

TOWNSHIP OF RARITAN

COUNTY OF HUNTERDON, NEW JERSEY

RESOLUTION #16-171

**RESOLUTION DETERMINING THE FORM AND OTHER
DETAILS OF NOT EXCEEDING \$6,000,000 REFUNDING
BONDS OF THE TOWNSHIP OF RARITAN, IN THE
COUNTY OF HUNTERDON, NEW JERSEY AND
PROVIDING FOR THE SALE AND THE DELIVERY OF
SUCH BONDS**

BE IT RESOLVED BY TOWNSHIP COMMITTEE OF THE TOWNSHIP OF RARITAN, IN THE COUNTY OF HUNTERDON, NEW JERSEY (with not less than two-thirds of the full membership thereof affirmatively concurring) AS FOLLOWS:

Section 1. The Township of Raritan, in the County of Hunterdon, New Jersey (referred herein as the "Township" or "Township") hereby authorizes the sale of not to exceed \$6,000,000 Refunding Bonds (the "Bonds") by virtue of its final adoption by a two-thirds majority of its full membership on July 19, 2016 of a bond ordinance entitled, "Refunding Bond Ordinance of the Township of Raritan, in the County of Hunterdon, New Jersey, Providing for the Refunding of All or a Portion of the Outstanding Callable General Improvement Bonds of the Township, Dated July 15, 2005, Issued in the Original Principal Amount of \$7,900,000, and/or All or a Portion of the Outstanding Callable General Improvement Bonds of the Township dated August 3, 2010, Issued in the Original Principal Amount of \$7,348,000, Appropriating \$6,000,000 Therefor and Authorizing the Issuance of \$6,000,000 Refunding Bonds of the Township for Financing the Cost Thereof."

Section 2. The Bonds are hereby authorized to be sold to TD Bank, N.A. (the "Purchaser") at a rate of 1.27% per annum in accordance with the term sheet submitted by the Purchaser (the "Term Sheet"). The Term Sheet is attached hereto as Exhibit A. The purchase price for the Bonds will equal the par amount of the Bonds. The Chief Financial Officer is hereby authorized to accept the terms of the Term Sheet on behalf of the Township for the sale of the Bonds to the Purchaser in accordance with the provisions of this resolution.

Section 3. The Bonds are being issued to incur interest cost savings by redeeming all of the outstanding callable general improvement bonds of the Township originally issued in the principal amount of \$7,900,000 dated July 15, 2005, which bonds maturing on or after July 15, 2016 (the "2005 Refunded Bonds") are redeemable at the option of the Township in whole or in part on any date (the "2005 Redemption Date") at a redemption price equal to 100% of such 2005 Refunded Bonds (the "2005 Redemption Price") and/or by redeeming all or a portion of the callable outstanding general improvement bonds of the Township originally issued in the principal amount of \$7,348,000 dated August 3, 2010, which bonds maturing on or after August 1, 2021 (the "2010 Refunded Bonds") are redeemable at the option of the Township in whole or in part on

any date on or after August 1, 2020 at par (the "2010 Redemption Price"), plus in each case accrued interest, if any, to the date fixed for redemption. The 2005 Refunded Bonds and the 2010 Refunded Bonds may be collectively referred to herein as the "Refunded Bonds." The 2005 Redemption Date and the 2010 Redemption Date may be collectively referred to herein as the "Redemption Date." The 2005 Redemption Price and the 2010 Redemption Price may be collectively referred to herein as the "Redemption Price." Proceeds of the Bonds will be used to provide for the refunding and the costs of issuance necessary for the issuance of the Bonds.

Section 4. The Bonds shall be issued in accordance with the terms and the conditions set forth in the Term Sheet within the parameters set forth herein:

(A) The Bonds shall be issued in the par amount of not to exceed \$6,000,000 as determined by the Chief Financial Officer with the advice of Phoenix Advisors, LLC (the "Financial Advisor"). The proceeds of the Bonds will pay costs of issuance and will provide for payment of the Redemption Price, or the amount necessary to fund an escrow which when invested will be sufficient to pay the Redemption Price, of the Refunded Bonds on the Redemption Date and the interest due on the Refunded Bonds through the Redemption Date;

(B) The Bonds shall be dated the date of delivery or as otherwise established by the Chief Financial Officer with the advice of the Financial Advisor;

(C) The Bonds shall mature in the principal amounts on August 15 of each year, commencing on August 15, 2017 and annually thereafter until August 15, 2025 as determined by the Chief Financial Officer with the advice of the Financial Advisor and shall bear interest at the interest rate per annum set forth in the Term Sheet on the unpaid principal balance on each February 15 and August 15 until maturity, commencing on August 15, 2017 and ending August 15, 2025;

(D) The Bonds shall be issued in the form of one bond for each maturity or as determined by Bond Counsel;

(E) The Bonds shall be numbered consecutively from R-1 upward and shall mature in such principal amounts as set forth herein; and

(F) The Bonds are not subject to optional redemption.

Section 4. The Bonds shall be substantially in the following form with such additions, deletions and omissions as may be necessary for the Township to market the Bonds:

REGISTERED
NUMBER R-1

REGISTERED
\$_____

UNITED STATES OF AMERICA
STATE OF NEW JERSEY

TOWNSHIP OF RARITAN,
IN THE COUNTY OF HUNTERDON

REFUNDING BOND

The TOWNSHIP OF RARITAN, IN THE COUNTY OF HUNTERDON, NEW JERSEY (the "Township"), hereby acknowledges itself indebted and for value received promises to pay to TD Bank, N.A. or its registered assigns, on each annual maturity date commencing August 15, 2017 specified in Schedule A which is attached hereto, the principal amount set forth for such dates in Schedule A for the aggregate principal sum of _____ DOLLARS (\$_____) and to pay interest on the outstanding principal of such sum from the dated date at the rate of interest per annum specified in the attached Schedule A payable by check or draft mailed or delivered semiannually on the fifteenth days of February and August in each year until August 15, 2025 (the "Final Maturity"), commencing August 15, 2017. Interest on this bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both the principal of and the interest on this bond are payable in lawful money of the United States of America. The final principal installment shall be payable at Final Maturity upon presentation and surrender of this bond.

This bond is transferable by delivery only upon the books of the Township by the registered owner hereof in person, or by its attorney, duly authorized in writing upon surrender hereof, together with written instrument of transfer satisfactory to the Township, and thereupon the Township will issue in the name of the transferee a new registered bond or bonds of the same aggregate principal amount, maturity and interest rate as the surrendered bond.

The bonds of this issue are not subject to redemption prior to their stated maturities.

This bond is one of an authorized issue of bonds and is issued pursuant to the Local Bond Law of the State of New Jersey and a refunding bond ordinance of the Township finally adopted July 19, 2016 and entitled, "Refunding Bond Ordinance of the Township of Raritan, in the County of Hunterdon, New Jersey, Providing for the Refunding of All or a Portion of the Outstanding Callable General Improvement Bonds of the Township, Dated July 15, 2005, Issued in the Original Principal Amount of \$7,900,000, and/or All or a Portion of the Outstanding Callable General Improvement Bonds of the Township dated August 3, 2010, Issued in the Original Principal Amount of \$7,348,000, Appropriating \$6,000,000 Therefor and Authorizing the Issuance of \$6,000,000 Refunding Bonds of the Township for Financing the Cost Thereof," in all respects duly approved and published as required by law.

The full faith and credit of the Township 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 Township, is within every debt and other limit prescribed by such constitution or statutes.

IN WITNESS WHEREOF, the TOWNSHIP OF RARITAN, IN THE COUNTY OF HUNTERDON, New Jersey has caused this bond to be executed in its name by the manual or facsimile signature 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 Clerk, and this bond to be dated the Dated Date as specified above.

[SEAL]

TOWNSHIP OF RARITAN, IN THE
COUNTY OF HUNTERDON, NEW
JERSEY

ATTEST:

By: _____ (Facsimile)
Mayor

By: _____
Clerk

By: _____ (Facsimile)
Chief Financial Officer

Section 5. The Township hereby authorizes the sale of the Bonds through a private sale by the Chief Financial Officer pursuant to N.J.S.A. 40A:2-59. In consultation with Bond Counsel and the Financial Advisor to the Township, the Chief Financial Officer is authorized to revise the interest payment dates, principal payments amounts, the form of the Bond and the number of maturities provided for herein between the sale date and closing date on such Bonds. The Township hereby designates the Chief Financial Officer to sell and to award the Bonds in accordance with the Term Sheet. Any actions taken prior hereto are hereby ratified.

Section 6. The Bonds shall have printed thereon a copy of the written opinion with respect to the Bonds that is to be rendered by Bond Counsel, complete except for omission of its date.

Section 7. Bond Counsel is authorized to arrange for the printing of the Bonds.

Section 8. The Township hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended, 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. The Township authorizes the Chief Financial Officer to act and determine on behalf of the Township whether the Bonds will be designated as "bank qualified" within the meaning of Section 265 of the Code.

Section 9. The Chief Financial Officer is hereby authorized to make representations and warranties, if necessary, to enter into agreements and to make all arrangements with any paying agent or escrow agent as may be necessary in order to provide that the Bonds will be eligible

for deposit with the paying agent or escrow agent and to satisfy any obligation undertaken in connection therewith.

Section 10. The Chief Financial Officer is authorized to invest the proceeds of the Bonds in investment obligations or deposits as permitted in accordance with New Jersey law and to arrange for an escrow deposit agreement with an escrow agent as necessary. The appropriate officers of the Township are authorized to execute the Bonds and any agreement authorized herein on behalf of the Township. The Mayor, the Chief Financial Officer and Bond Counsel are hereby authorized to take the necessary actions to fulfill the intent and requirements of this resolution.

Section 11. The \$400,000 made available to the Township for open space shall be used for the payment of open space bonds.

Section 12. This resolution shall take effect immediately.

ATTEST:

TOWNSHIP COMMITTEE OF
THE TOWNSHIP OF RARITAN

William Bray
Acting Township Clerk

Karen Gilbert
Mayor

I, William Bray, Acting Township Clerk of the Township of Raritan, hereby certify the foregoing resolution to be a true, complete and accurate copy of a resolution adopted by the Township Committee at a meeting held on July 28, 2016.

William Bray
Acting Township Clerk

Vote-5-0, Motion carried.

Roll Call	Moved	Seconded	Ayes	Nays	Abstain	Absent
Richard Chen, Committee Member			X			
Michael Mangin, Deputy Mayor			X			
Craig O'Brien, Committee Member			X			
Lou Reiner, Committee Member		X	X			
Karen Gilbert, Mayor	X		X			