional information relating to the financing of the Borough can be obtained by contacting the undersigned Chief Financial Officer at (973) 427-4451 or at email mhewitt@hawthornenj.org.

BOROUGH OF HAWTHORNE

By: Mary Jeanne Hewitt, Chief Financial Officer

Dated: September 27, 2016 (Revised)