

**THE COMMISSIONERS OF FIRE DISTRICT NO. 3, IN THE TOWNSHIP
OF LOWER, COUNTY OF CAPE MAY, NEW JERSEY**

RESOLUTION

2016-17

RESOLUTION OF THE COMMISSIONERS OF FIRE DISTRICT NO. 3, IN THE TOWNSHIP OF LOWER, COUNTY OF CAPE MAY, NEW JERSEY AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$1,300,000 AGGREGATE PRINCIPAL AMOUNT OF ITS GENERAL OBLIGATION BONDS, SERIES 2016; MAKING CERTAIN COVENANTS TO MAINTAIN THE EXEMPTION OF INTEREST ON SAID BONDS FROM FEDERAL INCOME TAXATION; AND AUTHORIZING SUCH FURTHER ACTIONS AND MAKING SUCH DETERMINATIONS AS MAY BE NECESSARY OR APPROPRIATE TO EFFECT THE ISSUANCE AND SALE OF SAID BONDS

BACKGROUND

WHEREAS, pursuant to N.J.S.A. 40A:14-70 et seq., as amended and supplemented ("Fire District Law"), and by virtue of the proposal adopted by The Commissioners of Fire District No. 3, in the Township of Lower, County of Cape May, New Jersey ("Board" when referring to the governing body and "Fire District" when referring to the legal entity governed by the Board) and approved by the voters of the Fire District at the annual election held on February 16, 2013, the Fire District is authorized to issue bonds in the aggregate principal amount of up to \$2,000,000 to finance various capital improvements to the Erma Volunteer Fire Station including, but not limited to, the renovation and/or replacement of the roof, doors, engine bay floors, lighting and utility systems, together with the acquisition of all equipment necessary therefor or related thereto (collectively, the "Project"); and

WHEREAS, the Fire District desires at this time to permanently finance the costs of the Project through the issuance and sale of its general obligation bonds in an aggregate principal amount of not-to-exceed \$1,300,000; and

WHEREAS, pursuant to the Fire District Law, it is the intent of the Board hereby to authorize, approve and direct the issuance and sale of such bonds, to ratify and confirm certain actions heretofore taken by or on behalf of the Fire District and to make certain related determinations and authorizations in connection with such issuance and sale.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF FIRE DISTRICT NO. 3, IN THE TOWNSHIP OF LOWER, COUNTY OF CAPE MAY, NEW JERSEY, PURSUANT TO THE FIRE DISTRICT LAW, AS FOLLOWS:

Section 1. Pursuant to the Fire District Law, the issuance, sale and award of the negotiable general obligation bonds of the Fire District, to be designated, substantially, "The Commissioners of Fire District No. 3, in the Township of Lower, County of Cape May, New Jersey, General Obligation Bonds, Series 2016" ("Bonds"), in the aggregate principal amount of up to \$1,300,000 to finance the costs of the Project, are hereby authorized and approved.

Section 2. The Bonds shall be dated the date of closing and mature on June 15 in the following years and amounts, with such changes as shall be approved by the Treasurer upon the advice of the Fire District's professional advisors, such approval to be conclusively evidenced by the execution of a Certificate of Determination and Award by the Treasurer ("Award Certificate").

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2017	\$80,000	2023	\$110,000
2018	80,000	2024	110,000
2019	90,000	2025	120,000
2020	100,000	2026	130,000
2021	100,000	2027	140,000
2022	100,000	2028	140,000

The term of the Bonds is equal to or less than the average period of usefulness of the Project. Interest on the Bonds shall be payable semi-annually on June 15 and December 15, commencing on June 15, 2017, in each year until maturity. The Bonds may be subject to redemption prior to their stated maturity date as hereafter determined by the Treasurer.

Section 3. The Bonds shall be in the form prescribed and permitted by the Fire District Law, as Bond Counsel (as hereinafter defined) may advise and as the Fire District shall approve. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year. Both the principal of and interest on the Bonds will be payable in lawful money of the United States of America. The Bonds will be executed on behalf of the Fire District by the manual signature of the President of the Board or Vice President of the Board, attested by the Secretary of the Board (such execution shall constitute conclusive approval by the Fire District of the form of the Bonds), and shall bear the affixed, imprinted or reproduced seal of the Fire District thereon.

Section 4. The Request for Proposals ("RFP"), prepared on behalf of the Fire District by the Financial Advisor (as hereinafter defined) in connection with the sale of the Bonds, and the distribution thereof to various financial institutions are each hereby ratified, confirmed and approved.

Section 5. The Bonds shall be sold in accordance with the terms and conditions set forth in the RFP and the Award Certificate. At the next meeting of the Board after the award and sale of the Bonds, the Treasurer shall report, in writing, to the Board, the principal amount, the rate of interest, the maturities, the dates upon which interest on the Bonds shall be paid, the price and the purchaser or purchasers of the Bonds.

Section 6. The Treasurer is hereby authorized and directed to solicit proposals for and engage the services of a qualified financial institution to serve as paying agent for the Bonds ("Paying Agent"). The Treasurer is hereby authorized to enter into an agreement with the Paying

Agent for the services to be provided.

Section 7. The Bonds shall be general obligations of the Fire District. The full faith and credit of the Fire District are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds and, to the extent payment is not otherwise provided, the Fire District shall levy *ad valorem* taxes on all taxable real property within the jurisdiction of the Fire District without limitation as to rate or amount for the payment thereof.

Section 8. The Fire District hereby covenants that it will not make any use of the proceeds of the Bonds or do or suffer any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code"), and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the owners thereof for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

Section 9. The Fire District hereby covenants as follows: (i) it shall timely file with the Internal Revenue Service, such information report or reports as may be required by Sections 148(f) and 149(e) of the Code; and (ii) it shall take no action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 10. In the event that the aggregate principal amount of the tax exempt obligations (other than private activity bonds as defined in Section 141 of the Code and certain current Bonds described in Section 148(f)(4)(C) of the Code) issued by the Fire District during calendar year 2016 exceeds \$5,000,000, the Fire District hereby covenants that it shall make, or cause to be made, the rebate required by Section 148(f) of the Code in the manner described in Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2, as such regulations and statutory provisions may be modified insofar as they apply to

the Bonds.

Section 11. The Fire District hereby designates the Bonds as "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the Fire District hereby represents that it reasonably anticipates that the amount of tax-exempt obligations to be issued by the Fire District during the period from January 1, 2016 to December 31, 2016, and the amount of obligations designated as "qualified tax-exempt obligations" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Bonds.

For purposes of this Section 11, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the Fire District: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code.

Section 12. The appointment of Parker McCay P.A., Mount Laurel, New Jersey ("Bond Counsel"), to provide legal services for the Fire District in connection with the authorization, issuance, sale and delivery of the Bonds is hereby authorized, approved, ratified and confirmed. The Treasurer is hereby authorized and directed to enter into an agreement with the Bond Counsel for the services to be provided.

Section 13. The appointment of Phoenix Advisors, LLC, Bordentown, New Jersey ("Financial Advisor") to provide financial advisory services for the Fire District in connection with the authorization, issuance, sale and delivery of the Bonds is hereby authorized, approved, ratified and confirmed. The Treasurer is hereby authorized and directed to enter into an agreement with the Financial Advisor for the services to be provided.

Section 14. The Treasurer is hereby authorized to pay the costs associated with the issuance of the Bonds; provided, however, that such costs do not exceed the maximum amounts set forth in the application submitted by the Fire District to the Local Finance Board in connection with the issuance and sale of the Bonds.

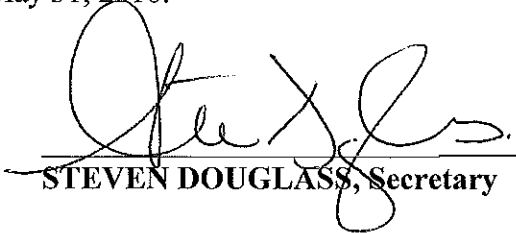
Section 15. All actions heretofore taken and documents prepared or executed by or on behalf of the Fire District by the members of the Board or by the Fire District's professional advisors, in connection with the authorization, issuance and sale of the Bonds, are hereby ratified, confirmed, approved and adopted in all respects.

Section 16. The President, Vice President, Treasurer and Secretary are each hereby severally authorized to determine all matters and execute all documents and instruments in connection with the issuance of the Bonds not determined or otherwise directed to be executed by the applicable law, or by this or any subsequent resolution, and the signatures of the President, Vice President, Treasurer and Secretary on such documents or instruments shall be conclusive as to such determinations.

Section 17. All other resolutions, or parts thereof, inconsistent herewith are hereby rescinded and repealed to the extent of any such inconsistency.

Section 18. This Resolution shall take effect immediately upon adoption this 31st day of May, 2016.

I hereby certify the foregoing to be the original resolution adopted by the Board of Commissioners of Fire District No. 3 at a meeting held May 31, 2016.


 STEVEN DOUGLASS, Secretary

	MOTION	SECOND	YEA	NAY	ABSTAIN	ABSENT
Robertson		X	X			
G. Douglass	X		X			
S. Douglass			X			
Van Mourik			X			
Sweeten						X