

**CITY OF CAPE MAY
IN THE COUNTY OF CAPE MAY
STATE OF NEW JERSEY**

NOTICE OF SALE

\$7,014,000 BOND ANTICIPATION NOTES

(NON-CALLABLE) (NON-BANK QUALIFIED)

Proposals are being solicited for the purchase of \$7,014,000 Bond Anticipation Notes, dated September 10, 2025 and maturing September 9, 2026 (the "Notes") of the City of Cape May, in the County of Cape May, State of New Jersey (the "City") either (a) via E-Mail received by Kevin Hanie, Chief Financial Officer to the City of Cape May, c/o Sherry L. Tracey of Phoenix Advisors, a division of First Security Municipal Advisors, Inc., the City's Municipal Advisor (stracey@muniadvisors.com), or (b) electronically via PARITY® in the manner described below under the heading "Procedures Regarding Electronic Proposals" on **WEDNESDAY, AUGUST 27, 2025** until 11:30 a.m., New Jersey time.

The Notes have been authorized pursuant the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented, as applicable, and bond ordinances duly adopted by City Council, approved by the Mayor and published as required by law. The proceeds from the Notes, together with other available funds of the City, will (i) refund, on a current basis, a portion of prior Bond Anticipation Notes of the City issued in the aggregate principal amount of \$15,214,000 on September 12, 2024 and maturing on September 11, 2025; and (ii) pay for the costs associated with the issuance and sale of the Notes.

The Notes will be dated September 10, 2025, will mature September 9, 2026, and will bear interest commencing September 10, 2025 at the rate of interest per annum as specified in the successful proposal therefor in accordance herewith (calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year). The Notes are not subject to redemption prior to maturity. Entities making proposals for the Notes may (i) be participants of The Depository Trust Company, New York, New York ("DTC") or affiliated with its participants, or (ii) purchase for its own account and not with a view to distribution and resale. The Notes may be issued in registered, bearer or book-entry only form and will be payable as to both principal and interest in lawful money of the United States of America by the City or a duly appointed paying agent. The Notes may also be registered in the name of and held by Cede & Co., as nominee of DTC, which may act as securities depository for the Notes (the "Securities Depository"). The Note certificate may be on deposit with DTC. DTC may 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 may be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchases may be made in denominations of \$5,000, or multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Note (subject to approval of the Chief Financial Officer of the City).

Each proposal submitted must specify a single rate of interest per annum to be borne by the Notes. Each proposal must state the purchase price of the Notes to be purchased, which shall not be less than \$7,014,000. The Notes shall be awarded to the purchaser on whose proposal the issuance thereof may be made at the lowest net interest cost to the City. If two or more proposals offer the same lowest net interest cost, the sale of the Notes will be awarded to the entity making the proposal which is selected by lot from among all such entities making such proposals.

The right is reserved to reject all proposals, and any proposals not complying with the terms of this notice or specifying additional conditions will be rejected. The right is also reserved to waive any irregularities or informalities in proposals submitted on the Official Form of Proposal for Notes.

Award or rejection of the proposals for the Notes is expected to be made within two (2) hours after receipt of the proposals, but such potential purchaser may not withdraw its proposal until after 3:00 p.m. of the day the City receives the proposals and then only if such award has not been made prior to the withdrawal.

The Notes will be delivered on September 10, 2025. PAYMENT FOR THE NOTES AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS.

Each proposal must be submitted on August 27, 2025 by 11:30 am by (A) completing the attached Official Form of Proposal for Notes, which may be sent via email to the City c/o Sherry L. Tracey of Phoenix Advisors, a division of First Security Municipal Advisors, Inc., the City's Municipal Advisor (stracey@muniadvisors.com), or (B) by electronic submission via PARITY® as described further under the heading "Procedures Regarding Electronic Proposals".

The obligation hereunder to deliver and to accept the Notes shall be conditioned on the availability and the delivery at the time of delivery of the Notes of (a) the approving legal opinion of the law firm of Archer & Greiner P.C., Red Bank, New Jersey ("Bond Counsel"), which will be furnished without cost to the purchaser of the Notes, such opinion to be substantially in the form set forth in the hereinafter defined Preliminary Official Statement distributed in connection with the sale of the Notes to the effect that (i) the Notes are valid and legally binding obligations of the City and, unless paid from other sources, all the taxable property within the City will be subject to the levy of *ad valorem* taxes for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount, (ii) under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Notes (a) is not includable in gross income for Federal income tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) will not be treated as a preference item under section 57 of the Code for purposes of calculating the Federal alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code, and (iii) interest on the Notes and any gain on the sale thereof is not includable as gross income under the existing New Jersey Gross Income Tax Act, (b) certificates, in form satisfactory to Bond Counsel, evidencing the proper execution and delivery of the Notes, the receipt of payment therefor and compliance with the requirements of the Code necessary to preserve Federal tax exemption, (c) a certificate, in form and tenor satisfactory to Bond Counsel and dated as of the date of delivery of the Notes, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Notes, and (d) a Certificate of Compliance with Secondary Market Disclosure Requirements for the Notes evidencing the City's undertaking to provide notice of certain enumerated events pursuant to Rule 15c2-12, specifically subsection (d)(3) and (b)(5)(i)(C), promulgated by the Securities and Exchange Commission pursuant to the provisions of the Securities Exchange Act of 1934, as amended and supplemented. A description of this undertaking is set forth in the Preliminary Official Statement. A copy of such approving legal opinion will be delivered with the Notes.

The City has authorized the distribution of a Preliminary Official Statement (the "Preliminary Official Statement"), "deemed final" as of its date for purposes of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and supplemented. The Preliminary Official Statement may be viewed electronically at www.munihub.com. In addition, broker dealers registered with the National Association of Securities Dealers (the "NASD"), dealer banks with The Depository Trust Company, New York, New York (the "DTC") clearing arrangements or entities wishing to make a proposal may either: (a) print out a copy of the Preliminary Official Statement on their own printer, or (b) at any time prior to 11:30 a.m. on August 27, 2025, elect to receive a photocopy or electronic link to the Preliminary Official Statement by contacting the City's Bond Counsel, Alexis B. Batten, Esq., Archer & Greiner P.C., at Riverview Plaza, 10 Highway 35, Red Bank, New Jersey 07701, or by telephone at (609) 602-1223 or by email at

abatten@archerlaw.com. All Entities making a proposal must review the Preliminary Official Statement and by submitting a proposal will certify that they did so prior to submitting their proposal. Final Official Statements will be delivered to the purchaser of the Notes within the earlier of seven (7) business days following the award of the Notes or to accompany the purchasers' confirmations that request payment for the Notes, such Official Statement to be dated as of the date of the award of the Notes. The Successful Purchaser will be furnished upon request, without cost, with a reasonable number of copies of the Official Statement, which number shall not exceed 50. Neither the City, the Bond Counsel nor the Municipal Advisor is responsible to any Entity making a proposal for any defect or inaccuracy in the Preliminary Official Statement as it appears on www.munihub.com.

ADDITIONALLY, EACH PURCHASER OF THE NOTES SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, COURT DECISIONS OR LITIGATION. ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

This offering is exempt from the secondary market disclosure requirements of Rule 15c2-12(b)(5)(i) promulgated by the Securities and Exchange Commission pursuant to the provisions of Rule 15c2-12(d)(1)(i).

The purchaser may at its option refuse to accept the Notes if prior to their delivery any change in the Code, shall provide that the interest thereon is taxable or shall be taxable at a future date for Federal income tax purposes. In such case, the purchaser may be relieved of its contractual obligations arising from the acceptance of its proposal.

The successful purchaser will timely apply for CUSIP numbers with respect to the Notes as required by MSRB Rule G-34. The successful purchaser will be responsible for the cost of assignment of such CUSIP numbers. The successful purchaser will be responsible for notifying CUSIP Global Services of any changes in structure and shall add or cancel CUSIP numbers as needed to conform to the final structure.

The City will assume no obligation for the assignment or printing of such numbers on the Notes or for the correctness of such numbers, and neither the failure to print such numbers on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the successful purchaser thereof to accept delivery of and make payment for the Notes.

All proposals which are submitted electronically via PARITY® pursuant to the procedures described below shall be deemed to constitute a "Proposal for Notes" and shall be deemed to incorporate by reference all of the terms and conditions of this Notice of Sale. The submission of a proposal electronically via PARITY® shall constitute and be deemed to be the signature of the entity making the proposal on the Proposal for Notes.

Procedures Regarding Electronic Proposals

Proposals may be submitted electronically via PARITY® in accordance with this Notice of Sale, until 11:30 a.m. on the August 27, 2025, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY®, potential purchasers may contact the City's Bond Counsel, Alexis B. Batten, Esq. of Archer & Greiner P.C., the Bond Counsel to the City, at 10 Highway 35, Red Bank, New Jersey 07701-5902, or by telephone at (609) 602-1223 or email at abatten@archerlaw.com or PARITY® at 212-404-8102. In the event that a proposal for the Notes is submitted via PARITY®, the entity making a proposal further agrees that:

If the proposal submitted electronically via PARITY® is accepted by the City, the terms of the proposal for the Notes and this Notice of Sale, as well as the information that is electronically transmitted through PARITY®, shall form a contract and the successful purchaser shall be bound by the terms of such contract.

PARITY® is not an agent of the City, and the City shall have no liability whatsoever based on any entity making a proposal's use of PARITY®, including but not limited to any failure by PARITY® to correctly or timely transmit information provided by the City or information provided by the entity making a proposal.

The City may choose to discontinue use of receiving proposals electronically via PARITY® by issuing a notification to such effect via Thomson News Service ("TM3") no later than 3:00 p.m. on the last business date prior to the August 27, 2025.

Once the proposals are communicated electronically via PARITY® to the City, as described above, each proposal will constitute a proposal for the Notes and shall be deemed to be an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale.

Each entity making a proposal shall be solely responsible to make necessary arrangements to access PARITY® for purposes of submitting its proposal in a timely matter and in compliance with the requirements of this Notice of Sale. Neither the City nor PARITY® shall have any duty or obligation to provide or assure access to any entity making a proposal, and neither the City nor PARITY® shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The City is using PARITY® as a communication mechanism, and not as the City's agent, to conduct the electronic receipt of proposals for the Notes. By using PARITY®, each entity making a proposal agrees to hold the City harmless for any harm or damages caused to such entity making a proposal in connection with its use of PARITY® to make a proposal on the Notes.

Establishment of Issue Price

In the event the City receives fewer than three (3) proposals for the Notes, then the Issue Price for the Notes shall be established based on the price at which at least 10% of the Notes are sold to the Public (as defined below). The successful purchaser shall be required to deliver on the Delivery Date a certificate to such effect, and provide to the City, in writing, evidence satisfactory to Bond Counsel to the City of such sales price for the Notes. In the event that the successful purchaser has not sold at least 10% of the Notes to the Public as of the Delivery Date (the "Unsold Notes"), the successful purchaser shall (i) provide to the City, in writing, on the Delivery Date, the Expected Offering Price for the Unsold Notes and a certificate regarding same and (ii) have a continuing obligation to provide to the City, in writing, evidence satisfactory to Bond Counsel to the City of the price when at least 10% of all such Unsold Notes has been sold to the Public. "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (as defined herein) or a related party to an Underwriter. The term "related party" generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly. "Underwriter" means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- the City disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all potential purchasers shall have an equal opportunity to bid;
- the City may receive proposals from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- the City anticipates awarding the sale of the Notes to the successful purchaser who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid. Unless a potential purchaser is purchasing the Notes for its own account and not with a view to distribution or resale to the public, a potential purchaser by submitting its bid represents that it is an underwriter of municipal bonds and notes that has an established industry reputation for underwriting new issuances of municipal bonds and notes.

Additional Information

Financial information concerning the City is available at www.capemaycity.com or upon request to the undersigned Chief Financial Officer at (609) 884-9525 or by email to khanie@capemaycity.com; or the City's Bond Counsel, Alexis B. Batten, Esq., Archer & Greiner P.C., Riverview Plaza, 10 Highway 35, Red Bank, New Jersey 07701, tel. no. (609) 602-1223 or by email to abatten@archerlaw.com.

/s/ Kevin Hanie

Kevin Hanie,
Chief Financial Officer
City of Cape May
County of Cape May
State of New Jersey

Dated: August 20, 2025

OFFICIAL FORM OF PROPOSAL FOR
CITY OF CAPE MAY
COUNTY OF CAPE MAY
STATE OF NEW JERSEY

\$7,014,000 BOND ANTICIPATION NOTES

August 27, 2025

VIA EMAIL - stracey@muniadvisors.com

Kevin Hanie
Chief Financial Officer
City of Cape May
Archer & Greiner P.C.
10 Highway 35
Red Bank, New Jersey 07701-5902
Attn: Sherry L. Tracey

Dear Mr. Hanie:

Subject to the provisions of the Notice of Sale (the "Notice") which is made a part hereof, we offer to purchase the \$7,014,000 Bond Anticipation Notes dated September 10, 2025 and maturing September 9, 2026 (the "Notes") at a purchase price of \$_____, provided that the Notes bear interest at the rate per annum of _____%.

Name of Entity
Making Proposal:

Address:

Authorized
Signatory:

Name:

Phone Number:

Email:

Please supply the following for informational purposes only and not as part of the foregoing proposal:

Net Interest Cost: \$_____

Net Interest Rate: _____%