

RESOLUTION 2014-334

RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF GENERAL OBLIGATION REFUNDING BONDS AND PROVIDING FOR THE SALE AND THE DELIVERY OF SUCH GENERAL OBLIGATION REFUNDING BONDS TO NW CAPITAL MARKETS INC.

BE IT RESOLVED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF
BARNEGAT, IN THE COUNTY OF OCEAN, NEW JERSEY (**not less than two-thirds of all
members thereof affirmatively concurring**) AS FOLLOWS:

Section 1. (a) General Obligation Refunding Bonds, in an amount not exceeding
\$4,200,000 which shall be issued in two separate series of bonds, consisting of General
Improvement Refunding Bonds, Series 2014 (the "GI Refunding Bonds") and Water/Sewer
Utility Refunding Bonds, Series 2014 (the "Water/Sewer Refunding Bonds", and together with
the GI Refunding Bonds, the "Refunding Bonds") of the Township of Barnegat, in the County of
Ocean (the "Township") are hereby authorized to be issued and sold as "Refunding Bonds" (or
sometimes referred to herein as the "Bonds").

(b) In order to effectuate the Refunding Plan (defined herein), the Mayor or Chief
Financial Officer shall determine the actual aggregate principal amount of the Refunding Bonds
to be issued (including the principal amount of each of the GI Refunding Bonds and the
Water/Sewer Refunding Bonds); provided that such determination shall be consistent with the
refunding provisions of the Internal Revenue Code as described in the refunding bond ordinance
finally adopted by the Township Committee on July 28, 2014 entitled, "REFUNDING BOND
ORDINANCE OF THE TOWNSHIP OF BARNEGAT, IN THE COUNTY OF OCEAN, NEW
JERSEY, PROVIDING FOR THE REFUNDING OF ALL OR A PORTION OF THE
TOWNSHIP'S GENERAL OBLIGATION BONDS, SERIES 2005, HERETOFORE ISSUED
TO FINANCE CAPITAL IMPROVEMENTS, APPROPRIATING AN AMOUNT NOT

EXCEEDING \$4,200,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,200,000 GENERAL OBLIGATION REFUNDING BONDS OF THE TOWNSHIP OF BARNEGAT FOR FINANCING THE COST THEREOF" (the "Refunding Ordinance") and be within the parameters set forth in Section 2 of this resolution. The signature of the Mayor or Chief Financial Officer on the Purchase Contract (defined herein) authorized in Section 2 hereof shall constitute evidence of the approval of such actual principal amounts.

Section 2. The Refunding Bonds are hereby authorized to be sold to NW Capital Markets Inc. (the "Underwriter") in accordance with a purchase contract to be entered into by and between the Underwriter and the Township. The Mayor or the Chief Financial Officer, are hereby authorized to execute and, on behalf of the Township, negotiate a purchase contract substantially in the form attached hereto as Exhibit A (the "Purchase Contract") with the Underwriter in the form satisfactory to bond counsel and upon terms satisfactory to the Mayor or the Chief Financial Officer for the sale of the Refunding Bonds to the Underwriter in accordance with the provisions of this resolution, provided that (i) the underwriter's discount shall not exceed \$6.00 per bond, and (ii) the terms of the sale of the Refunding Bonds and the Refunding Plan (hereinafter defined) are in accordance with the provisions of N.J.S.A. 40A:2-51 and N.J.A.C. 5:30-2.5 (which does not require the approval of the New Jersey Local Finance Board, provided the conditions therein are satisfied). The signature of the Mayor or the Chief Financial Officer on the Purchase Contract shall be conclusively presumed to evidence any necessary approvals.

Section 3. (a) The Refunding Bonds of each series shall be issued in the par amounts determined by the Mayor or the Chief Financial Officer to be necessary to (collectively, the "Refunding Plan") pay costs of issuance and to provide a deposit to one or more escrow funds that, when invested, will be sufficient to advance refund the Township's outstanding principal amount of General Improvement Bonds, Series 2005 dated May 15, 2005 and

Water/Sewer Utility Bonds, Series 2005, dated May 15, 2005, namely those bonds of each series maturing on May 15 in the years 2016 through 2020 (the "2005 Refunded Bonds") and to call for redemption the 2005 Refunded Bonds on such date determined by the Mayor or Chief Financial Officer, at the option of the Township at a redemption price of 100% of the principal amount of such 2005 Refunded Bonds to be redeemed plus any unpaid accrued interest to such date. The Bonds of each series shall mature as set forth in paragraphs (f) and (g) below.

(b) The Refunding Bonds shall bear interest at rates agreed to by the Mayor or Chief Financial Officer as provided in the Purchase Contract, such rates to be set to assure that the Township achieves at least a 3% net present value debt service savings measured against each series of the Refunded Bonds.

(c) The Refunding Bonds may be subject to redemption prior to their stated maturities as determined by the Mayor or Chief Financial Officer as part of the sale and as shall be set forth in the Purchase Contract.

(d) The Refunding Bonds shall be dated their date of delivery or such other date consistent with the date of sale and shall bear interest at the rates per annum as the Mayor or Chief Financial Officer shall determine.

(e) The Refunding Bonds shall be numbered and have such prefix or prefixes as determined necessary by the Mayor or Chief Financial Officer and be sold and issued with such serial maturities or with such term bond maturities payable from mandatory sinking fund payments made by the Township as determined in the Purchase Contract.

(f) The Refunding Bonds shall mature on May 15 in each year, in the principal amounts as may be determined by the Mayor or Chief Financial Officer, commencing May 15, 2016, and shall bear interest payable semiannually on November 15 and May 15 in each year until maturity commencing November 15, 2014 (or such other dates as shall be determined by

the Mayor or Chief Financial Officer and set forth in the Purchase Contract), at the rates per annum on such maturity dates as may be determined by the Mayor or Chief Financial Officer and as set forth in the Purchase Contract.

(g) The Refunding Bonds of each series will be issued in fully registered form. One certificate shall be issued for the aggregate principal amount of each series of Refunding Bonds maturing in each year. Both principal of and interest on the Refunding Bonds will be payable in lawful money of the United States of America. Each certificate will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Jersey City, New Jersey, which will act as securities depository (the "Securities Depository"). The certificates will be on deposit with The Depository Trust Company. The Depository Trust Company will 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 will be responsible for maintaining records recording the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$1,000 or any integral multiple thereof, with a minimum purchase of \$5,000 through book-entries made on the books and the records of The Depository Trust Company and its participants except that an amount maturing in any one year in excess of the largest principal amount thereof equaling a multiple of \$1,000 or any integral multiple thereof. The principal of and the interest on the Bonds will be paid to the Securities Depository by the Township on the respective maturity dates and due dates and will be credited on the respective maturity dates and due dates to the participants of The Depository Trust Company as listed on the records of The Depository Trust Company as may be determined by the Mayor or Chief Financial Officer (the "Record Dates" for the Bonds). The Refunding Bonds shall be executed by the manual or facsimile signatures of the Mayor and the Chief Financial Officer under the official seal or facsimile thereof affixed, printed, engraved or

reproduced thereon and attested by the manual signature of the Township Clerk.

(h) The following matters are hereby determined with respect to the Refunding Bonds:

Designation:	General Improvement Refunding Bonds, Series 2014 and Water/Sewer Utility Refunding Bonds, Series 2014.
Qualification:	The Refunding Bonds <u>will be</u> designated as “qualified obligations” for the purposes of Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986.
Date of Bonds:	Date of Delivery.
Principal Payment Dates:	May 15, commencing May 15, 2016 (or such other dates as are determined by the Mayor or Chief Financial Officer).
Interest Payment Dates:	November 15 and May 15, commencing November 15, 2014 (or such other dates as are determined by the Mayor or Chief Financial Officer).
Redemption	As may be determined by the Mayor or Chief Financial Officer.
Place of Payment:	The Depository Trust Company (“DTC”), and the Township will pay DTC directly.

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

REGISTERED
NUMBER A. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF NEW JERSEY
COUNTY OF OCEAN

TOWNSHIP OF BARNEGAT

**B. [GENERAL IMPROVEMENT] [WATER/SEWER UTILITY] REFUNDING BOND,
SERIES 2014**

DATE OF
ORIGINAL
ISSUE:

MATURITY
DATE:

RATE OF INTEREST
PER ANNUM:

CUSIP:

___/___/___

___/___/___

_____%

TOWNSHIP OF BARNEGAT, in the County of Ocean, New Jersey (the "Township") hereby acknowledges itself indebted and for value received promises to pay to CEDE & CO., as nominee of The Depository Trust Company, which will act as Securities Depository, on the Maturity Date specified above, the principal sum of _____ DOLLARS (\$_____), and to pay interest on such sum from the Date of Original Issue of this bond until it matures at the Rate of Interest Per Annum specified above semiannually on the first days of _____ and _____ in each year until maturity, commencing on _____, 20____. Interest on this bond will be paid to the Securities Depository by the Township and will be credited to the participants of The Depository Trust Company as listed on the records of The Depository Trust Company as of the ____ day of _____ and ____ next preceding the date of such payments (the "Record Dates" for such payments). Principal of this bond, upon presentation and surrender to the Township will be paid to the Securities Depository by the Township and will be credited to the participants of The Depository Trust Company.

This bond is not transferable as to principal or interest except to an authorized nominee of The Depository Trust Company. The Depository Trust Company shall be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of the interests among its participants. The participants are responsible for maintaining records regarding the beneficial ownership interests in the bonds on behalf of individual purchasers.

This bond is one of an authorized issue of bonds issued pursuant to the Local Bond Law of the State of New Jersey, a bond ordinance of the Township finally adopted _____, 2014 entitled, "REFUNDING BOND ORDINANCE OF THE TOWNSHIP OF BARNEGAT, IN THE COUNTY OF OCEAN, NEW JERSEY, PROVIDING FOR THE REFUNDING OF ALL OR A PORTION OF THE TOWNSHIP'S GENERAL OBLIGATION BONDS, SERIES 2005, HERETOFORE ISSUED TO FINANCE CAPITAL IMPROVEMENTS, APPROPRIATING AN AMOUNT NOT EXCEEDING \$4,200,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,200,000 GENERAL OBLIGATION REFUNDING

BONDS OF THE TOWNSHIP OF BARNEGAT FOR FINANCING THE COST THEREOF" and a resolution of the Township adopted _____, 2014 in all respects duly approved and published as required by law.

The Bonds are not subject to redemption prior maturity.

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 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 BARNEGAT has caused this bond to be executed in its name by the manual or facsimile signatures 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 the Clerk of the Township, and this bond to be dated the Date of Original Issue as specified above.

TOWNSHIP OF BARNEGAT, IN THE
COUNTY OF OCEAN, NEW JERSEY

By: _____ (Facsimile)
Mayor

ATTEST:

By: _____
Clerk

By: _____ (Facsimile)
Chief Financial Officer

Section 5. In each of the GI Refunding Bonds the following language should be inserted in the places indicated by the corresponding letter in the form of the GI Refunding Bonds:

- A. RGI-__.
- B. General Improvement

Section 6. In each of the Water/Sewer Refunding Bonds the following language should be inserted in the places indicated by the corresponding letter in the form of the Sewer

Refunding Bonds:

A. RSU-__.

B. Sewer Utility

Section 7. The law firm of GluckWalrath LLP is authorized to arrange for the printing of the Refunding Bonds. The proper officials of the Township are hereby authorized and directed to execute the Refunding Bonds and to deliver them to or upon the order of the Underwriter upon receipt of payment therefor.

Section 8. By purchasing the Refunding Bonds pursuant to the Purchase Contract, the Underwriter shall agree to the following:

(a) Payment shall be in immediately available funds.

(b) The Underwriter shall inform the Township in writing of the yield at which a substantial amount of the Refunding Bonds of each series are sold to the public, such amount being sufficient to satisfy the requirements of bond counsel.

Section 9. The Township hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986 (the "Code") in order to preserve the exemption from taxation of interest on the Refunding Bonds, including the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Refunding Bonds, and that it will refrain from taking any action that would adversely affect the tax exemption of the Refunding Bonds under the Code.

Section 10. The distribution by the Township of a Preliminary Official Statement in substantially the form attached hereto as Exhibit B (the "Preliminary Official Statement") is hereby authorized and/or ratified, and the use of the information contained therein concerning the Township in connection with the sale of the Refunding Bonds is hereby approved and authorized. The Mayor or the Chief Financial Officer of the Township is hereby authorized and

directed to execute and deliver to the Underwriter the final Official Statement with such changes from the Preliminary Official Statement as counsel may advise and the officer executing the same may approve, such approval to be evidenced by such officer's execution thereof. The Mayor or the Chief Financial Officer is hereby authorized to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

Section 11. The Mayor or Chief Financial Officer is hereby authorized to make representations and warranties, to enter into agreements and to make all arrangements with The Depository Trust Company, Jersey City, New Jersey, as may be necessary in order to provide that the Refunding Bonds will be eligible for deposit with The Depository Trust Company and to satisfy any obligation undertaken in connection therewith.

Section 12. In the event that The Depository Trust Company may determine to discontinue providing its service with respect to the Refunding Bonds or is removed by the Township and if no successor Securities Depository is appointed, the Refunding Bonds which were previously issued in book-entry form shall be converted to Registered Bonds (the "Registered Bonds") in denominations of \$1,000 or any integral multiple thereof. The beneficial owner under the book-entry system, upon registration of the Refunding Bonds held in the beneficial owner's name, will become the registered owner of such Registered Bonds. The Township shall be obligated to provide for the execution and delivery of the Registered Bonds in certificate form.

Section 13. A Continuing Disclosure Certificate in substantially the form attached hereto as Exhibit C is hereby approved, and the Mayor or Chief Financial Officer is hereby authorized and directed to execute and deliver a Continuing Disclosure Certificate on behalf of the Township in substantially such form, with such insertions and changes therein as the Mayor or Chief Financial Officer may approve, such approval to be evidenced by his execution thereof.

Section 14. The Refunding Bonds are being issued to effectuate the Refunding Plan.

Section 15. Phoenix Advisors, LLC is hereby appointed as Financial Advisor (the "Financial Advisor") for the Township in connection with the issuance of the Refunding Bonds.

Section 16. TD Bank, National Association, Cherry Hill, New Jersey is hereby appointed as Escrow Agent (the "Escrow Agent") for the Refunded Bonds.

Section 17. To effectuate the Refunding Plan, the Township hereby approves the preparation and the execution of an escrow agreement by and between the Township and the Escrow Agent, said escrow agreement to be in substantially the form attached hereto as Exhibit D (the "Escrow Agreement"), which is hereby approved, and the Mayor or Chief Financial Officer is hereby authorized and directed to execute and deliver the Escrow Agreement on behalf of the Township in substantially such form, with such insertions and changes therein as the Mayor or Chief Financial Officer may approve, such approval to be evidenced by his execution thereof. The Escrow Agreement shall also provide for the payment of costs of issuance of the Refunding Bonds. The Mayor or Chief Financial Officer is hereby authorized to direct the Escrow Agent to pay the costs incurred in connection with the sale and the issuance of the Refunding Bonds from the proceeds derived from the sale of the Refunding Bonds in accordance with the terms of a certificate of the Mayor or Chief Financial Officer to be executed upon delivery of the Refunding Bonds. The Township's Financial Advisor, the Underwriter and the Escrow Agent are each hereby authorized on behalf of the Township to apply for United States Treasury Securities - State and Local Government Series and, the Chief Financial Officer is hereby authorized to appoint a bidding agent of the Township to the extent open market securities are purchased for the escrow funds for the Refunded Bonds, all in accordance with the Escrow Deposit Agreement. The Underwriter, the Financial Advisor and the Escrow Agent are each authorized to submit applications for such investments.

Section 18. Holman Frenia Allison, P.C., Toms River, New Jersey is hereby appointed as Verification Agent who shall verify the mathematical computations performed initially by the Underwriter and related to the Refunding Bonds, the Refunded Bonds and the investment of certain funds in accordance with the terms of the Escrow Agreement.

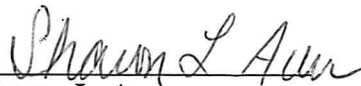
Section 19. The Mayor and/or the Chief Financial Officer are hereby authorized and directed to take all actions necessary and appropriate to procure bond insurance in respect of the Refunding Bonds, provided that the cost of said bond insurance does not exceed \$25,000. Such officers are further authorized and directed to execute all documents and certificates as may be necessary in connection with the purchase of such bond insurance.

Section 20. The Mayor, the Chief Financial Officer, the Clerk and other appropriate representatives of the Township are hereby authorized to take all steps necessary to provide for the issuance of the Refunding Bonds and the refunding of the Refunded Bonds, including preparing and executing such agreements and documents on behalf of the Township and taking all steps necessary or desirable to implement the terms of this resolution, such agreements and documents as may be necessary and appropriate and the transactions contemplated thereby.

Section 21. This resolution shall take effect on the date the Refunding Ordinance becomes effective.

CERTIFICATION

I, Sharon L. Auer, Acting Municipal Clerk of the Township of Barnegat, County of Ocean, State of New Jersey do hereby certify that the foregoing Resolution was duly adopted by the Township Committee at a special Committee Meeting held on the 14th day of July 2014, in the Municipal Courtroom, 900 West Bay Avenue, Barnegat.


Sharon L. Auer
Acting Municipal Clerk

