\* \* \* \* \* \* \* \* \* \*

Member <u>Joseph Darocha</u> introduced and moved the adoption of the following resolution and Member <u>Diane Burgess</u> seconded the motion:

RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF FRANKLIN, IN THE COUNTY OF HUNTERDON, NEW JERSEY, COVENANTING TO COMPLY WITH THE PROVISIONS OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, APPLICABLE TO THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON OBLIGATIONS ISSUED BY THE TOWNSHIP OF FRANKLIN, AUTHORIZING THE MAYOR, TOWNSHIP CLERK, CHIEF FINANCIAL OFFICER AND OTHER TOWNSHIP OFFICIALS TO TAKE SUCH ACTION AS THEY MAY DEEM NECESSARY OR ADVISABLE TO EFFECT SUCH COMPLIANCE AND DESIGNATING A \$162,500 BOND ANTICIPATION NOTE, DATED AUGUST 18, 2017 AND PAYABLE AUGUST 17, 2018, AS A "QUALIFIED TAX-EXEMPT OBLIGATION" PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

WHEREAS, the Township of Franklin, in the County of Hunterdon, New Jersey (the "Township"), from time to time issues bonds, notes and other obligations, the interest on which is excluded from gross income for Federal income tax purposes, and desires to take such action as may be necessary or advisable to establish and maintain such exclusion; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), contains provisions with respect to the exclusion from gross income for Federal income tax purposes of interest on

obligations, including provisions, among others, that require issuers of tax-exempt obligations, such as the Township, to account for and rebate certain arbitrage earnings to the United States Treasury and to take such other action to establish and maintain such Federal tax exclusion; and

WHEREAS, the Township intends to issue a \$162,500 Bond Anticipation Note, dated August 18, 2017 and payable August 17, 2018 (the "Note"); and

WHEREAS, the Township desires to designate the Note as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Franklin, in the County of Hunterdon, New Jersey, as follows:

SECTION 1. The Township Committee hereby covenants on behalf of the Township, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on bonds, notes or other obligations of the Township (including the Note) be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code.

SECTION 2. The Mayor, Township Clerk, Chief Financial Officer and other officials of the Township are hereby authorized and directed to take such action, make such representations and give such assurances as they may deem necessary or advisable to effect compliance with the Code.

SECTION 3. The Note is hereby designated as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code.

SECTION 4. It is hereby determined and stated that (1) the Note is not a "private activity bond" as defined in the Code and (2) the Township and its subordinate entities, if any, do not reasonably anticipate issuing in excess of \$10 million of new money tax-exempt obligations (other than private activity bonds) during the calendar year 2017.

SECTION 5. It is further determined and stated that the Township has not, as of the date hereof, issued any taxexempt obligations (other than the Note) during the calendar year 2017.

SECTION 6. The Township will, to the best of its ability, attempt to comply with respect to the limitations on issuance of tax-exempt obligations pursuant to Section 265(b)(3) of the Code; however, the Township does not covenant to do so, and hereby expressly states that a covenant is not made hereby.

SECTION 7. The issuing officers of the Township are hereby authorized to deliver a certified copy of this resolution to the original purchaser of the Note and to further provide such original purchaser with a certificate of obligations issued during the calendar year 2017 dated as of the date of delivery of the Note.

 $\underline{\mathtt{SECTION}}$  8. This resolution shall take effect immediately upon its adoption.

The foregoing resolution was adopted by the following roll call vote:

AYES: Burgess, Repmann, Darocha, Blew

Absent at Volt: Soloway

NAYS:

[SEAL]

ATTEST: Ursular Stryku
Township Clerk

And I

2017-57

STATE OF NEW JERSEY )
: ss.:
COUNTY OF HUNTERDON )

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Township this \_\_\_\_\_ day of \_\_\_\_\_\_ day of \_\_\_\_\_\_\_.

[SEAL]

Township Clerk

Township of Franklin County of Hunterdon

State of New Jersey

## DETERMINATION AND AWARD CERTIFICATE

(\$162,500 BOND ANTICIPATION NOTE)

TOWNSHIP OF FRANKLIN, COUNTY OF HUNTERDON, NEW JERSEY

- I, JOHN E. BARRETT, Chief Financial Officer of the Township of Franklin, in the County of Hunterdon, New Jersey (herein called "Issuer"), HEREBY CERTIFY as follows:
- 1. By virtue of the authority conferred upon me by two bond ordinances adopted by the Township Committee of the Issuer on July 10, 2008 (Ord. No. 2008-12, as amended by Ord. No. 2012-16 adopted on July 26, 2012) and June 10, 2010 (Ord. No. 2010-04), I have determined to issue a Bond Anticipation Note (herein called the "Note") of the Issuer in accordance with the following description:

TOTAL PRINCIPAL AMOUNT: \$162,500

DATED:

August 18, 2017

MATURITY:

August 17, 2018 (non-callable)

NUMBER

DENOMINATION

17-1R

\$162,500

INTEREST RATE PER ANNUM (payable at maturity): 1.50%

PLACE OF PAYMENT:

Unity Bank

64 Old Highway 22 Clinton, New Jersey

- 2. Pursuant to said authority, I have awarded and will sell the Note to Unity Bank, at the price of \$162,500 plus an amount equal to the interest on the Note accrued to the date of payment of the purchase price thereof.
- 3. No obligations of the Issuer other than the Note have been issued pursuant to the ordinances referenced above and are now outstanding.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of August, 2017.

JOHN E. BARRETT

Chief Financial Officer Township of Franklin County of Hunterdon State of New Jersey