

2006-3

BOND ORDINANCE PROVIDING FOR THE ACQUISITION OF A PORTION OF PROPERTY KNOWN AS TUSCULUM AND SHOWN ON THE PRINCETON TOWNSHIP TAX MAPS AS BLOCK 5201, LOT 4.01 INCLUDING A CONSERVATION EASEMENT ON A PORTION THEREOF BY THE TOWNSHIP OF PRINCETON, IN THE COUNTY OF MERCER, NEW JERSEY, APPROPRIATING THE SUM OF \$3,000,000.00 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$2,850,000.00 OF BONDS OR NOTES OF THE TOWNSHIP IN ORDER TO FINANCE A PART OF THE COSTS OF THEREOF.

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

Section 1. The improvement described in Section 3 of this bond ordinance is hereby authorized to be undertaken by the Township of Princeton, New Jersey as a general improvement. For the improvement or purposes described in Section 3, there is hereby appropriated the sum of \$3,000,000.00, including the sum of \$150,000.00 as the down payment required by the New Jersey Local Bond Law. The down payment is now available from the Open Space Fund maintained by the Township from the Open Space Tax. The appropriation includes amounts expected to be received by the Township from the State of New Jersey through the Green Acres Program, the Mercer County Open Space Fund and the Friends of Princeton Open Space. All of said funds will be paid to the Township to be used by the Township to pay

such costs directly or to reimburse the Township for any funding incurred prior to such receipt of such funds.

Section 2. In order to finance the cost of the improvement or purpose not covered by the application of the aforementioned down payment, negotiable bonds or notes are hereby authorized to be issued in the principal amount of \$2,850,000.00 pursuant to the New Jersey Local Bond Law. In anticipation of the issuance of the bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitation prescribed by the New Jersey Local Bond Law.

Section 3. (a) The improvement hereby authorized and the purpose for the financing of which the bonds are to be issued is as follows: (i) the acquisition of fee title to approximately 35± acres of the Tusculum property (part of Block 5201, Lot 4.01); (ii) the acquisition of a Conservation Easement on approximately 5± acres of the Tusculum property (Block 5201, Lot 4.01), said acreage adjacent to Cherry Hill Road; and (iii) a Development Easement on approximately 18± acres of land whereupon the Tusculum principal residence and outbuildings are located prohibiting further subdivision of said land within the Tusculum property (Block 5201, Lot 4.01).

(b) The acquisition price for the aforementioned fee title, Conservation Easement and Development Easement to be paid to the owners of Tusculum (Block 5201, Lot 4.01) shall total \$2,900,000.00.

(c) The estimated cost of the improvement or purpose is \$3,000,000.00 which includes the sum of \$100,000.00 for items of expense listed in and permitted under *N..J.S.A. 40A:2-20* in Section 6(b) of this Ordinance. The Township expects to receive the following funding from the following sources for the acquisition described hereinabove: (i) Mercer County:

\$300,000.00 Grant from Mercer County Acquisition Open Space Fund; (ii) State of New Jersey: \$500,000.00 Green Acres Direct Acquisition Grant. Princeton Township: \$300,000.00 Mercer County Grant; \$500,000.00 Green Acres Grant and Open Space Tax Fund; (iii) Friends of Princeton Open Space: \$400,000.00 Green Acres Grant; \$300,000.00 Mercer County Grant; \$100,000.00 from the Friends of Princeton Open Space Funds; \$300,000.00 from Future Green Acres Grant/Friends of Princeton Open Space Funds; \$200,000.00 Grant from Concordia Foundation. Total Funds: \$2,900,000.00.

Section 4. All 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 subject to the provisions of *N.J.S.A. 40A:2-8(a)*. The chief financial officer is hereby authorized to sell part of 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 capital budget of the Township of Princeton is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency herewith. The resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director of the Division of Local Government Services is on file with the Clerk and is available there for public inspection.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) the improvement or purpose described in Section 3 of this bond ordinance is not a current expense. It is an improvement or purpose that the Township may lawfully undertake as a general improvement, and no part of the cost thereof has been or shall be specially assessed on property specially benefitted thereby.

(b) The period of usefulness of the improvement or purpose within the limitations of the Local Bond Law, according to the reasonable life thereof computed from the date of the bonds authorized by this ordinance, is 40 years.

(c) 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 the Township as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$2,850,000.00 and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$100,000.00 for items of expense listed in and permitted under *N.J.S.A. 40A:2-20* is included in the estimated cost indicated herein for the purpose or improvement.

Section 7. Any grant moneys or other funds expected to be received for the purpose described in Section 3 hereof as described herein shall be applied either to direct payment of the cost of the improvement or to payment of the obligations issued pursuant to this ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 8. The chief financial officer of the Township 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 the Township and to execute such disclosure document on behalf of the Township. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Township pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of the Township and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continue to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the Township fails to comply with its undertaking, the Township shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 9. The full faith and credit of the Township 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 the Township, and the Township shall be obligated to levy and valorem taxes upon all the taxable real property within the Township for the payment of the obligations and the interest thereon without limitation or rate or amount.

Section 10. The owner of Tusculum (Block 5201, Lot 4.01) has agreed to donate the balance of the land value in excess of \$2,900,000.00. The Mayor and Clerk of the Township are hereby authorized and directed to execute any and all necessary Internal Revenue Service ("IRS") forms to recognize and acknowledge the balance of the land value as supported by appraisals to be obtained by the owner of Tusculum

Section 11. This bond ordinance shall effect upon 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

STATEMENT

The bond ordinance published herewith has been finally adopted on February 6, 2006 and the 20-day period of limitation within which a suit, action or proceeding questioning the validity of such ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this statement.

Kathy Brzezynski
Deputy Township Clerk