

REFUNDING BOND ORDINANCE OF PRINCETON, IN THE COUNTY OF MERCER, NEW JERSEY PROVIDING FOR THE FUNDING OF AN EMERGENCY APPROPRIATION RELATED TO EXPENSES INCURRED FOR THE CONSOLIDATION OF THE TOWNSHIP OF PRINCETON AND THE BOROUGH OF PRINCETON APPROPRIATING \$2,292,580 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$2,292,580 REFUNDING BONDS OR NOTES FOR FINANCING THE COST THEREOF.

WHEREAS, the Township of Princeton, in the County of Mercer, New Jersey (the "Township"), as the funding entity for the Township and the Borough of Princeton (the "Borough") for expenses related to the consolidation of the Township and the Borough, adopted an emergency appropriation resolution (the "Resolution") on December 3, 2012 in the amount \$2,292,580 (the "Emergency Appropriation") to cover the various costs and expenses incurred in connection with the consolidation of the Township and the Borough; and

WEHREAS, the Resolution approving the Emergency Appropriation was incorrectly referenced as having been adopted pursuant to N.J.S.A. 40A:4-54; and

WHEREAS, the Resolution should have been adopted pursuant to N.J.S.A. 40A:4-46; and

WHEREAS, the Division of Local Government Services has determined to treat the Resolution as if it had been adopted pursuant to N.J.S.A. 40A:4-46 and Princeton desires to reconfirm and ratify that the Resolution should have been and is hereby determined to constitute an emergency appropriation pursuant to N.J.S.A. 40A:4-46; and

WHEREAS, Princeton as the newly consolidated entity effective as of January 1, 2013 desires to fund the Emergency Appropriation through a refunding bond ordinance pursuant to N.J.S.A. 40A:2-51(a).

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF PRINCETON, IN THE COUNTY OF MERCER, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. Princeton, in the County of Mercer, New Jersey ("Princeton") is hereby authorized, as provided for herein, to fund the Emergency Appropriations in an amount not exceeding \$2,292,580 for emergency expenses related to the consolidation of the Township and the Borough.

Section 2. An aggregate amount not exceeding \$0 for items of expense listed in and permitted under N.J.S.A. 40A:2-51(b) has been included in the aggregate principal amount of refunding bonds authorized herein.

Section 3. In order to finance the purpose described in Section 1 hereof, negotiable refunding bonds are hereby authorized to be issued in the principal amount of \$2,292,580 pursuant to the Local Bond Law. To the extent that such amounts are effectively funded through deferred charges in future budgets of Princeton, such amounts as funded shall reduce the amount of refunding bonds authorized herein and to be issued.

Section 4. In anticipation of the issuance of the refunding bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law. All refunding bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer, provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer. The chief financial officer shall determine all matters in connection with notes issued pursuant to this ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations.

All notes issued hereunder may be renewed from time to time, but all such notes including renewals shall mature and be paid no later than the fifth anniversary of the date of the original notes or such other time period as determined by the Local Finance Board; provided, however, that no notes shall

be renewed beyond the first or any succeeding anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, determined in accordance with the maturity schedule for the bonds approved by the Local Finance Board, is paid and retired on or before such anniversary date; and provided, further, that the period during which the bond anticipation notes and any renewals thereof and any permanent bonds are outstanding, shall not exceed the period set for the maturity of the bonds by the Local Finance Board.

The chief financial officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The chief financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The chief financial officer of Princeton is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of Princeton and to execute such disclosure document on behalf of Princeton. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of Princeton pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of Princeton and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that Princeton fails to comply with its undertaking, Princeton shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 6. The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been

filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of Princeton as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$2,292,580 but as provided in N.J.S.A. 40A:2-52 such amount shall be deductible from gross debt, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

Section 7. The full faith and credit of Princeton are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of Princeton, and Princeton shall be obligated to levy ad valorem taxes upon all the taxable real property within Princeton for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 8. A certified copy of this refunding bond ordinance as adopted on first reading has been filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey prior to final adoption, together with a complete statement in the form prescribed by the Director and signed by the chief financial officer of Princeton as to the indebtedness to be financed by the issuance of the refunding bonds authorized herein.

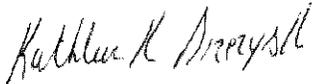
Section 9. Princeton hereby declares the intent of Princeton to issue the bonds or bond anticipation notes in the amount authorized in Section 3 of this bond ordinance and to use proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 1 of this bond ordinance. This Section 9 is a declaration of intent within the meaning and for purposes of Treasury Regulations §1.150-2 or any successor provisions of federal income tax law.

Section 10. Princeton hereby determines that the Resolution referred to in the preambles hereof shall be deemed to have been adopted pursuant to N.J.S.A. 40A:4-46 rather than as incorrectly stated as N.J.S.A. 40A:4-54. All actions taken pursuant to that Resolution are hereby ratified and confirmed.

Section 11. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law, provided that the consent of the Local Finance Board has been endorsed upon a certified copy of this ordinance as finally adopted.

Notice of Pending Ordinance

The ordinance published herewith was introduced and passed upon first reading at a meeting of the Mayor and Council of Princeton, in the County of Mercer, New Jersey, held on April 1, 2013. It will be further considered for final passage, after public hearing thereon, at a meeting of said Council to be held in the Main Meeting Room of the Municipal Building, 400 Witherspoon Street on April 22, 2013 which begins at 7:00 p.m., and during the week prior to and up to and including the date of such meeting, copies of said ordinance will be made available at the Clerk's Office to the members of the general public who shall request the same.



Kathleen K. Brzezynski
Deputy Clerk