

EXTRACT from the minutes of a regular meeting of the Township Committee of the Township of Franklin, in the County of Hunterdon, State of New Jersey held at the Franklin Township Municipal Building, 202 Sidney Road, Pittstown, New Jersey (or via Zoom Video Conferencing) on April 23, 2020 at 7:30 p.m.

PRESENT: Phil Koury (Mayor), Diane Burgess (Deputy Mayor), Sebastian Donaruma, Mike Homulak, Craig Repmann

ABSENT: None

Diane Burgess introduced and moved the adoption of the following resolution, and Sebastian Donaruma seconded the motion:

**RESOLUTION #2020-26
TOWNSHIP OF FRANKLIN, HUNTERDON COUNTY**

RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES AND DETERMINING THE FORM AND OTHER DETAILS OF THE NOT TO EXCEED \$269,000 GENERAL OBLIGATION BONDS, SERIES 2020 OF THE TOWNSHIP OF FRANKLIN, IN THE COUNTY OF HUNTERDON, STATE OF NEW JERSEY AND PROVIDING FOR THE SALE AND DELIVERY OF SUCH BONDS

BE IT RESOLVED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF FRANKLIN, IN THE COUNTY OF HUNTERDON, STATE OF NEW JERSEY, AS FOLLOWS:

Section 1. Pursuant to the provisions of N.J.S.A. 40A:2-26(f), the bonds of the Township, authorized pursuant to the bond ordinances of the Township heretofore adopted and described in Section 2 hereof, shall be combined into a single issue of General Obligation Bonds, Series 2020 in the aggregate principal amount of not to exceed \$269,000 (the "Bonds" or "General Obligation Bonds").

Section 2. (a) The principal amount of bonds authorized by each ordinance to be combined into a single issue as above provided, the bond ordinances authorizing the Bonds described by reference to the ordinance number, description and date of final adoption, amount of issue and average period of usefulness determined in each of the bond ordinances are respectively as follows:

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount of Issue</u>	<u>Useful Life</u>
2010-04	Improvement of West Sydney Road, Finally Adopted June 10, 2010	\$11,000	10 years
2018-10	Acquisition of Equipment for the Department of Public Works, Finally Adopted May 24, 2018	\$258,000	6.4 years
TOTAL		\$269,000	

(b) The average period of usefulness, computed on the basis of the amount of the General Obligation Bonds presently authorized to be issued pursuant to each of the bond ordinances and the respective periods or average periods of usefulness therein determined, is not more than 6.55 years.

(c) The General Obligation Bonds of the combined issue shall be designated "General Obligation Bonds, Series 2020" (or such other designation if such General Obligation Bonds are issued in multiple separate series to memorialize the applicable obligations of the Township) and shall mature within the average period of usefulness hereinabove determined.

(d) The General Obligation Bonds of the combined issue shall be sold and issued in accordance with the provisions of the Local Bond Law N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), that are applicable to the sale and

issuance of bonds authorized by a single bond ordinance and accordingly may be sold with other issues of bonds.

(e) None of the General Obligation Bonds described in this Section 2 hereof have been sold or issued heretofore, and the several bond ordinances described in this Section 2 have not been rescinded heretofore and now remain in full force and effect as authorizations for the respective amounts of bonds set opposite the descriptions of the bond ordinances set forth in this Section 2 hereof.

(f) The several purposes or improvements authorized by the respective bond ordinances described in this Section 2 hereof are purposes for which General Obligation Bonds may be issued lawfully pursuant to the Local Bond Law and some of such improvements or purposes, if applicable and permitted by law, a deduction may be taken in any annual or supplemental debt statement.

Section 3. The Bonds are hereby authorized to be sold to Unity Bank (referred to herein as the "Purchaser") as a private placement in accordance with the terms and conditions outlined in the "Unity Bank Loan" financial information dated April 21, 2020 (the "Term Sheet") attached hereto as Exhibit A and by this reference made a part hereof. The purchase price for the Bonds will equal the par amount of the Bonds. The Mayor and/or Chief Financial Officer are 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. In accordance with the provisions of the Local Bond Law, the Township hereby sells and awards the Bonds to Unity Bank in accordance with the provisions hereof and also in accordance with the terms of the Bond Purchase Contract by and between the Township and the Unity Bank (the "Bond Purchase Contract"), which Bond Purchase Contract is attached hereto as Exhibit B and is hereby

approved, along with such changes to any information set forth therein as Bond Counsel shall advise.

Section 4. The Bonds are being issued to currently refund a \$269,000 portion of prior Bond Anticipation Notes of the Township issued in the aggregate amount of \$319,500 maturing on April 29, 2020 and pay costs related to the issuance of the Bonds.

Section 5. 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 not to exceed \$269,000 as determined by the Chief Financial Officer;

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

(C) The Bonds shall mature in the principal amounts on or about April 15 of each year, commencing on or about April 15, 2021 and thereafter through April 15, 2025, as determined by the Chief Financial Officer, and shall bear interest at the interest rate per annum set forth in the Term Sheet on the unpaid principal balance on each April 15 and October 15 until maturity, commencing on or about April 15, 2021;

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

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

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

Section 6. The Bonds shall be substantially in the following form with such changes, additions, deletions and omissions as may be recommended by Bond Counsel:

**SAMPLE BOND FORM FOR
INFORMATIONAL PURPOSES ONLY – DO NOT COMPLETE**

REGISTERED
NUMBER T-_____

REGISTERED
\$_____

UNITED STATES OF AMERICA
STATE OF NEW JERSEY

TOWNSHIP OF FRANKLIN,
IN THE COUNTY OF HUNTERDON

GENERAL OBLIGATION BOND

DATED DATE:	MATURITY DATE:	RATE OF INTEREST PER ANNUM:
04/28/2020	4/15/2025	1.90%

TOWNSHIP OF FRANKLIN, IN THE COUNTY OF HUNTERDON, STATE OF NEW JERSEY (the "Township"), hereby acknowledges itself indebted and for value received promises to pay to Unity Bank or its registered assigns, the Principal Sum specified above payable in the amounts and on the dates specified and set forth on Schedule A attached hereto and by this reference made a part hereof. Interest is payable to the Purchaser at the corporate office of the Purchaser on each April 15 and October 15 until maturity, commencing April 15, 2021, in an amount equal to the interest accruing to each such October 15 and April 15. This Bond as to principal will be payable on the due date therefore at the corporate office of the Purchaser.

In the event that the Unity Bank is the Purchaser of the Bond and subsequently assigns the Bond to any entity other than the Unity Bank, the Township hereby acknowledges itself indebted and for value received promises to pay to the order of the assignee (the "Assignee"), the Principal Sum specified above (with any appropriate reduction for prior principal payments that were made prior to such assignment) payable in the amounts and on the dates specified and set forth on Schedule A attached to such assignment certificate and pursuant to the terms and conditions negotiated with the Assignee at the time of such assignment, and to pay interest on such sum from the date of assignment of this Bond until payment in full at the interest rates per annum and in the amounts and dates to be specified and set forth on Schedule A attached to such assignment certificate and pursuant to the terms and conditions negotiated with the Assignee at the time of such assignment.

Both principal of and interest on this Bond are payable in lawful money of the United States of America and in immediately available funds.

This Bond is one of an authorized issue of Bonds issued pursuant to the provisions of the Local Bond Law (N.J.S.A. 40A:2-1 et seq.), as amended and

supplemented, a resolution duly adopted by the Township Committee on April 23, 2020, entitled, "RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES AND DETERMINING THE FORM AND OTHER DETAILS OF THE NOT TO EXCEED \$269,000 GENERAL OBLIGATION BONDS, SERIES 2020 OF THE TOWNSHIP OF FRANKLIN, IN THE COUNTY OF HUNTERDON, STATE OF NEW JERSEY AND PROVIDING FOR THE SALE AND DELIVERY OF SUCH BONDS", and the various bond ordinances referred to therein, all such ordinances being 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, and all other amounts due under, this Bond according to its terms. This Bond is not subject to redemption prior to the stated maturities.

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 this Bond, together with all other indebtedness of the Township, is within every debt and other limit prescribed by such Constitution or statutes. The Township agrees to pay all costs and expenses, including legal fees, in connection with the administration and enforcement of this Bond.

IN WITNESS WHEREOF, THE TOWNSHIP OF FRANKLIN, IN THE COUNTY OF HUNTERDON, STATE OF 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.

TOWNSHIP OF FRANKLIN, IN THE
COUNTY OF HUNTERDON, STATE OF
NEW JERSEY

[SEAL]

ATTEST:

By: (Facsimile)
Mayor

By: _____
Clerk

By: (Facsimile)
Chief Financial Officer

[END OF SAMPLE BOND FORM]

Section 7. The Bonds shall have printed thereon a copy of the written opinion with respect to the Bonds that is to be rendered by Archer & Greiner P.C. ("Bond Counsel"), complete except for omission of its date. The Township Clerk is hereby

authorized and directed to file a signed duplicate of such written opinion in the Township Clerk's office. Alternatively, each Bond may be accompanied by the signed legal opinion or copy thereof.

Section 8. Bond Counsel is authorized to arrange for the printing of the Bonds. The proper officials of the Township are hereby authorized and directed to execute the Bonds and to deliver them to the Purchaser in exchange for payment, including accrued interest from their date to the date of delivery, if any.

Section 9. The Chief Financial Officer is also authorized to pay the costs of issuance at or after the time of closing to the various participants regarding the sale and issuance of the bonds, or Bond Counsel to pay such costs.

Section 10. The Mayor, Chief Financial Officer and other appropriate representatives of the Township are hereby authorized to take all steps necessary to provide for the issuance of the Bonds, including preparing and executing such agreements and documents on behalf of the Township and taking all steps necessary or desirable to implement the requirements of this resolution, such agreements and documents as may be necessary and appropriate and the transactions contemplated thereby. The Mayor and/or Chief Financial Officer are authorized to execute the agreements and documents necessary to complete this transaction and the Township Clerk is authorized to attest as required.

Section 11. The Township hereby covenants that it will comply with any conditions subsequently imposed by the Internal Revenue Code of 1986, as amended (the "Code"), 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, if necessary.

Section 12. This resolution shall take effect immediately.

The foregoing resolution was adopted by the following vote:

AYES: Burgess, Donaruma, Homulak, Koury, Repmann

NAYS: None

CERTIFICATE

I, CHRISTINE BURKE, Clerk of the Township of Franklin, in the County of Hunterdon, State of New Jersey, HEREBY CERTIFY that the foregoing annexed extract from the minutes of a meeting of the Township Committee duly called and held April 23, 2020 has been compared by me with the original minutes as officially recorded in my office in the minute book of the Township Committee and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to in the extract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Township this 23rd day of April, 2020.


CHRISTINE BURKE, Clerk



EXHIBIT A
TERM SHEET

Township of Franklin

County of Hunterdon, NJ

General Obligation Bonds, Series 2020

UNITY BANK LOAN

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Township of Franklin

County of Hunterdon, NJ

General Obligation Bonds, Series 2020

UNITY BANK LOAN

Sources & Uses

Dated 04/28/2020 | Delivered 04/28/2020

Sources Of Funds

Par Amount of Bonds	\$269,000.00
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Total Sources	\$269,000.00
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Uses Of Funds

Deposit to Project Construction Fund	269,000.00
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Total Uses	\$269,000.00
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Township of Franklin

County of Hunterdon, NJ

General Obligation Bonds, Series 2020

UNITY BANK LOAN

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
04/15/2021	Serial Coupon	1.900%	1.900%	52,000.00	100.000%	52,000.00
04/15/2022	Serial Coupon	1.900%	1.900%	52,000.00	100.000%	52,000.00
04/15/2023	Serial Coupon	1.900%	1.900%	54,000.00	100.000%	54,000.00
04/15/2024	Serial Coupon	1.900%	1.900%	55,000.00	100.000%	55,000.00
04/15/2025	Serial Coupon	1.900%	1.900%	56,000.00	100.000%	56,000.00
Total	-	-	-	\$269,000.00	-	\$269,000.00

Bid Information

Par Amount of Bonds	\$269,000.00
Gross Production	\$269,000.00
Bid (100.000%)	269,000.00
Total Purchase Price	\$269,000.00
Bond Year Dollars	\$808.29
Average Life	3.005 Years
Average Coupon	1.9000005%
Net Interest Cost (NIC)	1.9000005%
True Interest Cost (TIC)	1.8972624%

Township of Franklin

County of Hunterdon, NJ

General Obligation Bonds, Series 2020

UNITY BANK LOAN

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/28/2020	-	-	-	-	-
04/15/2021	52,000.00	1.900%	4,926.44	56,926.44	-
10/15/2021	-	-	2,061.50	2,061.50	-
12/31/2021	-	-	-	-	58,987.94
04/15/2022	52,000.00	1.900%	2,061.50	54,061.50	-
10/15/2022	-	-	1,567.50	1,567.50	-
12/31/2022	-	-	-	-	55,629.00
04/15/2023	54,000.00	1.900%	1,567.50	55,567.50	-
10/15/2023	-	-	1,054.50	1,054.50	-
12/31/2023	-	-	-	-	56,622.00
04/15/2024	55,000.00	1.900%	1,054.50	56,054.50	-
10/15/2024	-	-	532.00	532.00	-
12/31/2024	-	-	-	-	56,586.50
04/15/2025	56,000.00	1.900%	532.00	56,532.00	-
12/31/2025	-	-	-	-	56,532.00
Total	\$269,000.00	-	\$15,357.44	\$284,357.44	-

Yield Statistics

Bond Year Dollars	\$808.29
Average Life	3.005 Years
Average Coupon	1.9000005%
Net Interest Cost (NIC)	1.9000005%
True Interest Cost (TIC)	1.8972624%
Bond Yield for Arbitrage Purposes	1.8972624%
All Inclusive Cost (AIC)	1.8972624%

IRS Form 8038

Net Interest Cost	1.9000005%
Weighted Average Maturity	3.005 Years

Township of Franklin

County of Hunterdon, NJ

General Obligation Bonds, Series 2020

UNITY BANK LOAN

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Coupon	Price	Issuance Price	Exponent	Bond Years
04/15/2021	52,000.00	1.900%	100.000%	52,000.00	0.9638889x	50,122.22
04/15/2022	52,000.00	1.900%	100.000%	52,000.00	1.9638889x	102,122.22
04/15/2023	54,000.00	1.900%	100.000%	54,000.00	2.9638889x	160,050.00
04/15/2024	55,000.00	1.900%	100.000%	55,000.00	3.9638889x	218,013.89
04/15/2025	56,000.00	1.900%	100.000%	56,000.00	4.9638889x	277,977.78
Total	\$269,000.00	-	-	\$269,000.00	-	\$808,286.11

Description of Bonds

Final Maturity Date	4/15/2025
Issue price of entire issue	269,000.00
Stated Redemption at Maturity	269,000.00
Weighted Average Maturity = Bond Years/Issue Price	3.005 Years
Bond Yield for Arbitrage Purposes	1.8972624%

Uses of Proceeds of Issue

Proceeds used for accrued interest	-
Proceeds used for bond issuance costs (including underwriters' discount)	-
Proceeds used for credit enhancement	-
Proceeds allocated to reasonably required reserve or replacement fund	-

EXHIBIT B

BOND PURCHASE CONTRACT

**TOWNSHIP OF FRANKLIN
IN THE COUNTY OF HUNTERDON, STATE OF NEW JERSEY**

\$269,000 GENERAL OBLIGATION BONDS, SERIES 2020

BOND PURCHASE CONTRACT

April 23, 2020

Mayor and Township Committee
of the Township of Franklin
202 Sidney Road
Pittstown, New Jersey 08867

Dear Ladies and Gentlemen:

The undersigned, Unity Bank (the "Purchaser"), hereby offers to enter into this bond purchase contract (the "Purchase Contract") with the Township of Franklin, in the County of Hunterdon, State of New Jersey (the "Township") for the purchase by the Purchaser and sale by the Township of the \$269,000 General Obligation Bonds, Series 2020, which upon your acceptance of this offer, will be binding upon the Purchaser and the Township. This offer is made subject to approval and written acceptance hereof as evidenced by signatures in the spaces provided below by the Township no later than 11:00 a.m., prevailing local time, on the date hereof, unless extended by agreement of the parties. Each capitalized term used in this Purchase Contract and not otherwise defined herein shall have the meaning given to such term in the Combining/Form and Sale Resolution (as hereinafter defined).

1. **Purchase and Sale.** Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Purchaser hereby agrees to purchase from the Township, and the Township hereby agrees to sell and deliver to the Purchaser, all (but not less than all) of the \$269,000 aggregate principal amount of the Township's General Obligation Bonds, Series 2020 (the "Bonds"). The Bonds shall be issued in fully registered book-entry only form, shall be dated the date of their delivery, shall mature on the dates, shall bear interest (payable semi-annually on April 15 and October 15 in each year until maturity, commencing April 15, 2021) at the rates and in the amounts, all as set forth in the schedule attached hereto as Exhibit A and such Bonds shall be subject to assignment by the Purchaser in accordance with the Combining/Form and Sale Resolution.

It shall be a condition to the obligation of the Township to deliver the Bonds to the Purchaser, and to the obligation of the Purchaser to purchase, accept delivery of and pay

for the Bonds, that the entire amount of the Bonds to be sold pursuant to Paragraph 1 hereof shall be delivered by the Township and purchased, accepted and paid for by the Purchaser at the Closing (as defined in paragraph 9 hereof).

2. **Purchase Price.** The purchase price ("Purchase Price") for the Bonds shall be \$269,000, par amount of Bonds. The Purchaser shall pay the Purchase Price of the Bonds on the date of Closing referred to in paragraph 9 hereof in immediately available funds.

3. **Securities Laws Matters.** This Bond offering is exempt from the secondary market disclosure requirements of Rule 15c2-12(b)(5)(i) pursuant to the provisions of 15c2-12(d)(1)(i).

4. **Authorization and Purpose.** The Bonds have been authorized pursuant to a resolution combining the various bond ordinances (all such bond ordinances being duly adopted by the Township Committee and published as required by law) referenced therein, and approving the form and sale of such bonds, duly adopted by the Township Committee of the Township on April 23, 2020 entitled "RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES AND DETERMINING THE FORM AND OTHER DETAILS OF THE NOT TO EXCEED \$296,000 GENERAL OBLIGATION BONDS, SERIES 2020 OF THE TOWNSHIP OF FRANKLIN, IN THE COUNTY OF HUNTERDON, STATE OF NEW JERSEY AND PROVIDING FOR THE SALE AND DELIVERY OF SUCH BONDS" (the "Combining/Form and Sale Resolution").

The proceeds of the Bonds will be used to currently refund a \$269,000 portion of prior Bond Anticipation Notes of the Township issued in the aggregate amount of \$319,500 maturing on April 29, 2020 and pay costs related to the issuance of the Bonds.

The Bonds are general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Township is required by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted ("Creditors' Rights Limitations").

5. **Public Offering.** The Purchaser is not making a public offering of the Bonds and will hold such Bonds for its own account.

6. **Representations, Warranties and Agreements of the Township.** By its acceptance hereof, the Township represents, warrants and agrees with the Purchaser (which shall be a condition of the obligation of the Purchaser to purchase and to accept delivery of the Bonds that the Township shall so represent, warrant and agree as of the date of the Closing) that, as of the date hereof:

(a) The Township is a political subdivision validly existing under the laws of the State of New Jersey (the "State").

(b) The Mayor and members of the Township Committee set forth in the certificates to be delivered at Closing are the duly elected, qualified and presently acting Mayor and members of the Township Committee.

(c) The Township has the full right, power and authority to execute, deliver, acknowledge or adopt, as the case may be, the Combining/Form and Sale Resolution, this Purchase Contract, the Bonds and any other documents to be executed in connection with the issuance of the Bonds and this Purchase Contract (collectively, the "Township Documents"), to adopt the Combining/Form and Sale Resolution (the "Township Proceedings") and to perform all acts and things as provided for in the Township Documents and the Township Proceedings and as described in or as contemplated thereby.

(d) The Township has complied with the laws of the State in connection with the Township Documents and the Township Proceedings and has the full power and authority to enter into the Township Documents, and the transactions contemplated hereby, including, *inter alia*, the issuance of the Bonds.

(e) By official action of the Township taken prior to or concurrent with the acceptance hereof, the Township has duly authorized, approved, and consented to all necessary actions to be taken by the Township for: (i) the adoption, execution, delivery and performance of the Township Documents and the transactions contemplated thereby and hereby; (ii) the issuance of the Bonds upon the terms set forth herein; and (iii) the execution, delivery and due performance of any and all other agreements and instruments that may be required to be executed, delivered and received by the Township, to which it is a party, in order to carry out, to give effect to and to consummate the transactions contemplated by this Purchase Contract.

(f) Assuming the due authorization, execution and delivery of the Township Documents by the other parties thereto, the Township Documents when duly authorized, executed and delivered by the Township, will constitute the legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except as the enforcement thereof may be affected by Creditors' Rights Limitations; and the Township has duly authorized and approved the consummation by it of all other transactions contemplated by this Purchase Contract to be performed or consummated at or prior to the date of the Closing.

(g) The execution, delivery or acknowledgment, as the case may be, by the Township of the Township Documents, compliance with the obligations on the Township's part contained herein and therein and the adoption of the Township Proceedings, will not conflict with or constitute a breach of or default under any

Constitutional provisions, any existing law, court or administrative regulation, judgment, decree, order, agreement, indenture, mortgage, lease, sublease or other instrument to which the Township is a party or by which it is bound; and will not result in the creation or imposition of any lien, encumbrance, mortgage, or other similar conflicting ownership or security interest in favor of any third person in or to the Township's revenues, assets, properties, funds or interests, other than as set forth in the Township Documents and the Township Proceedings.

(h) All approvals, consents and orders of any governmental board, legislative body, board, agency or commission having jurisdiction in any matter that would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Township of its obligations under the Township Documents and the Township Proceedings and the transactions contemplated hereby and thereby, have been, or prior to the Closing will have been, duly obtained. This representation and warranty does not extend to such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds.

(i) The Bonds, when issued and delivered in accordance with the Township Proceedings and sold to the Purchaser as provided herein, will be valid and legally enforceable obligations of the Township and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Township without limitation as to rate or amount.

(j) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency or public board or body, pending or, to the best knowledge of the Township, threatened, adversely affecting or which seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the Township Documents, or which contests the exclusion from gross income for state income tax purposes of the interest on the Bonds or which contests the powers of the Township or any of its authority or proceedings for the issuance, sale or delivery of the Bonds, or the execution, approval and delivery of the Township Documents or the Township Proceedings. Furthermore, there is no litigation pending or threatened which, if adversely decided, would have a material adverse impact on the financial condition of the Township.

(k) The Township will furnish such information, execute such instruments and take such other action, not inconsistent with law, in cooperation with the Purchaser, as the Purchaser may reasonably request, in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Purchaser may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions. The Township will use its best efforts to continue such qualification in effect, so long as required, for the distribution of the Bonds. Notwithstanding the foregoing, the Township will not be required to execute a general or special consent to service of process or to qualify as a foreign corporation in connection with any such qualification or determination.

(l) Between the date of this Purchase Contract and the Closing, the Township will not, without the prior written consent of the Purchaser, issue any bonds, notes or other debt obligations other than the Bonds sold hereby.

(m) Any certification signed by the Mayor, Chief Financial Officer, and Clerk of the Township and delivered to the Purchaser shall be deemed to be a representation and warranty of the Township to the Purchaser as to the truth of the statements made therein.

(n) The Township covenants and agrees that between the date hereof and the date of the Closing, it will take no action that will cause the representations and warranties made herein to be untrue as of the date of the Closing.

(o) The Township, immediately after the Closing, will apply the proceeds of the sale of the Bonds as specified in the Combining/Form and Sale Resolution and the certificates delivered at Closing.

(p) There has not been any material and adverse change in the financial condition or the operations of the Township since December 31, 2019 that has not been brought to the attention of the Purchaser in writing prior to the date of this Purchase Contract.

(q) The Township is not in violation of or in default (or with the lapse of time and/or receipt of appropriate notice would be in default) under any existing applicable law, court or administrative regulation, judgment, decree, order, agreement, indenture, mortgage, lease or sublease, to which the Township or any of its properties is a party or is otherwise bound, that would have a material and adverse effect upon the operations or the financial condition of the Township or the transactions contemplated by this Purchase Contract.

(r) The Township is neither in default, nor has it been at any time, in the payment of principal or interest on any of its bonds, debt obligations or lease purchase agreements.

7. **Representations and Warranties of the Purchaser.** By execution and delivery of this Purchase Contract, the Purchaser represents and warrants that as of the date hereof:

(a) The Purchaser has full power and authority to execute the Purchase Contract and to comply with the provisions hereof.

(b) Assuming the due authorization of the Purchase Contract by the Township, this Purchase Contract will constitute a legal and binding obligation of the

Purchaser enforceable in accordance with the terms hereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

(c) The Purchaser hereby certifies that it is purchasing the Bonds for its own account, with no present intention of resale.

8. **Survival of Representations and Warranties.** All representations, warranties, covenants and agreements of the Township and the Purchaser contained in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Township or the Purchaser and shall survive (i) delivery of the Bonds to the Purchaser and payment by the Purchaser therefor pursuant to this Purchase Contract or (ii) termination of this Purchase Contract.

9. **The Closing.** At 11:00 a.m. prevailing local time, on April 28, 2020, or at such later time or on such later date as may be mutually agreed upon by the Township and the Purchaser, the Township will, subject to the terms and conditions hereof, deliver the Bonds to the Purchaser, or to such place as the Purchaser requests, in definitive form, duly executed, together with the other documents hereinafter mentioned, and subject to the terms and conditions hereof, the Purchaser will accept such delivery and pay the Purchase Price of the Bonds as set forth in Paragraph 2 hereof. Such delivery of and payment for the Bonds is herein called the "Closing". Delivery of and payment for the Bonds and other documents will be made at the offices of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel to the Township ("Bond Counsel"), or at such other place as shall be mutually agreeable to the Township, Bond Counsel and the Purchaser.

10. **Closing Conditions.** The Purchaser is entering into this Purchase Contract in reliance upon the representations, warranties and agreements of the Township contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Township of its covenants and agreements hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Purchaser's obligation under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Township of its covenants and agreements to be performed hereunder and under such documents and instruments to be entered into and/or executed at or prior to the Closing and shall also be subject to the following additional conditions:

(a) The representations and warranties of the Township contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing.

(b) At the time of the Closing, the Township Documents and the Township Proceedings shall be in full force and effect and shall not have been amended, modified, supplemented or rescinded since the date hereof without the consent of the Purchaser, and no event or circumstance shall have occurred which, in the reasonable

opinion of the Purchaser, would require such amendment, modification, supplement or rescission.

(c) At or prior to the Closing, the Township shall have performed all of its respective obligations required under or specified in the Township Documents and the Township Proceedings to be performed at or prior to the date of the Closing, and the Purchaser shall have received each of the following documents:

(1) a certificate of incumbency and signing authority of, as applicable, the Mayor, Chief Financial Officer, or Clerk of the Township;

(2) certified copies of the Township Proceedings and all other resolutions and ordinances, if any, relating to the issuance and sale of the Bonds;

(3) a certificate or certificates, executed by the Mayor, Chief Financial Officer and Clerk of the Township dated the date of the Closing and satisfactory in form and substance to the Purchaser, to the effect that: (i) each of the representations and warranties of the Township set forth in this Purchase Contract are true, accurate and complete as of the date of the Closing; (ii) the copies of the Township Documents and the Township Proceedings are true, correct and complete copies of such documents and the same have not been modified, amended, superseded or rescinded and remain in full force and effect as of the date of the Closing; (iii) the Bonds have been duly authorized, executed and delivered by the Township; (iv) the Township Documents, the Township Proceedings, and any and all other agreements and documents required to be executed and delivered by the Township in order to carry out, give effect to and consummate the transactions contemplated hereby have each been duly authorized, executed and delivered by the Township and, as of the date of the Closing, each is in full force and effect; (v) there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, governmental agency or public Township or body, pending or, to the knowledge of the Township, threatened against the Township or affecting the Township (or, to the Township's knowledge, the existence of any basis therefor) (a) wherein any unfavorable decision would adversely affect the existence of the Township or the entitlement of the officers or members of the Township Committee to their respective offices, or (b) wherein an unfavorable decision would materially adversely affect the transactions contemplated by the Township Documents or the Township Proceedings or materially adversely affect the financial condition of the Township, or (c) that contests the powers of the Township or proceedings for the final adoption, execution and enforceability of the Township Documents and the Township Proceedings; (vi) no authorization, approval, consent or other order of any governmental authority or agency or of any other entity or person (or persons) is required for the valid authorization, execution and delivery of the Township Documents, the Township Proceedings, or any other agreement or instrument to which the Township is a party and which is used in the consummation of the

transactions contemplated by this Purchase Contract; (vii) the authorization, execution and delivery of the Township Documents, the Township Proceedings, and any other agreement or instrument to which the Township is a party and which is used in the consummation of the transactions contemplated by this Purchase Contract and the fulfillment of the terms and provisions of said agreements and instruments by the Township will not (a) conflict with, violate or result in a breach of any law or any administrative regulation or decree applicable to the Township, or (b) conflict with, or result in a breach of, or constitute a default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the Township is a party or by which it is bound, (c) or any order, rule or regulation applicable to the Township of any court or other governmental body; and (viii) there has been no material and/or adverse change in the financial position or operations of the Township since December 31, 2019;

(4) the approving legal opinion of Bond Counsel, dated the date of the Closing, in the form set forth in Exhibit C hereto (such opinion shall be addressed to the Purchaser or Bond Counsel shall deliver a letter, dated the date of the Closing and addressed to the Purchaser, permitting the Purchaser to rely on such opinion);

(5) a certificate of the Township Attorney (the "Township Attorney"), dated the date of Closing and attached hereto as Exhibit B;

(6) An arbitrage certificate, in form and substance satisfactory to Purchaser, and an IRS Form 8038-G, each executed by an authorized officer of the Township;

(7) receipts evidencing delivery of and payment for the Bonds; and

(8) any other opinions, certificates or documents not specified hereunder which may be reasonably requested by the Purchaser, its Counsel, or Bond Counsel.

All of the evidence, opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Purchaser, its Counsel and Bond Counsel.

If the conditions to the obligations of the Purchaser to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract are not satisfied (and the Purchaser has not waived any such conditions), or if the obligations of the Purchaser to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Purchaser nor the Township shall be under any further obligation hereunder, except as set forth in Paragraph 12 hereof.

11. **Termination.** The Purchaser shall have the right to terminate its obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by notifying the Township of its election to do so, after the execution hereof and prior to the Closing if: (a) any legislation, ordinance, rule or regulation shall be enacted or approved by, any governmental body, department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered that, in the Purchaser's and Bond Counsel's judgment, materially and adversely affects the market price of the Bonds; (b) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission shall be proposed or made to the effect that the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds is in violation or would be in violation, unless registered or otherwise, qualified under any provision of the Securities Act or the Bonds are required to be registered under the Securities Exchange Act of 1934, as amended and as then in effect; (c) legislation shall be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission (including a no action or interpretive letter of the staff thereof) or other governmental agency having jurisdiction of the subject matter shall be made to the effect that the Bonds or an obligation or obligations of the general character of the Bonds are not exempt from registration, qualification or other requirements of the Securities Act; (d) a general banking moratorium shall have been established by Federal or State authorities; (e) in the Purchaser's judgment, the market price of the Bonds is adversely affected because: (i) additional material restrictions not in force as of the effective date hereof shall have been imposed upon trading in securities generally by any governmental authority having appropriate jurisdiction or by any national securities exchange; (ii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the change to the net capital requirements of the Purchaser; or (iii) a national or international calamity shall have occurred, the effect on the financial markets of the United States being within the Purchaser's reasonable judgment as to materially and adversely affect the marketability of the Bonds or the market price thereof; (f) there shall have occurred any change in, or any development involving a prospective change in, the financial condition of the Township generally that, in the Purchaser's judgment, materially and adversely affects the market price of the Bonds; (g) any litigation shall be instituted, pending or threatening to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any of the Township Proceedings or the Township Documents or the validity of the Bonds or the existence or powers of the Township; or (h) the United States shall be engaged in any conflict or hostilities (other than the current conflict or hostilities in the Middle East) that have resulted in a declaration of war, a national emergency or any other national calamity thereof shall have occurred, any other conflict or outbreak of hostilities or any escalation of any existing conflict or hostilities, the effect of such outbreak or escalation on the financial markets of the United States being such as, in the reasonable belief of the Purchaser, would affect materially and adversely the ability of the Purchaser to market or sell the Bonds.

12. **Expenses.**

(a) The Purchaser shall be under no obligation to pay, and the Township shall cause to be paid, all expenses incident to the performance of the Township's obligations hereunder, including but not limited to: (i) the cost of the preparation and printing or other reproductions of the Township Proceedings, if any; (ii) the cost of the preparation and printing of the Bonds; and (iii) the fees and disbursements of Bond Counsel, the Township Attorney, its auditor and any other experts or consultants retained by the Township. The payment obligations of the Township pursuant to this Paragraph 12(a) shall survive any termination of this Purchase Contract.

(b) The Purchaser shall pay the fees and disbursement of counsel for the Purchaser, if any. The payment obligations of the Purchaser pursuant to this Paragraph 12(b) shall survive any termination of this Purchase Contract.

13. **Remedies Upon Default.**

(a) In the event the Township, if able, refuses to deliver the Bonds or satisfy the conditions under which the Purchaser is to purchase and accept delivery of the Bonds as set forth in this Purchase Contract, the Purchaser shall be entitled to receive its actual damages, reasonable expenses and legal fees.

(b) In the event the Township is unable to deliver the Bonds or satisfy the conditions under which the Purchaser is to purchase and accept delivery of the Bonds or the obligations of the Purchaser shall be terminated for any reason permitted hereunder, the obligations of the Purchaser and the Township hereunder shall be terminated, and this Purchase Contract shall be declared null and void.

(c) In the event the Purchaser fails (other than for a reason permitted hereunder) to accept and pay for the Bonds as set forth in this Purchase Contract, the Township shall be entitled to receive its actual damages, reasonable expenses and legal fees.

14. **Notices.** Any notice or other communication to be given to the Township under this Purchase Contract may be given by delivering the same in writing to the Township at the address set forth above; and any notice or other communication to be given to the Purchaser under this Purchase Contract may be given by delivering the same in writing to Unity Bank, 64 Old Highway 22, Clinton, New Jersey 08809. The approval of the Purchaser when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by an authorized officer of the Purchaser and delivered to the Township.

15. **Parties in Interest.** This Purchase Contract is made solely for the benefit of the Township and the Purchaser (including the successors or assigns of the Purchaser) and no other person shall acquire or have any right hereunder or by virtue hereof.

16. **Effectiveness.** This Purchase Contract shall become effective, assuming the valid execution by the other party hereto, upon the execution of the acceptance hereof on behalf of the Township by any authorized officer or member of the Township and shall be valid and enforceable at the time of such acceptance.

17. **Counterparts.** This Purchase Contract may be executed in several counterparts, which together shall constitute one and the same instrument.

18. **New Jersey Law Governs.** The laws of the State of New Jersey shall govern the validity, interpretation and performance of this Purchase Contract.

19. **Entire Agreement.** This Purchase Contract when accepted by the Township in writing as heretofore specified shall constitute the entire agreement among us and is made solely for the benefit of the Township and the Purchaser (including the successors or assigns of the Purchaser).

20. **Headings.** The headings of the paragraphs of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

21. **Severability.** If any provisions of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable, such a determination shall apply only to the subject provision and the remainder of this Purchase Contract shall remain in full force and effect.

22. **Amendments and Assignments.** This Purchase Contract shall not be amended or assigned, nor shall any party hereof waive any provision hereto, without the prior written consent of the Township and the Purchaser.

23. **No Personal Recourse Against Township Officials.** No personal recourse shall be had for any claim based on this Purchase Contract or the Bonds against any member of the Township Committee or officer or employee, past, present or future, of the Township or any successor body as such either directly or through the Township or any such successor body, under any constitutional provisions, statute, or rule of law or by the enforcement of any assessment or penalty or otherwise.

24. **Successors.** This Purchase Contract will inure to the benefit of and be binding upon the parties and their successors and will not confer any rights upon any other person. No purchaser of the Bonds from the Purchaser, except members of any selling group that may be formed in connection with the distribution of the Bonds and all dealers to whom any of the Bonds may be sold by the Purchaser or by members of any selling group, shall be deemed to be a successor by reason merely of such purchase.

Very truly yours,

UNITY BANK

By: _____
LAURIE COOK
INTERIM CHIEF FINANCIAL
AND ACCOUNTING OFFICER/
SENIOR VICE PRESIDENT

Accepted as of the date first above written:

TOWNSHIP OF FRANKLIN,
COUNTY OF HUNTERDON
STATE OF NEW JERSEY

By: _____
CAMERON KENG
Chief Financial Officer

EXHIBIT A

**TOWNSHIP OF FRANKLIN
IN THE COUNTY OF HUNTERDON, STATE OF NEW JERSEY
\$269,000 GENERAL OBLIGATION BONDS, SERIES 2020**

PLEASE SEE ATTACHED

EXHIBIT B

Certificate of Township Attorney

I, KATRINA L. CAMPBELL, DO HEREBY CERTIFY as follows: (i) I am a licensed attorney-at-law of the State of New Jersey and the duly chosen, qualified and acting Township Attorney for the Township of Franklin, in the County of Hunterdon (the "Township"), a body corporate and politic of the State of New Jersey, (ii) I am familiar with the acts and the proceedings heretofore had or taken in or by the Township or by its officers relative to the authorization, sale and issuance of \$269,000 aggregate principal amount of General Obligation Bonds, Series 2020, of the Township dated April 28, 2020 (the "Bonds"); (iii) the Township has been duly created in accordance with New Jersey law; (iv) the Combining/Form and Sale Resolution has been duly adopted by the Township Committee on April 23, 2020 (the "Authorization Proceedings"), and provide for the issuance of the Bonds and is in full force and effect; (v) all actions taken by the Township in connection with the authorization and issuance of the Bonds and the adoption of the Authorization Proceedings were taken in full compliance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., as amended and supplemented, and such Authorization Proceedings are valid and binding upon the Township; (vi) there is at present no single action against the Township which would impose an undue financial burden on the Township (taking into consideration that in New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally, without specifying a dollar amount); (vii) the Township is a party-defendant in certain lawsuits, none of which is of a kind unusual for a Township of its size, and none of which would either (a) have a material adverse economic impact upon the budget or economic status of the Township or (b) impair the ability of the Township to pay its bonded indebtedness; (viii) all of the Township's tort actions are covered by the Township's insurance and are being defended by counsel and these actions pose no threat of significant economic exposure to the Township; (ix) pending municipal real estate tax appeals are limited in number and, based upon the Township's prior experience, and even assuming that such tax appeals are resolved adversely to the interests of the Township, such resolution would not (a) substantially alter the total assessed valuation of the Township, (b) have an adverse economic impact upon the budget or financial status of the Township or (c) impair the ability of the Township to pay its bonded indebtedness; and (x) to the best of my knowledge, after due inquiry, (a) there is no controversy or litigation of any nature now pending or threatened, restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or the levy or the collection of taxes to pay the principal of and interest on the Bonds or in any way questioning or affecting the validity of the Bonds or any proceedings of the Township taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Bonds, and (b) there is no controversy or litigation of any nature now pending or threatened relating to or questioning the corporate existence or boundaries of the Township or the title of any of the present officers thereof to their respective offices.

2020.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of April

KATRINA L. CAMPBELL,
Township Attorney

EXHIBIT C

Form of Opinion of Bond Counsel

April 28, 2020

Mayor and Township Committee
of the Township of Franklin
Frenchtown, New Jersey

Ladies and Gentlemen:

We have served as bond counsel in connection with the authorization, sale, issuance and delivery of \$269,000 General Obligation Bonds, Series 2020 (the "Bonds"), of the Township of Franklin, in the County of Hunterdon (the "Township"), a body corporate and politic organized and existing under the laws of the State of New Jersey (the "State").

The Bonds are issued in fully registered form, without coupons, registered in the name of and held by Unity Bank, Clinton, New Jersey (the "Registered Holder"). Payments of the principal of and interest on the Bonds will be made by the Township directly to the Registered Holder.

The Bonds are issued pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law") and are authorized by a resolution combining the various bond ordinances, and approving the form and sale of such bonds, duly adopted by the Township Committee on April 23, 2020 and by a Bond Purchase Contract by and between the Township and Unity Bank dated April 23, 2020.

The Bonds are being issued to: currently refund a \$269,000 portion of prior Bond Anticipation Notes of the Township issued in the aggregate amount of \$319,500 maturing on April 29, 2020 and pay costs related to the issuance of the Bonds.

The Bonds are dated and shall bear interest from their date of delivery, which interest is payable semi-annually on the fifteenth day of April and October, in each year until maturity, commencing April 15, 2021. Principal payments on the Bonds shall be made on October 15 in each of the years and in the principal amounts, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
2021	\$52,000	1.90%
2022	52,000	1.90
2023	54,000	1.90
2024	55,000	1.90
2025	56,000	1.90

The Bonds are not subject to redemption prior to maturity.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the New Jersey Statutes, (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township enforceable in accordance with their terms, and (iii) the Township has pledged its faith and credit for the payment of the principal of and interest on the Bonds, and, unless paid from other sources, all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Bonds in order for the interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The Township has covenanted in its tax certificate relating to the Bonds to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Township with the aforementioned covenant, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. Interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing federal alternative minimum tax.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

We are further of the opinion that the Bonds constitute "qualified tax-exempt obligations" within the meaning of section 265(b)(3)(B) of the Code and, therefore, will be treated as if they were acquired on August 7, 1986 for purposes of the limitations on deductibility by financial institutions of interest expense allocable to tax-exempt interest.

Except as stated in the preceding three (3) paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds.

Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of each of the Bonds, as executed by the Township, and, in our opinion, the form of such Bond and its execution are regular and proper.

We express no opinion as to any matter not set forth above. The opinions expressed above are being rendered on the basis of federal law and the laws of the State of New Jersey as presently enacted and construed, and we assume no responsibility to advise any party as to changes in fact or law subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

This letter is being provided for your exclusive benefit pursuant to the requirements of the closing of the Bonds and may not be provided to (except in connection with the preparation of a closing transcript with respect to the Bonds) or relied upon by any other person, party, firm or organization without our prior written consent. Notwithstanding anything to the contrary herein, the undersigned acknowledges that this opinion is a governmental record subject to release under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 *et seq.*, as amended and supplemented.

Very truly yours,

ARCHER & GREINER P.C.