

RESOLUTION NO. 2015-38

A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2015A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,425,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED By the Board of Supervisors (the "Board") of Credit River Township, Scott County, Minnesota (the "Township"), as follows:

Section 1. Sale of Bonds.

1.01 Authority. It is hereby determined that:

(a) Certain assessable public improvements, including street reconstruction and overlay improvement projects (the "Improvements"), have been made, duly ordered or contracts let for the construction thereof pursuant to the provisions of Minnesota Statutes, Chapters 429 and 475, as amended (collectively, the "Act").

(b) It is necessary and expedient to the sound financial management of the affairs of the Township to issue its General Obligation Improvement Bonds, Series 2015A (the "Bonds"), in the aggregate principal amount of \$1,425,000, to provide financing for the Improvements.

(c) The Township is authorized by Section 475.60, subdivision 2(9), of the Act to negotiate the sale of the Bonds, it being determined that the Township has retained an independent financial advisor in connection with such sale. The actions of the Township staff and the Township's municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

1.02. Award to the Purchaser and Interest Rates. The proposal of Northland Securities, Inc., Minneapolis, Minnesota (the "Purchaser") to purchase the Bonds of the Township is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$1,434,731.90 (par amount of \$1,425,000.00, plus original issue premium of \$19,820.90, less underwriter's discount of \$10,089.00), plus accrued interest to date of delivery, if any, for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2017	1.100%	2022*	2.000%
2018	1.100	2024*	2.500
2020*	1.400	2026*	2.500

* Term Bonds

True interest cost: 2.0280220%

1.03. Purchase Contract. The sum of \$26,831.90, being the amount proposed by the Purchaser in excess of \$1,407,900.00, shall be credited to the Debt Service Fund hereinafter created or deposited in the Construction Fund hereinafter created, as determined by the Town Clerk in consultation with the Township’s municipal advisor. The Town Clerk is directed to retain the good faith check of the Purchaser, pending completion of the sale of the Bonds, and to return the good faith checks of the unsuccessful proposers. The Chair and Town Clerk are directed to execute a contract with the Purchaser on behalf of the Township.

1.04. Terms and Principal Amounts of the Bonds. The Township will forthwith issue and sell the Bonds pursuant to the Act in the total principal amount of \$1,425,000, originally dated July 16, 2015, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2017	\$145,000	2022*	\$280,000
2018	145,000	2024*	285,000
2020*	280,000	2026*	290,000

* *Term Bond*

1.05. Optional Redemption. The Township may elect on February 1, 2024, and on any day thereafter to prepay Bonds due on February 1, 2026. Redemption may be in whole or in part and if in part, at the option of the Township and in such manner as the Township will determine. If less than all Bonds of a maturity are called for redemption, the Township will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

1.06. Mandatory Redemption; Term Bonds. The Bonds maturing February 1, 2020, February 1, 2022, February 1, 2024, and February 1, 2026 shall hereinafter be referred to collectively as the “Term Bonds.” The principal amount of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the Township shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date

<u>February 1, 2020 Term Bonds</u>	<u>Principal Amount</u>
2019	\$140,000
2020 (maturity)	140,000
<u>February 1, 2022 Term Bonds</u>	<u>Principal Amount</u>
2021	\$140,000
2022 (maturity)	140,000

<u>February 1, 2024 Term Bonds</u>	<u>Principal Amount</u>
2023	\$140,000
2024 (maturity)	145,000
<u>February 1, 2026 Term Bonds</u>	<u>Principal Amount</u>
2025	\$145,000
2026 (maturity)	145,000

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2016, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The Township will appoint a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the Township and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the Township.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The Township and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes and payments so made to the registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for a Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the Township and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the Township. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The Township appoints Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar. The Chair and the Town Clerk are authorized to execute and deliver, on behalf of the Township, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The Township agrees to pay the reasonable and customary charges of the Registrar for the services performed. The Township reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this

Council, the Town Clerk must transmit to the Registrar monies sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the Town Clerk and executed on behalf of the Township by the signatures of the Chair and the Town Clerk, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the Town Clerk will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.06. Temporary Bonds. The Township may elect to deliver in lieu of printed definitive Bonds one or more typewritten temporary Bonds in substantially the form set forth in EXHIBIT B such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Bonds the temporary Bonds will be exchanged therefor and cancelled.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form as attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. The Town Clerk is directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota ("Bond Counsel"), which is to be complete except as to dating thereof and to cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. The Bonds are payable from the Improvement Bonds, Series 2015A Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of general taxes hereinafter levied (the "Taxes") and special assessments levied or to be levied (the "Assessments") for the Improvements described in Section 1.01 are hereby pledged to the Debt Service Fund. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Town Treasurer is directed to pay such principal or interest from the general fund of the Township, and the general fund will be reimbursed for those advances out of the proceeds of Assessments and Taxes when collected. There is appropriated to the Debt Service Fund (i) capitalized interest financed from Bond proceeds, if any; (ii) amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 1.03; and (iii) the accrued interest paid by the Purchaser upon closing and delivery of the Bonds, if any.

4.02. Construction Fund. The proceeds of the Bonds, less the appropriations made in Section 4.01, together with any other funds appropriated for the Improvements and Assessments and Taxes collected during the construction of the Improvements, will be deposited in a separate construction

fund (the "Construction Fund") to be used solely to defray expenses of the Improvements and the payment of principal and interest on the Bonds prior to the completion and payment of all costs of the Improvements. Any balance remaining in the Construction Fund after completion of the Improvements may be used to pay the cost in whole or in part of any other improvement instituted under the Act under the direction of the Board. When the Improvements are completed and the cost thereof paid, the Construction Fund is to be closed and subsequent collections of Assessments and Taxes for the Improvements are to be deposited in the Debt Service Fund.

4.03. Township Covenants. It is hereby determined that the Improvements will directly and indirectly benefit abutting property, and the Township hereby covenants with the holders from time to time of the Bonds as follows:

(a) The Township has caused or will cause the Assessments for the Improvements to be promptly levied so that the first installment will be collectible not later than 2016 and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The Board will cause to be taken with due diligence all further actions that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Bonds, and will take all further actions necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in Assessments and Taxes, the Board will levy additional ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The Township will keep complete and accurate books and records showing receipts and disbursements in connection with the Improvements, Assessments and Taxes levied therefor and other funds appropriated for their payment, collections thereof and disbursements therefrom, monies on hand and, the balance of unpaid Assessments.

(d) The Township will cause its books and records to be audited at least annually and will furnish copies of such audit reports to any interested person upon request.

(e) At least 20% of the cost of the assessable Improvements described herein will be specially assessed against benefited properties.

4.04. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrevocable ad valorem tax upon all of the taxable property in the Township, which will be spread upon the tax rolls and collected with and as part of other general taxes of the Township. The Taxes will be credited to the Debt Service Fund above provided and will be in the years and amounts as attached hereto as EXHIBIT C.

4.05. Certification to County Auditor as to Debt Service Fund Amount. It is hereby determined that the estimated collections of Assessments and the foregoing Taxes will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided is irrevocable until all of the Bonds are paid, provided that at the time the Township makes its annual tax levies the Town Clerk may certify to the County Auditor of Scott County, Minnesota the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.06. Certificate of County Auditor as to Registration. The Town Clerk is authorized and directed to file a certified copy of this resolution with the County Auditor and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. Township Proceedings and Records. The officers of the Township are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the Township relating to the Bonds and to the financial condition and affairs of the Township, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, may be deemed representations of the Township as to the facts stated therein.

5.02. Certification as to Official Statement. The Chair and Town Clerk are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Chair, Town Clerk, and Town Treasurer are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the Township or incumbency of its officers, at the closing the Chair, the Town Clerk, and the Town Treasurer shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Town Treasurer shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. Payment of Costs of Issuance. The Township authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota on the closing date for further distribution as directed by the Township's municipal advisor, Ehlers & Associates, Inc.

Section 6. Tax Covenant.

6.01. Tax-Exempt Bonds. The Township covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. To that end, the Township will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds.

6.02. No Rebate Required. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Township hereby finds, determines, and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Township (and all

subordinate entities of the Township) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

6.03. Not Private Activity Bonds. The Township further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the Township makes the following factual statements and representations:

- (a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- (b) the Township hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than any private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the Township (and all subordinate entities of the Township) during calendar year 2015 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the Township during calendar year 2015 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The Township will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of Township.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities of the Bonds as described in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Township, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Township, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered

in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the Township's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the Town Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the Town Clerk will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The Township has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the Township with respect to the Bonds will agree to take all action necessary for all representations of the Township in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the Township, by resolution of the Board, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the Township will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the Township will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Township and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the Township will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Limited Continuing Disclosure. In order to qualify the Bonds for limited continuing disclosure under paragraph (d)(2) of Securities and Exchange Commission Rules, Section 15c2-12 (the "SEC Rule"), the Township makes the following factual statement and representation: As of the date of delivery of the Bonds, the Township will not be an obligated person (as defined in paragraph (f) of the SEC Rule) with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were exempt from the SEC Rule pursuant to paragraph (d)(1) thereof.

8.02. Execution of Continuing Disclosure Certificate. For purposes of this Section, "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the

Chair and Town Clerk and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.03. Township Compliance with Provisions of Continuing Disclosure Certificate. The Township hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the Township to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Township to comply with its obligations under this section.

Section 9. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the Township for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The Township may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

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The motion for the adoption of the foregoing resolution was duly seconded by Supervisor Novak, and upon vote being taken thereon, the following voted in favor thereof:

Kostik, Novak, Lawrence, Kraft and Schommer

and the following voted against the same:

None

whereupon said resolution was declared duly passed and adopted.