

EXTRACT from the minutes of a regular meeting of the Town Council of the Town of Clinton, in the County of Hunterdon, New Jersey, held at the Clinton Municipal Building, on March 24, 2021, at 7:30 p.m.

PRESENT:

ABSENT:

* * * * *

_____ introduced and moved the adoption of the following resolution and _____ seconded the motion:

**RESOLUTION #63-21
RESOLUTION DETERMINING THE FORM AND OTHER
DETAILS OF NOT TO EXCEED \$7,300,000 PRINCIPAL
AMOUNT OF GENERAL OBLIGATION REFUNDING
BONDS, SERIES 2021, OF THE TOWN OF CLINTON, IN
THE COUNTY OF HUNTERDON, NEW JERSEY, AND
PROVIDING FOR THE SALE AND THE DELIVERY OF
SUCH BONDS TO AN UNDERWRITER AS DETERMINED
BY THE CHIEF FINANCIAL OFFICER**

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CLINTON, IN THE COUNTY OF HUNTERDON, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring), AS FOLLOWS:

Section 1. The Town of Clinton, in the County of Hunterdon, New Jersey (the "Town"), hereby authorizes the sale, in one or more series, of an amount not to exceed \$7,300,000 General Obligation Refunding Bonds, consisting of General Improvement Refunding Bonds, Sewer Utility Refunding Bonds and Water Utility Refunding Bonds (together, the "Bonds"), by virtue of its final adoption by a two-thirds majority of its full membership on March 24, 2021 of a bond ordinance entitled, "Refunding Bond Ordinance of the Town of Clinton, in the County of

Hunterdon, New Jersey, Providing For the Refunding of all or a Portion of Certain General Obligation Bonds of the Town, Appropriating \$7,300,000 Therefor and Authorizing the Issuance by the Town of Refunding Bonds in the Aggregate Principal Amount of Not Exceeding \$7,300,000 For Financing The Cost Thereof" (the "Bond Ordinance").

Section 2. The Bonds are hereby authorized to be sold to an investment banking or other financial institution (referred to herein as the "Underwriter") selected by the Chief Financial Officer in concert with Phoenix Advisors, LLC, the Town's municipal advisor (the "Municipal Advisor"), in accordance with the purchase contract (the "Purchase Contract") to be entered into by and between the Underwriter and the Town pursuant to this resolution. The purchase price for the Bonds shall be as set forth in the Purchase Contract, plus unpaid accrued interest, if any, from the dated date of the Bonds to, but not including, the delivery date of the Bonds. The Mayor and/or the Chief Financial Officer is hereby authorized to enter into the Purchase Contract on behalf of the Town with the Underwriter, if applicable, in a form satisfactory to McManimon, Scotland & Baumann, LLC, Bond Counsel for the Town ("Bond Counsel"), for the sale of the Bonds to the Underwriter in accordance with the provisions of this resolution. 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. The Bonds are being issued to incur interest cost savings by redeeming all or a portion of the outstanding callable (i) a portion of the outstanding callable General Improvement Bonds of the Town originally issued in the aggregate principal amount of \$2,328,000, dated August 1, 2013 (the "Dated Date"), which bonds maturing on or after August 1, 2023 (the "GI Refunded Bonds") are redeemable at the option of the Town, in whole or in part, on any date on or after August 1, 2023 (the "Redemption Date") at par (the "GIB Redemption

Price"), plus in each case accrued interest, if any, to the Redemption Date, (ii) Sewer Utility Bonds of the Town originally issued in the aggregate principal amount of \$1,500,000, dated the Dated Date, which bonds maturing on or after August 1, 2023 (the "SU Refunded Bonds") are redeemable at the option of the Town, in whole or in part, on any date on or after the Redemption Date at par (the "SUB Redemption Price"), plus in each case accrued interest, if any, to the Redemption Date, and (iii) Water Utility Bonds of the Town originally issued in the aggregate principal amount of \$8,043,000, dated the Dated Date, which bonds maturing on or after the Redemption Date (the "WU Refunded Bonds" and, together with the GI Refunded Bonds and the SU Refunded Bonds, the "Refunded Bonds") are redeemable at the option of the Town, in whole or in part, on any date on or after the Redemption Date at par (the "WUB Redemption Price" and, together with the GIB Redemption Price and the SUB Redemption Price, the "Redemption Price"), plus in each case accrued interest, if any, to the Redemption Date,

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

(A) The Bonds shall be issued in a par amount determined to be necessary to pay costs of issuance and to provide for payment of the Redemption Price of the Refunded Bonds on the Redemption Date, and the interest due on the Refunded Bonds to the Redemption Date;

(B) The Bonds shall be dated such date as established in the Purchase Contract;

(C) The Bonds shall mature in the principal amounts on or about August 1 of each year, commencing on or about August 1, 2021 and thereafter or as otherwise set forth in the Purchase Contract and shall bear interest at interest rates per annum on the unpaid principal balance on each August 1 and February 1 until maturity, commencing on or about August 1, 2021 or as otherwise set forth in the Purchase Contract;

(D) The Bonds shall be issued in the form of one bond for each maturity hereof, except if all or any portion of the Bonds are issued as term bonds;

(E) The General Improvement Refunding Bonds shall be numbered consecutively from GIR-1, the Sewer Utility Refunding Bonds shall be numbered consecutively from SUR-101, the Water Utility Refunding Bonds shall be numbered consecutively from WUR-1001 and shall mature in such principal amounts with such mandatory call features and with such mandatory sinking fund payments as set forth below and as determined in the Purchase Contract;

(F) The Bonds shall not be subject to optional redemption prior to their stated maturities except to the extent provided for in the Purchase Contract or otherwise determined by the Chief Financial Officer; and

(G) Depending on market conditions at the time of the sale, the Bonds may be issued in one or more series as determined by the Chief Financial Officer, in consultation with Bond Counsel and the Municipal Advisor.

Section 5. The Bonds shall be substantially in the following form with such additions, deletions and omissions as may be necessary for the Town to conform the Bonds to the requirements of the Purchase Contract. References to The Depository Trust Company in the form of the Bonds below are discretionary based on the determination of the Chief Financial Officer as to its applicability:

**SAMPLE BOND FORM FOR INFORMATION
ONLY – DO NOT COMPLETE**

REGISTERED
NUMBER __ - __

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF NEW JERSEY

TOWN OF CLINTON
COUNTY OF HUNTERDON

REFUNDING BOND, SERIES 2021

DATED DATE:	MATURITY DATE:	RATE OF INTEREST PER ANNUM:	CUSIP:
05/20/2021	08/01/20__	_____ %	_____

TOWN OF CLINTON, IN THE COUNTY OF HUNTERDON, NEW JERSEY (the "Town"), hereby acknowledges itself indebted and for value received promises to pay to Cede & Co., as nominee for 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 Dated Date set forth above at the Rate of Interest Per Annum specified above semiannually on the first days of August and February in each year until maturity, commencing on August 1, 2021. Interest on this bond will be paid to the Securities Depository by the Town 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 July 15 and January 15 next preceding the date of such payments (the "Record Dates" for such payments). Principal of this bond, upon presentation and surrender to the Town, will be paid to the Securities Depository by the Town 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 and is issued pursuant to the Local Bond Law of the State of New Jersey and a refunding bond ordinance of the Town finally adopted March 24, 2021 and entitled, "Refunding Bond Ordinance of the Town of Clinton, in the County of Hunterdon, New Jersey, Providing For the Refunding of all or a Portion of Certain General Improvement Bonds of the Town, Appropriating \$7,300,000 Therefor and Authorizing the Issuance by the Town of Refunding Bonds in the Aggregate Principal Amount of Not Exceeding \$7,300,000 For Financing The Cost Thereof."

The full faith and credit of the Town are hereby irrevocably pledged for the punctual payment of the principal of and 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 Town, is within every debt and other limit prescribed by such Constitution or statutes.

IN WITNESS WHEREOF, the TOWN OF CLINTON, 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.

TOWN OF CLINTON, IN THE COUNTY OF HUNTERDON, NEW JERSEY

[TOWN SEAL]

ATTEST:

By: [to be executed upon issuance]
Mayor

By: [to be executed upon issuance]
Clerk

By: [to be executed upon issuance]
Chief Financial Officer

[END OF SAMPLE BOND FORM]

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. The Chief Financial Officer is hereby authorized and directed to file a signed duplicate of such written opinion in the Town Clerk's office. Alternatively, each Bond may be accompanied by the signed legal opinion or copy thereof.

Section 7. Bond Counsel is authorized to arrange for the printing of the Bonds. The proper officials of the Town are hereby authorized and directed to execute the Bonds and to deliver them to the Underwriter in exchange for payment, including accrued interest from their date to the date of delivery, if any.

Section 8. If the Bonds will be issued in book-entry-only form, the 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 as may be necessary in order to provide that the Bonds will be eligible for deposit with The Depository Trust Company and to satisfy any obligation undertaken in connection therewith.

Section 9. In the event that The Depository Trust Company may determine to discontinue providing its service with respect to the Bonds or is removed by the Town and if no

successor Securities Depository is appointed, the Bonds that were previously issued in book-entry form shall be converted to registered bonds (the "Registered Bonds") in denominations of \$5,000 or any integral multiple thereof, except that an amount maturing in any one year in excess of the largest principal amount thereof equaling a multiple of \$5,000 will be in denominations of \$1,000 or any integral multiple thereof. The beneficial owner under the book-entry system, upon registration of the Bonds held in the beneficial owner's name, will become the registered owner of such Registered Bonds. The Town shall be obligated to provide for the execution and delivery of the Registered Bonds in certificate form.

Section 10. Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Town shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

(a) On or prior to September 30 of each fiscal year, beginning September 30, 2021 for the fiscal year ending December 31, 2020, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system or such other repository designated by the SEC to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Town consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Town and certain financial information and operating data consisting of (1) Town indebtedness and overlapping indebtedness including a schedule of outstanding debt issued by the Town; (2)

property valuation information; and (3) tax rate, levy and collection data. The audited financial statements will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law.

(b) If any of the following events occur regarding the Bonds, a timely notice not in excess of ten business days after the occurrence of the event sent to EMMA:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to the rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Town;
- (13) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Town, any of which affect holders of the Bonds, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Town, if any such event reflects financial difficulties.

The term "Financial Obligation" as used in subparagraphs (b)(15) and (b)(16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); *provided, however*, that the term "Financial Obligation" shall not include municipal

securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Notice of failure of the Town to provide required annual financial information on or before the date specified in this resolution shall be sent in a timely manner to EMMA.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under this resolution, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The Chief Financial Officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Town prior to their offering. Such officer is hereby authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in this resolution; *provided*, such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

In the event that the Town fails to comply with the Rule requirements or the written contracts or undertakings specified in this resolution, the Town shall not be liable for monetary damages, remedy being hereby specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

Section 11. The Town hereby approves the preparation and distribution of the Preliminary Official Statement in the form to be approved by the Chief Financial Officer. Such Official Statement may be distributed in preliminary form and deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission on behalf of the Town by the Chief Financial Officer. The Preliminary Official Statement shall be prepared in final form in connection with the issuance of the Bonds, and the Chief Financial Officer is hereby authorized to execute any certificates necessary in connection with the distribution of the Official Statement. Final Official

Statements shall be delivered to the Underwriter within the earliest of seven business days following the sale of the Bonds or to accompany the Underwriter's confirmations that request payment for the Bonds. Bond Counsel and/or the Municipal Advisor are hereby further authorized to arrange on behalf of the Town for a rating for the Bonds from S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, and/or Moody's Investors Service, Inc., and all such actions taken to date in connection therewith are hereby ratified.

Section 12. The Chief Financial Officer, with the advice of the Municipal Advisor, is authorized to arrange for bond insurance if advantageous based on the advice of the Underwriter to be provided at a premium not to exceed 75 basis points of the amount of principal and interest payable in order to obtain the best possible rates and the most cost effective financing and is authorized to take all steps on behalf of the Town necessary to do so.

Section 13. The Chief Financial Officer, with the advice of Bond Counsel, shall arrange for paying agent services or redemption agent services with a banking institution if any portion of the Bonds are term bonds requiring a sinking fund.

Section 14. The Chief Financial Officer is hereby authorized and directed to pay the costs of issuance in connection with the sale of the Bonds pursuant to a certificate of the Chief Financial Officer to be executed upon delivery of the Bonds in an aggregate amount not to exceed the amount outlined in the Bond Ordinance.

Section 15. The Chief Financial Officer shall take all steps necessary to call the Refunded Bonds on the Redemption Date, at par, plus any unpaid accrued interest thereon and to take all steps necessary for the investment of the proceeds of the Refunded Bonds necessary to arrange for such redemption. The Municipal Advisor and/or the Underwriter, on behalf of the Town, are authorized to reserve and purchase open market treasury securities and/or United State

Treasury – State and Local Government Series ("SLGS") for deposit with the escrow agent, if required. All of the principal amount and interest earnings on the open market treasury securities and/or SLGS, as well as cash, if necessary, will be used to pay the interest due on the Refunded Bonds to the Redemption Date and to pay the Redemption Price of the Refunded Bonds due on the Redemption Date. The Town Council hereby authorizes the Chief Financial Officer to select a bank to serve as escrow agent, if necessary, based upon the recommendation of the Municipal Advisor, and hereby authorizes the Mayor and/or the Chief Financial Officer to enter into an Escrow Deposit Agreement with such escrow agent, if necessary, in order to provide instructions regarding the deposit of the open market treasury securities and/or SLGS and cash, if any.

Section 16. The Town Council hereby authorizes the Chief Financial Officer to select a firm to serve as verification agent, if necessary, to confirm the accuracy of the mathematical computations supporting the accuracy of the interest cost savings and the sufficiency of the amount in the escrow account to pay the interest due on the Refunded Bonds to the Redemption Date and to pay the Redemption Price of the Refunded Bonds due on the Redemption Date.

Section 17. The Mayor, the Chief Financial Officer and any other appropriate representatives of the Town are hereby authorized to take all steps necessary to provide for the issuance of the Bonds and the redemption of the Refunded Bonds, including preparing and executing such agreements and documents on behalf of the Town and taking all steps necessary or desirable to implement the requirements of this resolution as may be necessary and appropriate in connection with the transactions contemplated thereby.

Section 18. This resolution shall take effect immediately.

The foregoing resolution was adopted by the following vote:

AYES:

NAYS:

CERTIFICATE

I, Cecilia Covino, Clerk of the Town of Clinton, in the County of Hunterdon, New Jersey, **HEREBY CERTIFY** that the foregoing annexed extract from the minutes of a meeting of the Town Council duly called and held March 24, 2021 has been compared by me with the original minutes as officially recorded in my office in the minute book of the Town 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 Town this ____ day of March, 2021.

Cecilia Covino, Clerk

(SEAL)