

**CITY OF PASSAIC, IN THE COUNTY OF PASSAIC, NEW JERSEY**

**NOTICE OF \$600,000 SPECIAL EMERGENCY NOTE SALE**

**(BANK QUALIFIED)**

Proposals are being solicited for the above issue of \$600,000 aggregate amount of Special Emergency Notes (the "Notes") for the purchase at not less than the par amount of the Notes through a fair and open process in accordance with N.J.S.A. 40A:2-28. All bids will be publicly opened and announced at the City of Passaic, in the County of Passaic New Jersey (the "City"), Finance Office, 330 Passaic Street, Passaic, New Jersey 07055, on Monday, May 16, 2011, until 11:00 a.m. Bids submitted by telecopy or e-mail are the sole responsibility of the bidder and must be received by the City by 11:00 a.m. No telephone bids will be accepted. Sealed proposals are encouraged, but faxed and e-mailed proposals will be accepted provided they comply with the conditions stated herein. The Chief Financial Officer of the City will evaluate the bids on the basis of the lowest net interest cost to the City. A determination as to the award will be made no later than 1:00 p.m. on that date. The telephone number for the Chief Financial Officer is (973) 365-5578. The City accepts no responsibility for the failure of any telecopied or e-mailed bids to be received on time for whatever reason.

Bids delivered by hand must be on the official bid form attached hereto as Exhibit A, signed by the bidder, and enclosed in a sealed envelope addressed and delivered to the Chief Financial Officer, Finance Office, 330 Passaic Street, Passaic, New Jersey 07055 (telephone (973) 365-5578), and clearly marked "Proposal for \$600,000 City of Passaic, New Jersey Bond Anticipation Notes" (or words of similar import). If the sale of the Notes is canceled or postponed, all bids shall be returned unopened.

If a bidder wishes to transmit its bid by fax or e-mail, it must be accompanied by a cover sheet stating clearly "PROPOSAL FOR NOTES", and such bidder hereby acknowledges that such faxed or e-mailed bid will not be reviewed by the City until the public opening of bids as aforesaid. Bids delivered by facsimile transmission or e-mail must be on the official bid form attached hereto as Exhibit A, signed by the bidder, and sent to Fax No. (201) 791-3035. Attention: Paige Fischer or to [pfischer@lvhcpa.com](mailto:pfischer@lvhcpa.com).

*Warnings:* A bid submitted by facsimile transmission will not be considered timely unless, at the deadline for submission of bids, the entire bid form has been received by the receiving fax machines. A bid submitted by e-mail will not be considered timely unless, at the deadline for submission of bids, the e-mail has been received by the recipient. The official time for receipt of bids will be determined by the City at the place of bid opening, and the City shall not be required to accept any bidders fax machine time-stamp or time of e-mail sent as evidence of a timely bid. Neither the City nor the law firm of GluckWalrath LLP ("Bond Counsel") shall be responsible for, and the bidder expressly assumes the risk of, any incomplete or untimely bid submitted by facsimile transmission or e-mail by such bidder, including, without limitation, by reason of garbled transmission, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by facsimile transmission or e-mail rather than by hand. Bidders may call (201) 791-7100, extension 220, to confirm receipt of their bids; however

the City takes no responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete, illegible or not received

The Notes will be issued in the aggregate principal amount of \$600,000. Each bid must offer to purchase all Notes being offered at a price of not less than par and must specify a single rate of interest offered for the Notes. Interest shall be calculated on a 360-day year consisting of twelve 30-day months. Bids may be submitted by completing the proposal form attached hereto and made a part hereof and by submitting it in accordance with this Notice, by telecopy (201) 791-3035 or by e-mail to [pfischer@lvhcpa.com](mailto:pfischer@lvhcpa.com) in accordance with this Notice. The Chief Financial Officer expects to award the Notes to the bidder specifying the lowest net interest payable by the City. However, the Chief Financial Officer reserves the right to reject all bids or to award the Notes to a bidder other than the lowest bidder. The bidder, by submitting a bid agrees to accept the determination of the Chief Financial Officer.

The Notes will be "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

### **SPECIFICATIONS OF NOTES**

Principal Amount:	\$600,000
Dated:	May 25, 2011
Maturity Date:	May 25, 2012
Interest Rate Per Annum:	Specified by Successful Bidder
Legal Opinion:	GluckWalrath LLP Trenton, New Jersey
Paying Agent:	Specified by and at the expense of successful bidder within 24 hours of award, subject to approval of the Chief Financial Officer
Closing:	
a.    date	May 25, 2011
b.    location	City of Passaic, 330 Passaic Street, Passaic, New Jersey, or at such other place as agreed to by the Chief Financial Officer
Denominations:	Denominations of \$100,000 or greater if being reoffered, as specified by the successful bidder within 24 hours of award, subject to approval of the Chief Financial Officer
Payment:	Immediately available funds

The Notes will be noncallable general obligations of the City. The full faith and credit of the City will be pledged for the punctual payment, in accordance with their terms, of the principal of and the interest on the Notes.

As a condition to delivery of the Notes, the successful bidder will be required to execute a receipt therefor containing a certification that either (i) at least ten percent (10%) of the Notes have been sold to the public (excluding bond houses, brokers or similar organizations acting in the capacity of underwriter or wholesaler) at such initial offering price or prices as would produce a yield to the purchaser(s) thereof equal to a stated percentage per annum, or (ii) it has not reoffered the Notes to the public and has no present intention to reoffer the Notes to the public.

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

In addition, in order to comply with the requirements of Rule 15(c)2-12 of the Securities and Exchange Commission, the successful bidder of the Notes must either (i) be purchasing the Notes for its own account with no intent to reoffer the Notes or (ii) reoffer the Notes in denominations of \$100,000 or greater to no more than thirty-five (35) persons. The successful bidder must believe that each of the persons to whom the Notes are sold has such knowledge and experience in financial and business matters that it is capable in evaluating the merits and the risks of the Notes as an investment and is not purchasing the Notes for more than one account with the intent to distribute the Notes. A certification by the successful bidder as to the foregoing matters will be a condition to delivery of the Notes.

The successful bidder is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (“ELEC”) pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c.271, s.3) if the successful bidder enters into agreements or contracts, such as its agreement to purchase the Notes, with a public entity, such as the City and receives compensation or fees in excess of \$50,000 in the aggregate from public entities, such as the City, in a calendar year. It is the successful bidder’s responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

No Preliminary Official Statement or other offering document will be prepared by the City for this issue. However, certain financial information concerning the City is available upon request. For such information please contact the undersigned Chief Financial Officer at the above address, telephone number (973) 365-5578, e-mail [jagosto@cityofpassaicnj.gov](mailto:jagosto@cityofpassaicnj.gov).

/s/ Jose L. Agosto, Jr.  
Jose L. Agosto, Jr., Chief Financial Officer

**PROPOSAL FOR NOTES**

May 16, 2011

Jose L. Agosto Jr., Chief Financial Officer  
City of Passaic  
c/o Paige Fischer  
Fax: 201-791-3035  
E-Mail: [pfischer@lvhcpa.com](mailto:pfischer@lvhcpa.com)

Dear Mr. Agosto:

Subject to the provisions of the "Notice of \$600,000 Special Emergency Note Sale", which is attached hereto and considered a part hereof, we offer to purchase the Notes on the following terms:

Purchase Price: \$ \_\_\_\_\_ (not less than \$600,000)

Interest Rate: \_\_\_\_\_%

\_\_\_\_\_  
Name:

Title:

Representing:

Phone No.:

\_\_\_\_\_  
PLEASE COMPLETE THE FOLLOWING:

Interest Payable on Notes \$ \_\_\_\_\_

Less: Premium, if any \$ \_\_\_\_\_

Net Interest Payable \$ \_\_\_\_\_

**THIS PORTION OF THE PROPOSAL IS NOT PART OF THE BID**

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