



**TOWN OF CAPE ELIZABETH, MAINE
\$1,000,000
2020 GENERAL OBLIGATION REFUNDING BONDS**

SEALED PROPOSALS will be received by the Town of Cape Elizabeth, Maine (the “Town”) at the office of Moors & Cabot, Inc. (the “Municipal Advisor”), One Federal Street, 19th Floor, Boston, Massachusetts:

11:00 O’CLOCK A.M. (E.D.S.T.) WEDNESDAY, MAY 27, 2020

at which time and place all such proposals will be publicly opened and announced for the sale of \$1,000,000 2020 General Obligation Refunding Bonds^(f) (the “Bonds”) of the Town. The Bonds will be payable annually on April 15 of each year as follows:

<u>Amount</u>	<u>April 15,</u>	<u>CUSIP</u>
\$125,000	2021	139375__
125,000	2022	139375__
125,000	2023	139375__
125,000	2024	139375__
125,000	2025	139375__
125,000	2026	139375__
125,000	2027	139375__
125,000	2028	139375__

This Notice of Sale sets forth only a brief summary of certain provisions of the Bonds. For additional information pertaining to the Bonds, a prospective bidder should refer to the Town’s Preliminary Official Statement with respect to the Bonds dated as of the date hereof (the “Preliminary Official Statement”). In the event of any conflict between the Preliminary Official Statement and this Notice of Sale, the Preliminary Official Statement shall control.

The Bonds will be dated June 11, 2020 and will bear interest (accrued on the basis of a 360-day year with twelve 30-day months), payable on October 15, 2020, and semi-annually thereafter on April 15 and October 15 each year until maturity and will be issued only as fully-registered bonds without coupons, one certificate per maturity, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York City, New York (“DTC” or the “Securities Depository”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof.

The Bonds are not subject to optional redemption prior to their stated dates of maturity.

It is expected that the Bonds will be available for delivery at DTC on or about June 11, 2020.

NOTE: ^(f)The Town must achieve a Present Value (“PV”) Savings of at least in excess of 5.0% on the Refunding of its 2008 Bonds for it to consider proceeding with the financing. A current projected PV Savings is estimated to be in excess of 5.0%. The Town’s Municipal Advisor is available for guidance in this matter. A detailed discussion of the outstanding 2008 Bonds is provided in “THE BONDS – AUTHORIZATION AND PURPOSE - The Refunded Bonds” section in the Town’s Preliminary Official Statement, dated March 10, 2020, incorporated by reference herein.

The Bonds will be issued by means of The Depository Trust Company's Book-Entry-Only System with no physical distribution of Bond certificates made to the public. One Bond certificate for each maturity will be issued to The Depository Trust Company, New York City, New York ("DTC") and immobilized in their custody. The Book-Entry Only System will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC and its Participants. The winning bidder (the "purchaser"), as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

The original Bond certificates to be immobilized at DTC will be prepared under the supervision of and authenticated by U.S. Bank National Association, Boston, Massachusetts, Paying Agent, and their legality approved by Pierce Atwood LLP, Portland, Maine, Bond Counsel to the Town ("Bond Counsel"), whose opinion will be furnished to the purchaser without charge. The form of such opinion is set forth in the Preliminary Official Statement.

Bond Counsel's opinion will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of the Town and, unless paid from other sources, are payable as to both principal and interest from ad valorem taxes that are subject to limitation unless certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, are met, in which case such ad valorem taxes may then be levied, without limit as to rate or amount upon all the property within the territorial limits of the Town and taxable by it, except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality and except to the extent that the Town establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds. The Treasurer has certified that neither agreements under Title 30-A, Chapter 223, Subchapter V or Title 30-A, Chapter 206 or 207 of the Maine Revised Statutes, as amended, now exist. Bonds issued for school improvements that will be included in the school budget, governed by and appropriated in accordance with Title 20-A, Chapter 606-B of the Maine Revised Statutes, as amended, are not subject to the property tax limit set forth in Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended. Within the limits established by statute, the Town has the right to designate development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. Bond Counsel's opinion will indicate that the enforceability of the obligations of the Town, including the Bonds, is subject to and may be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

The Town will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

There is no litigation, threatened or pending, affecting the validity of the Bonds, the corporate existence or the boundaries of the Town, or the title of the present officers to their respective offices, and the purchaser or purchasers will be furnished with a certificate to this effect.

Bid Specifications

Bids must specify the amount bid for the Bonds, not less than 100.000% of the par value of the issue and:

- Must state in a multiple of one-eighth (1/8) or one twentieth (1/20) of one per centum (1%) the rate or rates of interest per annum which the several maturities of the Bonds are to bear;
- No interest rate named for any given maturity of a Bond may be lower than any interest rate named for any prior maturity of a Bond (i.e., ascending rates).
- All Bonds maturing in any one year must carry the same interest rate and each interest period shall be represented by one interest rate. Bids which include split or supplemental interest rates will not be considered;
- **Serial Bonds:** The Bonds will be issued as Serial Bonds and no proposal to consolidate maturities into a Term Bond(s) will be considered;
- **Minimum Bid:** Only bids at or greater than 104.000% of the issue amount (or \geq \$40,000.00 bid premium) will be accepted;
- **Application of Bid Premium:** Bid premium may be used to apply funds to pay for costs of issuance, capitalized interest or, if to the projects, may reduce the amount of Bonds issued to finance the projects;
- Should the Town apply bid premium to reduce the amount of Bonds issued, the Town will apply the same percentage amount of underwriter's spread per thousand to the reduced issue amount;
- The original purchaser must also pay an amount equal to the interest on the Bonds accrued to the date of delivery, if any;
- A "Good Faith" deposit is not required.

As between proposals which comply with this Notice, the Bonds will be sold to the bidder whose proposal offers to purchase all of the Bonds at the lowest True Interest Cost ("TIC"), that is, the annual interest rate, compounded semiannually, which when used to discount **to the June 11, 2020 delivery date** all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds including accrued interest to the date of delivery but which will include any premium bid thereon. The TIC should be computed to four decimal places. Bids must be submitted:

- (a) In a sealed envelope marked "Proposal for Bonds" and addressed to the Town of Cape Elizabeth, Maine, c/o Moors & Cabot, Inc. – Banking & Advisory Group, One Federal Street, Boston, MA 02110;
- (b) Although telephone bids will not be accepted by the Town, the Municipal Advisor will prepare sealed bids as agent for the bidder, per telephone instructions received at (617) 314-0258 *prior to sale time on Wednesday, May 27, 2020*. The Municipal Advisor shall not be responsible for any errors or omissions in connection with bids submitted as agent on behalf of bidders. The Municipal Advisor may be contacted as follows:

Joseph P. Cuetara, Senior Vice President
Moors & Cabot, Inc. – Banking & Advisory Group
One Federal Street
Boston, MA 02110
jcuetara@moorscabot.com

- (c) Via FACSIMILE copy to the Municipal Advisor at (617) 314-0258 *received not later than sale time on Wednesday, May 27, 2020*; or

(d) Electronically via i-DealSM *PARITY*[®] in accordance with this Notice of Sale, until 11:00 A.M. (E.D.S.T.), but no bid will be received after the time for receiving bids 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. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with *PARITY*[®], that the Town neither endorses nor encourages the use of *PARITY*[®], and that *PARITY*[®] is not acting as an agent of the Town. Instructions and forms for submitting electronic bids must be obtained directly from *PARITY*[®]. For further information about *PARITY*[®], potential bidders should contact Dalcomp at 1359 Broadway, 19th Floor, New York, New York 10018, telephone (212) 849-5021.

The Town assumes no responsibility for ensuring or verifying bidder compliance with *PARITY*[®] procedures. The Town shall be entitled to assume that any bid received via *PARITY*[®] has been made by a duly authorized agent of the bidder. The Town, the Municipal Advisor and Bond Counsel assume no responsibility for any malfunction of the *PARITY*[®] system, any failure of a bid to be received by the official time, or any error contained in any bid submitted electronically. The official time for receipt of bids will be determined by the Town at the place of bid opening, and the Town shall not be required to accept the time kept by *PARITY*[®] as the official time. In the event of a malfunction of the *PARITY*[®] system, bidders should submit their bids as discussed in the above (a), (b) or (c) manner on the PROPOSED FORM OF BID LETTER attached hereto.

The right is reserved to reject any or all proposals and to accept or reject any proposal not complying with this Notice of Sale, and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal. A final decision as to the award of the bid rests with and is subject to confirmation by the Treasurer of the Town. When the successful bidder has been ascertained, the Town will notify such bidder.

The Town has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefore, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder and any increased costs of issuance or delivery of the Bonds resulting by reason of such insurance shall be paid by such bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment and any failure of the Bonds to be insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of their contractual obligations arising from the acceptance of their proposal for the purchase of the Bonds.

The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers as is discussed in the Preliminary Official Statement, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the “dealer who acquires” the issue, is responsible for the registration fee to the CUSIP Bureau for this service. It is anticipated that CUSIP identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Town, provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charges that may be imposed for the assignment of such numbers.

Additional information concerning the Town of Cape Elizabeth, Maine and the Bonds is contained in the Preliminary Official Statement which has been distributed and to which prospective bidders are directed. Such Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. A copy of the Preliminary Official Statement may be obtained by contacting: Moors & Cabot, Inc. – Banking & Advisory Group, One Federal Street, Boston, MA 02110; or by telephone at (617) 314-0258.

The Preliminary Official Statement is in a form “deemed final” by the issuer for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion in a final Official Statement.

The Town agrees to advise the purchaser, by written notice, of any developments that impact the accuracy and completeness of the key representations (within the meaning of SEC Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the Town of its proposal and ending on the 90th day next following such date of acceptance, unless such final Official Statement is available from the Municipal Securities Rulemaking Board, in which event such period shall end on the 25th day.

In order to assist bidders in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will undertake to provide annual reports and notices of certain material events on a timely basis. A description of this undertaking is set forth in APPENDIX C of the Preliminary Official Statement.

A pdf word-searchable electronic version of the final Official Statement will be prepared and distributed for this issue at the Town's expense within seven (7) business days after the date of the award of the Bonds. If desired, the purchaser will be furnished up to 100 copies of the final Official Statement prepared for this issue at the Town's expense within seven (7) business days after the date of the award of the Bonds. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

We will rely upon the purchaser to file with DTC's Web Underwriting Service (WUN); file with the MSRB pursuant to its Rule G-32; and to effect the electronic filing of the final Official Statement to <http://emma.msrb.org/submission> as the purchaser's responsibility. U.S. Bank National Association, as Paying Agent, will keep the original opinion and certificates and copies of the supporting documents which may be examined at its office in Boston, Massachusetts, upon reasonable notice.

As of the date of delivery of the Bonds and as a condition precedent to the delivery of the Bonds by the Town, the successful bidder shall furnish to the Town a certificate in a form provided by and acceptable to Bond Counsel (the "Issue Price Certificate"). The Issue Price Certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after appropriate investigation. The Issue Price Certificate shall set forth:

- (i) The "issue price" of the Bonds as defined in Treasury Regulation §1.148-1(f);
- (ii) The weighted average maturity of the Bonds as defined in the Internal Revenue Service's "Instructions for Form 8038-G" for Line 21(d);
- (iii) The yield of the Bonds (sometimes referred to as the arbitrage yield) as defined in the Internal Revenue Service's "Instructions for Form 8038-G" for Line 21(e); and
- (iv) If a municipal bond insurance policy or similar credit enhancement is obtained with respect to the Bonds by the successful bidder, such bidder will also be required to certify as to the net present value savings on the Bonds resulting from payment of insurance premiums or other credit enhancement fees.

Further Discussion of Issue Price Certificate.

Competitive Sale Requirements Met. If the competitive sale requirements set forth in Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) are satisfied, the Issue Price Certificate will establish the issue price of the Bonds under Treasury Regulation Section 1.148-1(f)(2)(iii). To that end, the Municipal Advisor will certify to the successful bidder that the following conditions are true:

- (1) The Town has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) All bidders had an equal opportunity to bid;

- (3) The Town received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) The Town awarded the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds 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 Bonds, as specified in the bid and each bidder, by submitting its bid, agrees that it shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds and that is an “underwriter” that intends to reoffer the Bonds to the public.

Competitive Sale Requirements Not Met. If the competitive sale requirements set forth in Treasury Regulation Section 1.148-1(f)(3)(i) are not satisfied, the Town shall so advise the winning bidder. If such competitive sale requirements are not met, the Issue Price Certificate will establish the issue price of the Bonds under Treasury Regulation Section 1.148-1(f)(2)(i), as follows:

- (i) The Town shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Town if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Town will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.
- (ii) Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Town and the Municipal Advisor the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to all Bonds. The successful bidder shall be obligated to report each sale of Bonds to the Municipal Advisor until notified in writing by the Town or the Municipal Advisor that it no longer needs to do so.

Moors & Cabot, Inc. has acted as Municipal Advisor to the Town with respect to the issuance of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23. Moors & Cabot, Inc. does not intend to submit its bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

It is expected that the Bonds, in definitive form, will be available for delivery on or about June 11, 2020, against payment of the purchase price in Federal Reserve funds payable to the order of the “Town of Cape Elizabeth, Maine”, and will be delivered to The Depository Trust Company, New York City, New York.

Matthew E. Sturgis
Treasurer
Town of Cape Elizabeth

Sale Date: May 27, 2020

PROPOSED FORM OF BID LETTER

**TOWN OF CAPE ELIZABETH, MAINE
\$1,000,000
2020 GENERAL OBLIGATION REFUNDING BONDS**

Sale Date: May 27, 2020

Matthew E. Sturgis, Treasurer
Town of Cape Elizabeth
c/o Moors & Cabot, Inc.
Banking & Advisory Group
One Federal Street
Boston, MA 02110

Dear Mr. Sturgis:

In accordance with the provisions of the Notice of Sale dated May 15, 2020, which Notice is hereby made a part of this proposal, we offer to purchase \$1,000,000 2020 General Obligation Refunding Bonds^(†) of the Town of Cape Elizabeth, Maine, at par and accrued interest, if any, to date of delivery plus a premium of \$ _____^(*), which represents a TIC of _____%, and bearing interest at the following rate per annum and maturing in each of the following years and principal amounts:

<u>April 15,</u>	<u>Amount</u>	<u>Interest Rate</u>
2021	\$125,000	_____
2022	125,000	_____
2023	125,000	_____
2024	125,000	_____
2025	125,000	_____
2026	125,000	_____
2027	125,000	_____
2028	125,000	_____

NOTE: ^(*) Only bids at or greater than 104.000% of the issue amount (or \geq \$40,000.00 bid premium) will be accepted.

The undersigned hereby acknowledges receipt of the Preliminary Official Statement dated March 10, 2020, referred to in the Notice of Sale dated May 15, 2020, and the terms thereof are expressly made a part of this bid.

SUMMARY	
Summary made as requested in the Notice of Sale from delivery date of June 11, 2020:	
Total Interest Expense	\$ _____
(Less Premium)	(\$ _____)
Net Total Interest Expense	\$ _____
True Interest Rate (TIC)	_____ %

Respectfully submitted,

(Company) (DTC #)

(By)

(Address)

() _____
(Telephone)

NOTE: ^(†)The Town must achieve a Present Value ("PV") Savings of at least in excess of 5.0% on the Refunding of its 2008 Bonds for it to consider proceeding with the financing.

Moors & Cabot, Inc. of Boston, Massachusetts will assist in the submitting of bids on this issue. Please mail your signed bid form in advance and telephone or send via facsimile final figures before the sale time. Telephone: (617) 314-0258; Facsimile: (617) 314-0258.