



**TOWN OF KITTERY, MAINE  
\$1,140,000  
2016 GENERAL OBLIGATION REFUNDING BONDS**

SEALED PROPOSALS will be received by the Town of Kittery, Maine (the “Town”) at the office of Moors & Cabot, Inc., 111 Devonshire Street, 2nd Floor, Boston, Massachusetts until:

**11:00 O’CLOCK A.M. (E.D.S.T.) TUESDAY, SEPTEMBER 13, 2016**

at which time and place all such proposals will be publicly opened and announced for the sale of \$1,140,000 2016 General Obligation Refunding Bonds (the “Bonds”) of the Town. The Bonds will be payable annually on November 1 of each year as follows:

<u>Amount</u>	<u>Nov. 1,</u>	<u>CUSIP</u>	<u>Amount</u>	<u>Nov. 1,</u>	<u>CUSIP</u>
\$125,000	2017	498206GB1	\$115,000	2022	498206GG0
115,000	2018	498206GC9	110,000	2023	498206GH8
115,000	2019	498206GD7	110,000	2024	498206GJ4
115,000	2020	498206GE5	110,000	2025	498206GK1
115,000	2021	498206GF2	110,000	2026	498206GL9

The Bonds will be dated September 29, 2016 and will bear interest, payable on May 1, 2017 and semi-annually thereafter on November 1 and May 1 of each year until maturity. Bonds are not subject to optional redemption prior to their stated dates of maturity. It is expected that the Bonds, in definitive form, will be available for delivery on or about September 29, 2016.

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 Drummond Woodsum & MacMahon of Portland, Maine, Bond Counsel, whose opinion will be furnished to the purchaser without charge.

**NOTE: Special Bidding Specifications** - *The Town must achieve a Present Value (“PV”) Savings of at least in excess of 2.0% on the refunding of its 2006 Refunded 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 Financial Advisor is available for guidance in this matter. A detailed discussion of the Town’s requirements to proceed with that portion of Bonds that will refund a prior issue is provided in “THE BONDS –THE REFUNDED BONDS” section in the Town’s Preliminary Official Statement, dated September 2, 2016.*

The legal opinion of Drummond Woodsum & MacMahon of Portland, Maine, Bond Counsel, will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of the Town of Kittery, Maine 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 districts pursuant to Title 30-A, Chapters 206 and former 207 (now repealed) 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 no agreements under Chapter 223, Subchapter V, to share assessed valuation with another municipality, now exist. The Town has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in the districts to pay costs of the development projects described in the development programs adopted with respect to the districts. Within the limits established by statute, the Town has the right to designate additional development districts pursuant to Chapter 206 of Title 30-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 Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The 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.

Bids must specify the amount bid for the Bonds, not less than all 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;
- ***Minimum Bid:*** A minimum bid of 103.508772 % of the issue amount is required (or a bid premium of at least \$40,000.00);
- ***Application of Bid Premium:*** Bid premium in excess of \$40,000.00, if any, may be used at the pleasure of the Town to apply funds to the project that would reduce the annual amount(s) of bonds issued to finance the project;
- Should the Town apply bid premium to reduce the amount of bonds issued, the Town will apply the same percentage amount of underwriters spread per thousand to the reduced issue amount;
- Whereas *PARITY*® is apparently unable to calculate bids which include split or supplemental interest rates for a single maturity the Town expects that Bonds maturing in any one year will carry the same interest rate and each interest period shall be represented by one interest rate. However, there is no prohibition against split or supplemental interest rates for a single maturity;
- 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 represents the most favorable Present Value Savings to the Town (at the discretion of the Town), that is, the annual interest rate, compounded semiannually, which when used to discount **to the September 29, 2016 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 Kittery, Maine, c/o Moors & Cabot, Inc. – Banking & Advisory Group, 111 Devonshire Street, Boston, MA 02109-5483;
- (b) Although telephone bids will not be accepted by the Town, the Financial Advisor will prepare sealed bids as agent for the bidder, per telephone instructions received at (617) 314-0258 *prior to sale time on Tuesday, September 13, 2016*. The Financial Advisor shall not be responsible for any errors or omissions in connection with bids submitted as agent on behalf of bidders. The Financial Advisor may be contacted as follows:

Joseph P. Cuetara, Senior Vice President  
Moors & Cabot, Inc. – Banking & Advisory Group  
111 Devonshire Street  
Boston, MA 02109-5483  
[jcuetara@moorscabot.com](mailto:jcuetara@moorscabot.com)

- (c) Via FACSIMILE copy to the Financial Advisor at (617) 451-0288 *received not later than sale time on Tuesday, September 13, 2016*; or
- (d) Electronically via i-Deal<sup>SM</sup> *PARITY*<sup>®</sup> 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*<sup>®</sup> 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*<sup>®</sup>, that the Town neither endorses nor encourages the use of *PARITY*<sup>®</sup>, and that *PARITY*<sup>®</sup> is not acting as an agent of the Town. Instructions and forms for submitting electronic bids must be obtained directly from *PARITY*<sup>®</sup>. For further information about *PARITY*<sup>®</sup>, potential bidders should contact Dalcomp at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

The Town assumes no responsibility for ensuring or verifying bidder compliance with *PARITY*<sup>®</sup> procedures. The Town shall be entitled to assume that any bid received via *PARITY*<sup>®</sup> has been made by a duly authorized agent of the bidder. The Town, the Financial Advisor and Bond Counsel assume no responsibility for any malfunction of the *PARITY*<sup>®</sup> system, any failure of a bid to be received at 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*<sup>®</sup> as the official time. In the event of a malfunction of the *PARITY*<sup>®</sup> 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 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 Financial 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 Kittery, Maine and the Bonds is contained in the Preliminary Official Statement dated September 2, 2016 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 Issuer’s Preliminary Official Statement dated September 2, 2016 may be obtained by contacting: Moors & Cabot, Inc. – Banking & Advisory Group, 111 Devonshire Street, Boston, MA 02109-5483; 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 a “nationally recognized municipal securities information repository”, 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. A description of this undertaking is set forth in 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 a completed DTC Eligibility Questionnaire and the MSRB Form G-36(OS) 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 acceptable to Bond Counsel which certificate shall set forth the prices at which the successful bidder sold *or reasonably expected to sell* on September 13, 2016, the date of sale of the Bonds, at least ten percent (10%) of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) and in which certificate the successful bidder shall certify that (i) each maturity of the Bonds has been the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the price indicated for such maturity, and (ii) the successful bidder had no reason to believe that any maturity of the Bonds would be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the price, or yields less than the yield, indicated for such maturity. In the event that the Bonds shall be held by the successful bidder for investment and not to be offered for resale to the public, the successful bidder shall specify in such certificate the purchase price being paid by the successful bidder to the Town for each such maturity. The certificate shall also set forth the arbitrage yield of the Bonds and state that the aggregate issue price does not exceed the fair market value of the Bonds as of such date of sale. The certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after appropriate investigation. 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.

By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

The Town reserves the right to make changes to the Notice of Sale and also reserves the right, to postpone, from time to time, the date and time established for receipt of bids. ANY SUCH POSTPONEMENT WILL BE ANNOUNCED NOT LATER THAN 1:00 P.M. ON THE LAST BUSINESS DAY PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. If any date and time fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative date and time will be announced at least 48 hours prior to such alternative sale date. On any such alternative sale date and time, 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 and time of the sale and except for any changes announced at the time the alternative sale date and time are announced.

Moors & Cabot, Inc. has acted as Financial 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 or participate in an underwriting syndicate for the public bidding of the Bonds.

It is expected that the Bonds, in definitive form, will be available for delivery on or about September 29, 2016, against payment of the purchase price in Federal Reserve funds payable to the order of the "Town of Kittery, Maine", and will be delivered to The Depository Trust Company, New York City, New York.

TOWN OF KITTERY, MAINE

September 2, 2016

By: Carol M. Granfield  
Treasurer

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[PROPOSED FORM OF BID LETTER]

TOWN OF KITTERY, MAINE  
\$1,140,000  
2016 GENERAL OBLIGATION REFUNDING BONDS

Sale Date: September 13, 2016

Carol M. Granfield, Treasurer  
Town of Kittery  
c/o Moors & Cabot, Inc.  
Banking & Advisory Group  
111 Devonshire Street  
Boston, MA 02109-5483

Dear Ms. Granfield:

In accordance with the provision of the Notice of Sale dated September 2, 2016, which Notice is made a part of this proposal, we offer to purchase \$1,140,000 2016 General Obligation Refunding Bonds of the Town of Kittery, Maine, at par and accrued interest to date of delivery plus a premium of \$\_\_\_\_\_<sup>(†)</sup>, which represents a TIC of \_\_\_\_\_%, and bearing interest at the rates of:

<u>November 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>
2017	\$125,000	_____ %
2018	115,000	_____ %
2019	115,000	_____ %
2020	115,000	_____ %
2021	115,000	_____ %
2022	115,000	_____ %
2023	110,000	_____ %
2024	110,000	_____ %
2025	110,000	_____ %
2026	110,000	_____ %

NOTE: <sup>(†)</sup> **MINIMUM BID:** A minimum bid of 103.508772% of the issue amount is required (or a bid premium of at least \$40,000.00); To the extent that Bid Premium exceeds \$40,000.00 the Town reserves the option to apply all or any portion of such Bid Premium to reduce annual principal amounts of the Bonds.

The undersigned hereby acknowledges receipt of the Preliminary Official Statement dated September 2, 2016, referred to in the Notice of Sale dated September 2, 2016, 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 September 29, 2016:**

Total Interest Expense	\$
(Less Premium)	(\$ _____)
Net Total Interest Expense	\$ _____
True Interest Rate (TIC)	_____ %

Respectfully submitted,

\_\_\_\_\_  
(Company) (DTC #)

\_\_\_\_\_  
(By)

\_\_\_\_\_  
(Address)

( \_\_\_\_\_ )

\_\_\_\_\_  
(Telephone)

**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) 451-0288.**

