

RESOLUTION
of the
BOROUGH OF NEW PROVIDENCE
Resolution No. 2012-134

Council Meeting Date: 04-23-2012

Date Adopted: 04-23-2012

TITLE RESOLUTION DETERMINING THE FORM AND OTHER
DETAILS OF \$8,910,000 GENERAL IMPROVEMENT BONDS
OF THE BOROUGH OF NEW PROVIDENCE, IN THE
COUNTY OF UNION, NEW JERSEY AND PROVIDING FOR
THEIR SALE.

Councilperson Muñoz submitted the following resolution, which was duly seconded by
Councilperson Galluccio.

BE IT RESOLVED BY THE BOROUGH COUNCIL OF THE BOROUGH OF NEW
PROVIDENCE, IN THE COUNTY OF UNION, NEW JERSEY AS FOLLOWS:

Section 1. (a) The \$8,910,000 General Improvement Bonds of the Borough of
New Providence, in the County of Union, New Jersey (the "Borough"), referred to and
described in a resolution of the Borough adopted on April 23, 2012, and entitled,
"Resolution Providing for the Combination of Certain Issues of General Improvement Bonds
of the Borough of New Providence, in the County of Union, New Jersey Into a Single Issue
of Bonds Aggregating \$8,910,000 in Principal Amount" and in the bond ordinances referred
to therein, each in all respects duly approved and published as required by law, shall be
issued as "General Improvement Bonds" (the "Bonds").

(b) The Bonds shall mature in the principal amounts on May 15 as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2013	\$310,000	2021	\$610,000
2014	610,000	2022	620,000
2015	610,000	2023	620,000
2016	610,000	2024	620,000
2017	610,000	2025	620,000
2018	610,000	2026	620,000
2019	610,000	2027	620,000
2020	610,000		

(c) The Bonds shall be subject to redemption prior to their stated maturity in accordance with the Notice of Sale attached hereto as Exhibit A.

(d) The Bonds shall be fifteen in number, with one certificate being issued for each year of maturity, and shall be numbered GI-1 to GI-15, inclusive.

(e) The Bonds shall be dated their date of issuance and shall bear interest payable semiannually on the fifteenth day of May and November in each year until maturity, commencing on November 15, 2012, at a rate or rates per annum, expressed in a multiple of 1/8 or 1/20 of 1% and proposed by the successful bidder in accordance with the Notice of Sale authorized herein.

(f) The Bonds shall be executed by the manual or facsimile signatures of the Mayor and the Chief Financial Officer under the official seal (or facsimile thereof) affixed, printed, engraved or reproduced thereon and attested by the manual signature of the Borough Clerk.

Section 2. (a) The Bonds will be issued in fully registered form. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year. Both principal of and interest on the Bonds will be payable in lawful money of the United States of America. Each certificate will be registered in the name of CEDE & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository (the "Securities Depository"). The certificates will be on deposit with the Securities Depository. The Securities Depository 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 recording the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000, or any integral multiple thereof except, where necessary, also in the amount of \$1,000, through book-entries made on the books and the records of the Securities Depository and its participants.

(b) The principal of and the interest on the Bonds will be paid to the Securities Depository by the Borough on the respective maturity dates and due dates and will be credited on the respective maturity dates and due dates to the participants of the Securities Depository as listed on the records of the Securities Depository as of each next preceding May 1 and November 1 (the "Record Dates" for the Bonds).

Section 3. The Bonds shall be substantially in the following form with such additions, deletions and omissions as may be necessary for the Borough to market the Bonds, including in accordance with the requirements of the Securities Depository:

REGISTERED
NUMBER GI- _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF NEW JERSEY
COUNTY OF UNION

BOROUGH OF NEW PROVIDENCE

GENERAL IMPROVEMENT BOND

PRINCIPAL AMOUNT:

DATED DATE:

MATURITY DATE:

RATE OF INTEREST PER ANNUM:

CUSIP NUMBER:

BOROUGH OF NEW PROVIDENCE, in the County of Union, New Jersey (the "Borough") hereby acknowledges itself indebted and for value received promises to pay to CEDE & CO., as nominee of The Depository Trust Company, which will act as Securities Depository, on the MATURITY DATE specified above, the PRINCIPAL AMOUNT, and to pay interest on such sum from the DATED DATE of this bond until the MATURITY DATE at the RATE OF INTEREST PER ANNUM semiannually on the fifteenth days of May and November in each year until maturity, commencing on November 15, 2012. Interest on this bond will be paid to the Securities Depository by the Borough and will be credited to the participants of The Depository Trust Company as listed on the records of The Depository Trust Company as of May 1 and November 1 next preceding the date of such payments (the "Record Dates" for such payments). Principal of this bond, upon presentation and surrender to the Borough will be paid to the Securities Depository by the Borough and will be credited to the participants of The Depository Trust Company.

This bond is not transferable as to principal or interest except to an authorized nominee of The Depository Trust Company. The Depository Trust Company shall be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of the interests among its participants. The participants are responsible for maintaining records regarding the beneficial ownership interests in the bonds on behalf of individual purchasers.

The bonds of this issue maturing prior to May 15, 2023, are not subject to redemption prior to their stated maturities. The bonds of this issue maturing on or after May 15, 2023 are redeemable at the option of the Borough in whole or in part on any date on or after May 15, 2022 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 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.

This bond is one of an authorized issue of bonds issued pursuant to the Local Bond Law of the State of New Jersey, a resolution of the Borough adopted on April 23, 2012, and entitled, "Resolution Providing for the Combination of Certain Issues of General Improvement Bonds of the Borough of New Providence, in the County of Union, New Jersey Into a Single Issue of Bonds Aggregating \$8,910,000 in Principal Amount" and the bond ordinances referred to therein, each in all respects duly approved and published as required by law.

The full faith and credit of the Borough are hereby irrevocably pledged for the punctual payment of the principal of and the interest on this bond according to its terms.

It is hereby certified and recited that all conditions, acts and things required by the constitution or the statutes of the State of New Jersey to exist, to have happened or to have been performed precedent to or in the issuance of this bond exist, have happened and have been performed and that the issue of bonds of which this is one, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by such constitution or statutes.

IN WITNESS WHEREOF, the BOROUGH OF NEW PROVIDENCE has caused this bond to be executed in its name by the manual or facsimile signatures of its Mayor and its Chief Financial Officer, its corporate seal to be hereunto imprinted or affixed, this bond and the seal to be attested by the manual signature of its Borough Clerk, and this bond to be dated the DATED DATE as specified above.

BOROUGH OF NEW PROVIDENCE

[SEAL]

By _____
Mayor

ATTEST:

By _____
Clerk

By _____
Chief Financial Officer

Section 4. (a) The Bonds shall be sold on May 10, 2012, or such other date as may be determined by the Chief Financial Officer, by electronic auction in accordance with the Full Notice of Sale authorized in Exhibit A attached hereto.

(b) Pursuant to N.J.S.A. 40A:2-34, the Borough hereby designates the Chief Financial Officer to sell and to award the Bonds in accordance with the Notice of Sale authorized herein, and such financial officer shall report in writing the results of the sale to this Borough Council as required by law. The Chief Financial Officer is hereby authorized and directed, consistent with the terms of the Notice of Sale, to retain the good faith deposit of the successful bidder and to immediately return such good faith deposits, whether by wire or check, to the unsuccessful bidders.

Section 5. The Borough Clerk is hereby directed to arrange for the publication of the Short Notice of Sale authorized in Exhibit B in the form provided herein in The Courier or such other authorized newspaper of the Borough and McManimon & Scotland, L.L.C., is hereby directed to arrange for the publication of the Summary Notice of Sale authorized in Exhibit C in the form provided herein in The Bond Buyer, a financial newspaper published and circulating in the City of New York, New York, such publications to be not less than seven days prior to the date of sale.

Section 6. The Full Notice of Sale shall be substantially in the form attached hereto as Exhibit A with additions, deletions and omissions as may be necessary for the Borough to market the Bonds, including in accordance with the requirements of The Depository Trust Company and MuniAuction. The Short Notice of Sale shall be substantially in the form attached hereto as Exhibit B with such additions, deletions and omissions as may be necessary for the Borough to market the Bonds, including in accordance with the requirements of The Depository Trust Company and MuniAuction. The Summary Notice of Sale shall be substantially in the form attached hereto as Exhibit C with such additions, deletions and omissions as may be necessary for the Borough to market the Bonds, including in accordance with the requirements of The Depository Trust Company and MuniAuction.

Section 7. The Bonds shall have printed thereon a copy of the written opinion with respect to the Bonds that is to be rendered by the law firm of McManimon & Scotland, L.L.C., complete except for omission of its date.

Section 8. The law firm of McManimon & Scotland, L.L.C. is authorized to arrange for the printing of the Bonds and is authorized to arrange for the printing of the Official

Statement to be prepared by McManimon & Scotland, L.L.C. and Borough officials. The Mayor and the Chief Financial Officer are authorized to execute any certificates necessary in connection with the distribution of the Official Statement. Such Official Statement may be distributed in preliminary form and deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission on behalf of the Borough by the Chief Financial Officer or by the Mayor. Final Official Statements shall be delivered to the purchaser of the Bonds within the earlier of seven business days following the sale of the Bonds or to accompany the purchaser's confirmations that request payment for the Bonds.

Section 9. The Borough hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exemption from taxation of interest on the Bonds, including the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Bonds, if necessary.

Section 10. (a) The Chief Financial Officer is hereby authorized to make representations and warranties, to enter into agreements and to make all arrangements with The Depository Trust Company, New York, New York, as may be necessary in order to provide that the Bonds will be eligible for deposit with The Depository Trust Company and to satisfy any obligation undertaken in connection therewith.

(b) In the event that The Depository Trust Company may determine to discontinue providing its service with respect to the Bonds or is removed by the Borough and if no successor Securities Depository is appointed, the Bonds which were previously issued in book-entry form shall be converted to Registered Bonds in denominations of \$5,000, or any integral multiple thereof except, if necessary, also in the amount of \$1,000. The beneficial owner under the book-entry system, upon registration of the Bonds held in the beneficial owner's name, will become the registered owner of the Registered Bonds. The Borough shall be obligated to provide for the execution and delivery of the Registered Bonds in certified form.

Section 11. Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly

deceased), the Borough shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

(a) On or prior to 270 days from the end of each fiscal year, beginning with the fiscal year ending December 31 of the year in which such series of Bonds is issued, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access Data Port (the "MSRB") and to the appropriate State information depository ("State Repository"), if any, annual financial information with respect to the Borough consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Borough and certain financial information and operating data consisting of (i) the Borough and overlapping indebtedness including a schedule of outstanding debt issued by the Borough, (ii) the Borough's most current adopted budget, (iii) property valuation information, and (iv) tax rate, levy and collection data. The audited financial information will be prepared in accordance with modified cash accounting as mandated by State of New Jersey statutory principles in effect from time to time or with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law and shall be filed electronically and accompanied by identifying information with the MSRB;

(b) in a timely manner not in excess of ten business days after the occurrence of the event, to the MSRB and to the State Repository, if any, notice of any of the following events with respect to the Bonds (herein "Material Events"):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;

- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(c) In a timely manner to the MSRB, and to the State Repository if any, notice of failure of the Borough to provide required annual financial information on or before the date specified in this resolution.

(d) If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under this resolution, insofar as the provisions of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

(e) The Chief Financial Officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Borough prior to their offering. Such officer is hereby authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in this resolution, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

(f) In the event that the Borough fails to comply with the Rule requirements or the written contracts or undertakings specified in this certificate, the Borough shall not be liable for monetary damages. The sole remedy is hereby specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

Section 12. This resolution shall take effect immediately.

APPROVED, this 23rd day of April, 2012.

RECORD OF VOTE

	AYE	NAY	ABSENT	NOT VOTING
CUCCO	X			
GALLUCCIO	X			
GENNARO	X			
LESNEWICH	X			
MUÑOZ	X			
ROBINSON	X			
HERN			TO BREAK COUNCIL TIE VOTE	

I hereby certify that the above resolution was adopted at a meeting of the Borough Council held on the 23rd day of April, 2012.

Wendi B. Barry, Borough Clerk

Exhibit A

(Notice of Sale to be Posted on GrantStreet)

NOTICE OF SALE
\$8,910,000
GENERAL IMPROVEMENT BONDS
OF THE
BOROUGH OF NEW PROVIDENCE,
IN THE COUNTY OF UNION, NEW JERSEY
(Book-Entry Only Bonds)/(Callable)/(Bank Qualified)

SUMMARY

ISSUER: Borough of New Providence, County of Union, New Jersey

PAR AMOUNT: \$8,910,000

SECURITY: General Obligations of the Borough

TAX EXEMPT: Yes

RATING: To be Assigned.

TYPE OF SALE: Electronic Auction with Two Minute Rule (See Bidding Details Item (7) herein)

AUCTION AGENT: MuniAuction

BID/AWARD DATE: May 10, 2012 at 11:00 AM to 11:15 AM with Two Minute Rule applicable. Award by 1:00 PM

DATED DATE: Date of Delivery

DELIVERY DATE: May 24, 2012

INTEREST PAYMENT DATES: May 15 and November 15, commencing November 15, 2012

CALL DATE: The bonds of this issue maturing prior to May 15, 2023, are not subject to redemption prior to their stated maturities. The bonds of this issue maturing on or after May 15, 2023 are redeemable at the option of the Borough in whole or in part on any date on or after May 15, 2022 at 100% of the principal amount outstanding plus interest accrued to the date of redemption upon notice as required herein.

MINIMUM BID: \$8,910,000 (Par)

BID SECURITY: **Good Faith Check or wire transfer in the amount of \$178,200 received by Borough (prior to bidding) or Financial Surety Bond from Sure-Bid**

BASIS OF AWARD: True Interest Cost

LEGAL OPINION: McManimon & Scotland, L.L.C., Newark, 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 New Providence, in the County of Union, New Jersey (the "Borough") for the purchase of \$8,910,000 original principal amount of the Borough's General Improvement Bonds (the "Bonds"). **All Bids (as defined below) must be submitted in their entirety on Grant Street Group's MuniAuction website ("MuniAuction") prior to 11:15 a.m., New Jersey time on May 10, 2012, unless otherwise extended by the two-minute rule described herein (see "Bidding Details"). The auction will begin at 11:00 a.m., New Jersey time on May 10, 2012 (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 or Financial Surety Bond, payable to the Borough, in the amount of \$178,200 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 May 2, 2012, 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 May 10, 2012, elect to receive a photocopy of the POS in the mail by requesting it on MuniAuction or by calling the Borough's bond counsel, McManimon & Scotland, L.L.C. ("Bond Counsel"), 1037 Raymond Boulevard, Suite 400, Newark, New Jersey 07102 to the 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 \$8,910,000. 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 May 15 and November 15, commencing on November 15, 2012.

Principal Amortization

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

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2013	\$310,000	2021	\$610,000
2014	610,000	2022	620,000
2015	610,000	2023	620,000
2016	610,000	2024	620,000
2017	610,000	2025	620,000
2018	610,000	2026	620,000
2019	610,000	2027	620,000
2020	610,000		

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 integral multiples thereof except, 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 May 15, 2023, are not subject to redemption prior to their stated maturities. The bonds of this issue maturing on or after May 15, 2023 are redeemable at the option of the Borough in whole or in part on any date on or after May 15, 2022 at 100% of the principal amount outstanding plus interest accrued to the date of redemption upon notice as required herein.

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 \$178,200 PAYABLE TO THE BOROUGH PRIOR TO THE TIME FOR SUBMISSION OF BIDS AT THE FOLLOWING ADDRESS:**

**Wendi B. Barry
Chief Financial Officer
Borough of New Providence
360 Elkwood Avenue
New Providence, NJ 07974**

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 an original issue premium. 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 two percent (2%) 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 the Notice of Sale for the Borough's Bonds dated the date hereof (the "Notice of Sale"). To the extent there is a conflict between the Rules and the Notice of Sale, the 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 his 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 NIC, 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 NIC.
- (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.
- "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.
- "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.

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 1:00 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 ("Deposit") in the form of a certified or cashier's check, wire transfer (wiring instructions can be obtained from the Borough's Chief Financial Officer or Bond Counsel) or a Financial Surety Bond in the amount of \$178,200, 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 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 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 Deposit is not received by that time, the Financial Surety Bond may be drawn by the Borough to satisfy the Deposit requirement. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the 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 1:00 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 May 24, 2012.

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 May 24, 2012 (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 Borough 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.

Legal Opinions

The approving opinions of McManimon & Scotland, L.L.C., 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 11:00 A.M. ON THE DAY BEFORE 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 the 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 the Bond Counsel at the address and phone number 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 (908) 665-1400 or email at kenneth.deroberts@newprov.org.

BOROUGH OF NEW PROVIDENCE

By: Kenneth DeRoberts, Chief Financial Officer

Dated: April __, 2012

Exhibit B

(Notice of Sale to be Published in Local Newspaper)

NOTICE OF SALE
\$8,910,000
GENERAL IMPROVEMENT BONDS
OF THE
BOROUGH OF NEW PROVIDENCE,
IN THE COUNTY OF UNION, NEW JERSEY
(Book-Entry Only Bonds)/(Callable)/(Bank Qualified)

SUMMARY

ISSUER: Borough of New Providence, County of Union, New Jersey

PAR AMOUNT: \$8,910,000

SECURITY: General Obligations of the Borough

TAX EXEMPT: Yes

RATING: To be Assigned.

TYPE OF SALE: Electronic Auction with Two Minute Rule (See Bidding Details Item (7) herein)

AUCTION AGENT: MuniAuction

BID/AWARD DATE: May 10, 2012 at 11:00 AM to 11:15 AM with Two Minute Rule applicable. Award by 1:00 PM

DATED DATE: Date of Delivery

DELIVERY DATE: May 24, 2012

INTEREST PAYMENT DATES: May 15 and November 15, commencing November 15, 2012

CALL DATE: The bonds of this issue maturing prior to May 15, 2023, are not subject to redemption prior to their stated maturities. The bonds of this issue maturing on or after May 15, 2023 are redeemable at the option of the Borough in whole or in part on any date on or after May 15, 2022 at 100% of the principal amount outstanding plus interest accrued to the date of redemption upon notice as required herein.

MINIMUM BID: \$8,910,000 (Par)

BID SECURITY: **Good Faith Check or wire transfer in the amount of \$178,200 received by Borough (prior to bidding) or Financial Surety Bond from Sure-Bid**

BASIS OF AWARD: True Interest Cost

LEGAL OPINION: McManimon & Scotland, L.L.C., Newark, 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 New Providence, in the County of Union, New Jersey (the "Borough") for the purchase of \$8,910,000 original principal amount of the Borough's General Improvement Bonds (the "Bonds"). **All Bids (as defined below) must be submitted in their entirety on Grant Street Group's MuniAuction website ("MuniAuction") prior to 11:15 a.m., New Jersey time on May 10, 2012, unless otherwise extended by the two-minute rule described herein (see "Bidding Details"). The auction will begin at 11:00 a.m., New Jersey time on May 10, 2012 (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 or Financial Surety Bond, payable to the Borough, in the amount of \$178,200 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 May 2, 2012, 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 May 10, 2012, elect to receive a photocopy of the POS in the mail by requesting it on MuniAuction or by calling the Borough's bond counsel, McManimon & Scotland, L.L.C. ("Bond Counsel"), 1037 Raymond Boulevard, Suite 400, Newark, New Jersey 07102 to the 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 \$8,910,000. 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 May 15 and November 15, commencing on November 15, 2012.

Principal Amortization

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

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2013	\$310,000	2021	\$610,000
2014	610,000	2022	620,000
2015	610,000	2023	620,000
2016	610,000	2024	620,000
2017	610,000	2025	620,000
2018	610,000	2026	620,000
2019	610,000	2027	620,000
2020	610,000		

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 integral multiples thereof except, 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 May 15, 2023, are not subject to redemption prior to their stated maturities. The bonds of this issue maturing on or after May 15, 2023 are redeemable at the option of the Borough in whole or in part on any date on or after May 15, 2022 at 100% of the principal amount outstanding plus interest accrued to the date of redemption upon notice as required herein.

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 \$178,200 PAYABLE TO THE BOROUGH PRIOR TO THE TIME FOR SUBMISSION OF BIDS AT THE FOLLOWING ADDRESS:**

**Wendi B. Barry
Chief Financial Officer
Borough of New Providence
360 Elkwood Avenue
New Providence, NJ 07974**

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 an original issue premium. 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 two percent (2%) 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 the Notice of Sale for the Borough's Bonds dated the date hereof (the "Notice of Sale"). To the extent there is a conflict between the Rules and the Notice of Sale, the Notice of Sale shall control.

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. |
| "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. |
| "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. |

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 1:00 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 ("Deposit") in the form of a certified or cashier's check, wire transfer (wiring instructions can be obtained from the Borough's Chief Financial Officer or Bond Counsel) or a Financial Surety Bond in the amount of \$178,200, 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 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 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 Deposit is not received by that time, the Financial Surety Bond may be drawn by the Borough to satisfy the Deposit requirement. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the 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 1:00 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 May 24, 2012.

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 May 24, 2012 (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 Borough 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.

Legal Opinions

The approving opinions of McManimon & Scotland, L.L.C., 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 11:00 A.M. ON THE DAY BEFORE 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 the 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 the Bond Counsel at the address and phone number 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 (908) 665-1400 or email at kenneth.deroberts@newprov.org.

BOROUGH OF NEW PROVIDENCE

By: Kenneth DeRoberts, Chief Financial Officer

Dated: April __, 2012

Exhibit C

(Notice of Sale to be Published in The Bond Buyer)

NOTICE OF SALE

**\$8,910,000
GENERAL IMPROVEMENT BONDS
OF THE
BOROUGH OF NEW PROVIDENCE,
IN THE COUNTY OF UNION, NEW JERSEY
(Book-Entry Only Bonds)
(Callable)
(Bank Qualified)**

SUMMARY

Dated: Date of Delivery – On or about May 24, 2012
Bid Date and Time: May 10, 2012 at 11:00 a.m.
Type of Sale: Electronic Open Auction
Interest: Multiple Interest Rates - ascending in multiples of 1/8 or 1/20 of 1%
Legal Opinion: McManimon & Scotland, L.L.C., Newark, NJ

Maturity Schedule: May 15 as set forth in the following table:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2013	\$310,000	2021	\$610,000
2014	610,000	2022	620,000
2015	610,000	2023	620,000
2016	610,000	2024	620,000
2017	610,000	2025	620,000
2018	610,000	2026	620,000
2019	610,000	2027	620,000
2020	610,000		

Preliminary Official Statement, Notice of Sale and other details available at
www.GrantStreet.com