

**RESOLUTION NO. 2022-289**

**RESOLUTION OF THE TOWNSHIP OF LITTLE EGG HARBOR AUTHORIZING THE CIRCULATION OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF CERTAIN OF THE TOWNSHIP'S BOND ANTICIPATION NOTES AND APPROVING A CONTINUING DISCLOSURE CERTIFICATE WITH RESPECT TO SAID NOTES OF THE TOWNSHIP, AND AUTHORIZING AND/OR RATIFYING OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Township Committee of the Township of Little Egg Harbor, in the County of Ocean, New Jersey (the "Township"), has previously adopted (i) a bond ordinance numbered 2014-10, duly adopted by the Township Committee on July 10, 2014 ("Ordinance 2014-10"), (ii) a bond ordinance numbered 2018-13, duly adopted by the Township Committee on October 11, 2018 ("Ordinance 2018-13"), (iii) a bond ordinance numbered 2019-11, duly adopted by the Township Committee on July 11, 2019 ("Ordinance 2019-11"), (iv) a bond ordinance numbered 2020-02, duly adopted by the Township Committee on May 14, 2020 ("Ordinance 2020-02"), (v) a bond ordinance numbered 2020-09, duly adopted by the Township Committee on September 10, 2020 ("Ordinance 2020-09"), (vi) a bond ordinance numbered 2020-14, duly adopted by the Township Committee on November 12, 2020 ("Ordinance 2020-14"), (vii) a bond ordinance numbered 2021-02, duly adopted by the Township Committee on March 11, 2021 ("Ordinance 2021-02"), (viii) a bond ordinance numbered 2021-06, duly adopted by the Township Committee on April 8, 2021 ("Ordinance 2021-06"), (ix) a bond ordinance numbered 2021-09, duly adopted by the Township Committee on June 10, 2021 as amended by a bond ordinance numbered 2021-20, duly adopted by the Township Committee on September 9, 2021 (collectively, "Ordinance 2021-09"), and (x) a bond ordinance numbered 2021-10, duly adopted by the Township Committee on June 10, 2021 ("Ordinance 2021-10", and together with Ordinance 2014-10, Ordinance 2018-13, Ordinance 2019-11, Ordinance 2020-02, Ordinance 2020-09, Ordinance 2020-14, Ordinance 2021-02, Ordinance 2021-06, Ordinance 2021-09 and Ordinance 2021-10, the "Bond Ordinances"), and, pursuant to the Bond Ordinances has heretofore issued its \$10,075,000 Bond Anticipation Notes, Series 2022A, dated February 9, 2022 and maturing February 9, 2023 (the "Series 2022A Notes") and its \$9,463,000 Bond Anticipation Notes, Series 2022B, dated July 7, 2022 and maturing January 26, 2023 (the "Series 2022B Notes"), to finance and/or refinance costs of capital improvements; and

**WHEREAS**, the Township intends to issue its Bond Anticipation Notes, Series 2023A (the "Series 2023A Notes") and its Bond Anticipation Notes, Series 2023B (the "Series 2023B Notes", and together with the Series 2023A Notes, the "Notes") in an aggregate amount not to exceed \$19,367,750 for the purpose of (i) refunding a portion of the Township's Series 2022A Notes; (ii) refunding a portion of the Township's Series 2022B Notes, and (iii) paying a portion of the costs associated with the issuance of the Notes; and

**WHEREAS**, all matters pertaining to the sale of the Notes have been delegated by the Bond Ordinances to the Chief Financial Officer of the Township; and

**WHEREAS**, in connection with the offering and sale of the Notes, the Township intends to distribute a Preliminary Official Statement and final Official Statement setting forth certain information relating to the Township and the Notes, and the Township also intends to enter into a Continuing Disclosure Certificate.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF LITTLE EGG HARBOR, IN THE COUNTY OF OCEAN, NEW JERSEY, AS FOLLOWS:**

SECTION 1. Authorization for Official Statement. The distribution by the Township, and its municipal advisor, of the Preliminary Official Statement relating to the Notes (a draft of which is attached hereto as **Exhibit A** and shall be filed with the records of the Township) is hereby approved in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as bond counsel may advise and the Township officer executing the same may approve, such approval to be evidenced by such Township officer's execution thereof. The Chief Financial Officer is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 of the Rules of the Securities and Exchange Commission and to execute and deliver a certificate to that effect. The Chief Financial Officer is hereby authorized to approve the contents and terms of the final Official Statement in respect of the aforementioned notes in substantially the form of the Preliminary Official Statement. The Chief Financial Officer is hereby authorized to sign such Official Statement on behalf of the Township, in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as bond counsel may advise and the Township officer executing the same may approve, such approval to be evidenced by such Township officer's execution thereof.

SECTION 2. Continuing Disclosure. The form of the Continuing Disclosure Certificate in substantially the form attached hereto as **Exhibit B** is hereby approved, and the execution of the Continuing Disclosure Certificate by Chief Financial Officer of the Township is hereby authorized. The Township hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the Township and dated the date of issuance and delivery of the Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Resolution, failure of the Township to comply with the Continuing Disclosure Certificate shall not be considered a default on the Notes; however, any holder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Township to comply with its obligations under this Section.

Section 3. Further Action. Any matter relating to the award, sale or execution of the Notes which has been delegated to the Chief Financial Officer may be performed by said officer. On behalf of the Township, the appropriate representatives of the Township are authorized and directed to take all steps which are necessary or convenient to effectuate the terms of this

Resolution with respect to the issuance, sale and delivery of the Notes, including, but not limited to the execution of all tax certificates and other closing documentation. All such actions heretofore taken are hereby ratified, approved and confirmed.

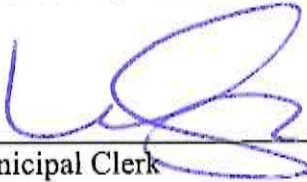
Section 4. Effective Date. This Resolution shall take effect upon adoption.

## CERTIFICATE

I, Clerk of the Township of Little Egg Harbor, in the County of Ocean, New Jersey, HERBY CERTIFY that the foregoing annexed extract from the minutes of the meeting of the governing body of the Township duly called and held on December 8, 2022 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of the governing body 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 Township this 8<sup>th</sup> day of December, 2022.

[SEAL]

  
\_\_\_\_\_  
Municipal Clerk

**EXHIBIT A**

**DRAFT FORM OF PRELIMINARY OFFICIAL STATEMENT**



This is a Preliminary Official Statement and the information contained herein is subject to completion, amendment or other change without notice. The securities described herein may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 5, 2023

**NEW ISSUE  
BOOK-ENTRY ONLY**

**NOT RATED**

*In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") applicable to the Notes and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Notes, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In the further opinion of Bond Counsel, interest on the Notes is not treated as a preference item in calculating of the alternative minimum tax imposed by the Code, however, for tax years beginning after December 31, 2022 interest on the Notes is included in "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under the laws of the State of New Jersey, as enacted and construed on the date of the original delivery of the Notes, interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**\$12,923,000**  
**TOWNSHIP OF LITTLE EGG HARBOR**  
**IN THE COUNTY OF OCEAN, NEW JERSEY**  
**BOND ANTICIPATION NOTES, SERIES 2023A**  
**(Non-Callable)**  
**Dated:** Date of Delivery  
**Due:** September 15, 2023

**\$6,417,250**  
**TOWNSHIP OF LITTLE EGG HARBOR**  
**IN THE COUNTY OF OCEAN, NEW JERSEY**  
**BOND ANTICIPATION NOTES, SERIES 2023B**  
**(Non-Callable)**  
**Dated:** Date of Delivery  
**Due:** January 24, 2024

The \$12,923,000 Bond Anticipation Notes, Series 2023A (the "2023A Notes") and the \$6,417,250 Bond Anticipation Notes, Series 2023B (the "2023B Notes", together with the 2023A Notes, the "Notes") are general obligations of the Township of Little Egg Harbor, in the County of Ocean, State of New Jersey (the "Township"). The Notes will constitute general obligations of the Township for the payment of the principal of and interest on which the full faith, credit and taxing power of the Township is available, and all the taxable real property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for such purposes.

The Notes of each series will be issued in fully registered book-entry only form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry form in the principal amount of \$5,000 or greater.

The Notes will bear interest at the rates per annum and reoffering yields, as shown on the inside front cover page, commencing from their date of delivery. Interest on the Notes will be payable at the respective date of maturity (as described above). Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent at the respective date of maturity.

The Notes are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and various bond ordinances duly adopted by the Township Council as set forth herein.

The 2023A Notes, along with other available funds of the Township, are being issued to: (i) refund, on a current basis, a \$3,045,750 aggregate principal portion of the \$9,463,000 bond anticipation notes of the Township, dated July 7, 2022 and maturing January 29, 2023 (the "July Prior Notes"); (ii) refund, on a current basis, the \$10,075,000 bond anticipation notes of the Township, dated February 9, 2022 and maturing February 9, 2023 (the "February Prior Notes", and together with the July Prior Notes, the "Prior Notes"); and (iii) pay the costs associated with the issuance of the 2023A Notes.

The 2023B Notes are being issued to: (i) refund, on a current basis, a \$6,417,250 aggregate principal portion of the July Prior Notes; and (ii) pay the costs associated with the issuance of the 2023B Notes.

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

The Notes are offered when, as and if received by the purchaser and subject to prior sale, withdrawal or modification of the offer without notice, and to approval of legality by GluckWalrath LLP, Freehold, New Jersey, Bond Counsel, and certain other conditions described herein. Phoenix Advisors, LLC, Bordentown, New Jersey, serves as Municipal Advisor to the Township in connection with the issuance of the Notes. It is expected that the Notes, in definitive form, will be available for delivery on or about January 25, 2023.

**BIDS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE FOR THE NOTES, WILL BE RECEIVED ON JANUARY 12, 2023.**

**\$12,923,000 BOND ANTICIPATION NOTES, SERIES 2023A**

**MATURITY, AMOUNT, INTEREST RATE, YIELD AND CUSIP\***

<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
September 15, 2023	\$12,923,000	%	%	537089__

**\$6,417,250 BOND ANTICIPATION NOTES, SERIES 2023B**

**MATURITY, AMOUNT, INTEREST RATE, YIELD AND CUSIP\***

<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
January 24, 2024	\$6,417,250	%	%	537089__

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\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

**TOWNSHIP OF LITTLE EGG HARBOR  
IN THE COUNTY OF OCEAN, NEW JERSEY  
665 RADIO ROAD  
LITTLE EGG HARBOR TOWNSHIP, NEW JERSEY 08087  
(609) 296-7241**

**MAYOR**  
John Kehm, Jr.

**TOWNSHIP COMMITTEE**  
Blaise Scibetta, Deputy Mayor  
Ray Gormley  
Dan Maxwell  
Kenneth Lancy Jr.

**TOWNSHIP ADMINISTRATOR/ CHIEF FINANCIAL OFFICER**  
Rodney R. Haines

**TAX COLLECTOR**  
Dayna Wilson, CTC

**TOWNSHIP CLERK**  
Kelly Lettera

**TOWNSHIP SOLICITOR**  
Melanie Szuba Appleby, Esq.  
Toms River, New Jersey

**INDEPENDENT AUDITORS**  
Holman Frenia Allison, P.C.  
Lakewood, New Jersey

**BOND COUNSEL**  
GluckWalrath LLP  
Freehold, New Jersey

**MUNICIPAL ADVISOR**  
Phoenix Advisors, LLC  
Bordentown, New Jersey



No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Notes other than those contained in this document, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation of warranty by the Purchaser or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this document nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this document to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein.

This document does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this document. If given or made, such other information or representations must not be relied upon as having been authorized by the Township.

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**OFFICIAL STATEMENT  
OF  
TOWNSHIP OF LITTLE EGG HARBOR  
IN THE COUNTY OF OCEAN, NEW JERSEY**

**RELATING TO**

**\$12,923,000  
BOND ANTICIPATION NOTES, SERIES 2023A  
(Non-Callable)**

**\$6,417,250  
BOND ANTICIPATION NOTES, SERIES 2023B  
(Non-Callable)**

**INTRODUCTION**

This Official Statement, which includes the cover page, inside front cover page and the appendices attached hereto, has been prepared by the Township of Little Egg Harbor (the "Township"), in the County of Ocean (the "County"), New Jersey (the "State") in connection with the sale and issuance of \$12,923,000 Bond Anticipation Notes, Series 2023A (the "2023A Notes") and the \$6,417,250 Bond Anticipation Notes, Series 2023B (the "2023B Notes", together with the 2023A Notes, the "Notes") of the Township.

**THE NOTES**

**General Description**

The Notes will be dated the date of delivery and will mature on the respective due dates, as shown on the front cover hereof. The interest on the Notes will be payable on the respective due dates as shown on the front cover page. The Notes will be issued in book-entry form only.

The Notes are general obligations of the Township and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and interest thereon. The Township is obligated to levy *ad valorem* taxes upon all of the taxable property within the Township for the payment of principal of and interest on the Notes without limitation as to rate or amount.

**Denominations and Place of Payment**

The Notes are issuable only as fully registered Notes without coupons, and when issued will be in the form of one certificate in the aggregate principal amount of each series of the Notes and will be registered in the name of Cede & Co., as registered owner and nominee for the Depository Trust Company ("DTC"), New York, New York. DTC will act as Securities Depository for the Notes. Purchase of the Notes will be made in book entry form, in the denomination of \$5,000 or greater. Purchasers will not receive certificates representing their interest in Notes purchased. So long as Cede & Co. is the registered owner, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners of the Notes. See "Book-Entry-Only System" herein.

**Optional Redemption**

The Notes are not subject to redemption prior to their stated maturity.

### Authorization for the Issuance of Notes

The Notes are authorized and being issued pursuant to the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-1 et seq.) (the "Local Bond Law"), and the acts amendatory thereof and supplemental thereto, and various bond ordinances of the Township.

The 2023A Notes, along with available funds of the Township in the amount of \$197,750, are being issued to: (i) refund, on a current basis, a \$3,045,750 aggregate principal portion of the \$9,463,000 bond anticipation notes of the Township, dated July 7, 2022 and maturing January 29, 2023 (the "July Prior Notes"); (ii) refund, on a current basis, the \$10,075,000 bond anticipation notes of the Township, dated February 9, 2022 and maturing February 9, 2023 (the "February Prior Notes", and together with the July Prior Notes, the "Prior Notes"); and (iii) pay the costs associated with the issuance of the 2023A Notes.

The 2023B Notes are being issued to: (i) refund, on a current basis, a \$6,417,250 aggregate principal portion of the July Prior Notes; and (ii) pay the costs associated with the issuance of the 2023B Notes.

The Notes and the improvements or purposes for which the Notes are to be issued have been authorized by bond ordinances duly adopted by the Township, which ordinances are described in the following table by ordinance number, description and amount of Prior Notes being refunded with the Notes:

#### 2023A Notes

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount of Prior Notes Being Refunded with the 2023A Notes</u>
2014-10	Various Capital improvements	\$1,321,019
2018-13	Various Capital Improvements	1,526,981
2021-09	Mechanical Maintenance Dredging of Various Tidal Lagoon and Inlet Areas of Great Bay in the Mystic Island (West Phase I) Section of the Township	8,550,000
2021-10	Mechanical Maintenance Dredging of Various Tidal Lagoon and Inlet Areas of Great Bay in the Atlantis Section of the Township	<u>1,525,000</u>
<b>Total:</b>		<u>\$12,923,000</u>

#### 2023B Notes

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount of Prior Notes Being Refunded with the 2023B Notes</u>
2019-11	Various Capital Improvements	\$361,000
2020-02	Various Capital Improvements	209,000
2020-09	Various Capital Improvements	2,802,500
2020-14	Drainage Improvements	432,250
2021-02	Various Capital Improvements	712,500
2021-06	Renovations and Improvements to Sports Complex	<u>1,900,000</u>
<b>Total:</b>		<u>\$6,417,250</u>

## SECURITY FOR THE NOTES

The Notes are general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal, redemption premium, if any, and the interest on the Notes. The Township is required by law to levy *ad valorem* taxes on all taxable real property in the Township for the payment of the principal, redemption premium, if any, of and the interest on the Notes, without limitation as to rate or amount.

### The Township

The Township, primarily a residential community, is located in the southern part of the County. See Appendix "A" for general information regarding the Township. See Appendix "A" for general information regarding the Township.

## DISCLOSURE REGARDING COVID-19

COVID-19, a respiratory disease caused by a new strain of coronavirus, had been characterized as a pandemic (the "Pandemic") by the World Health Organization and has affected many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on, March 13, 2020, then President Trump declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy declared a state of emergency on March 9, 2020 and issued multiple Executive Orders regarding the Pandemic. On June 4, 2021, Governor Murphy signed an Executive Order declaring the end to the Pandemic, effective July 4, 2021, subject to certain executive orders remaining in effect until January 1, 2022. With hospitalizations falling, vaccines and treatments available and the Pandemic moving into an endemic stage, Governor Murphy announced Friday, March 4, 2022, with Executive Order 292 that he was ending the State's public health emergency declared in Executive Order 280 and lifting certain restrictions effective Monday, March 7, 2022. Ongoing actions may be taken by State, federal and local governments and private entities to mitigate the spread and impacts of the Pandemic. The Pandemic negatively affected travel, commerce and financial markets globally.

Because of the evolving nature of the outbreak and new variants of COVID-19, along with federal, state and local responses thereto, the Township cannot predict how the outbreak may impact the financial condition or operations of the Township, if there will be any impact on the assessed values of property within the Township or unexpected deferrals of tax payments to municipalities, or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs to the Township.

The American Rescue Plan Act of 2021 (the "ARP") was passed by Congress on March 10, 2021 and signed into law by President Biden on March 11, 2021. The ARP includes funding for states and local governments, including the Township, which may be used to respond to the COVID-19 public health emergency or its negative economic impacts, to provide premium pay to eligible workers that are providing essential work during the emergency, to provide government services to the extent of the reduction in revenue due to the emergency, and to make necessary investments in water, sewer, or broadband infrastructure. The American Rescue Plan Act of 2021 (the "ARP") was passed by Congress on March 10, 2021 and signed into law by President Biden on March 11, 2021. The ARP includes funding for states and



local governments, including the Township, which may be used to respond to the COVID-19 public health emergency or its negative economic impacts, to provide premium pay to eligible workers that are providing essential work during the emergency, to provide government services to the extent of the reduction in revenue due to the emergency, and to make necessary investments in water, sewer, or broadband infrastructure. The U.S. Department of Treasury has announced that the Township has received \$2,272,563.66 in ARP funding.

### **BOOK-ENTRY-ONLY SYSTEM**

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners (as each such term is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued in the aggregate principal amount of each series of the Notes, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of the Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished

by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices, if any, shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township or its designated Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Notes, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or its designated Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Township, or the Township's designated Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or its designated Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Township or its designated Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.



The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

**NEITHER THE TOWNSHIP NOR ITS DESIGNATED PAYING AGENT WILL HAVE THE RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.**

**SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.**

#### **Discontinuance of Book-Entry Only System**

In the event that the book-entry only system is discontinued and the Beneficial Owners become registered owners of the Notes, the following provisions apply: (i) the Notes may be exchanged for an equal aggregate principal amount of Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Township or its designated paying agent; (ii) the transfer of Notes may be registered on the books maintained by the paying agent for such purposes only upon the surrender thereof to the Township, or its designated paying agent, together with the duly executed assignment in form satisfactory to the Township, or its designated paying agent; and (iii) for every exchange or registration of transfer of Notes, the Township or its designated paying agent, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Notes.

### **MUNICIPAL FINANCE – FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

#### **Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law governs the issuance of bonds to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments, with no annual principal payment greater than 100% of the smallest amount of any prior year's principal amount. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds issued by the Township are general full faith and credit obligations.

#### **Debt Limits**

The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis over the past three years. The equalized valuation basis of a municipality is set by statute as the average for the last three preceding years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as determined annually by the State Director of Taxation. Certain categories of debt, which include the portion of school debt within a school district's debt limitation and the self-liquidating portion of a utility's debt, are permitted by statute to be deducted for purposes of computing the

statutory debt limit. As shown in Appendix "A", the Township has not exceeded its statutory debt limit as of December 31, 2021.

### **Exceptions to Debt Limits - Extensions of Credit**

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township, without approval of the Local Finance Board, to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

### **Short Term Financing**

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for one year periods, with the last date of issuance not to exceed ten years and four months from the original issuance date. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

### **The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)**

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director

determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited, except for: (i) during the first three (3) months of a current fiscal year, appropriation reserves may be transferred to the immediately preceding fiscal year's budget; and (ii) transfers between major appropriation accounts are permitted during the last two (2) months of a current fiscal year. Such transfers must be approved by two-thirds of the full membership of the governing body of a local governmental unit. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and

services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.4% or less.

Additionally, legislation constituting P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50%.

The Division has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the Township to levy ad valorem taxes upon all taxable property within the boundaries of the Township to pay debt service on bonds and notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

### **Tax Appeals**

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before the April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.



## **The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local units financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for each local unit is on file with the Clerk and is available for review during business hours.

## **School Debt Subject to Voter Approval**

State law permits local school districts, upon approval of the voters in a Type II school district, to authorize school district debt, including debt in excess of its independent debt limitation by using the available borrowing capacity of the constituent municipality. If such debt is in excess of the school district's debt limit and the remaining borrowing capacity of the constituent municipality, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters for approval.

## **TAX MATTERS**

### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met at and subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excluded from gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The Township has covenanted to comply with the provisions of the Code applicable to the Notes, and has covenanted not to take any action or permit any action that would cause the interest on the Notes to be included in gross income under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference in calculating of the alternative minimum tax imposed by the Code. Bond Counsel will not independently verify the accuracy of those certifications and representations.

Assuming the Township observes its covenants with respect to compliance with the Code, GluckWalrath LLP, Bond Counsel to the Township, is of the opinion that, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of Notes, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. Bond Counsel is further of the opinion that interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed by the Code on individuals. See "Certain Federal Tax Considerations" below.

### **State Taxes**

In the opinion of Bond Counsel, under the laws of the State of New Jersey as enacted and construed on the date of original delivery of the Notes, interest on the Notes and gain, however, for tax years beginning after December 31, 2022 interest on the Notes is included in "adjusted financial statement income" of

certain corporations that are subject to the alternative minimum tax under Section 55 of the Code from the sale thereof are not excludable from gross income under the New Jersey Gross Income Tax Act.

### **Original Issue Premium**

The initial public offering prices of the Notes may be greater than the stated redemption price thereof at maturity (the "Premium Notes"). The difference between the initial public offering price for the Premium Notes and the stated redemption price at maturity is "original issue premium." For federal income tax purposes original issue premium is amortizable periodically over the term of the Premium Notes through reductions in the holder's tax basis for the Premium Notes for determining gain or loss from sale or redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Premium Notes rather than creating a deductible expense or loss. Purchasers of the Notes should consult their tax advisors for an explanation of the accrual rules for original issue premium and any other federal, state or local tax consequences of the purchase of the Premium Notes.

### **Certain Federal Tax Considerations**

Ownership of the Notes may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, foreign corporations that may be subject to the foreign branch profits tax, and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Notes. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Notes. The nature and extent of the tax benefit to a taxpayer of ownership of the Notes will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Notes should consult their own tax advisors with respect to these and other collateral federal tax consequences resulting from ownership of the Notes.

Bond Counsel is not rendering any opinion on any federal tax matters other than those described under the caption "TAX MATTERS." Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

### **Backup Withholding**

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Notes is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

### **Changes in Law and Post-Issuance Events**

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Notes for federal or state income tax purposes, and thus on the value or marketability of the Notes. This impact could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of interest on

the Notes from gross income of the owners thereof for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Notes may occur. Prospective purchasers of the Notes should consult their own tax advisors regarding such matters.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other counsel.

### **Section 265 Qualification**

The Code denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which must be so designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

The Township is not designating the Notes as qualified for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations under Section 265 of the Code.

**ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

**THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE RECITAL OF THE POTENTIAL TAX CONSEQUENCES OF HOLDING THE NOTES. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE NOTES.**

### **LEGALITY FOR INVESTMENT**

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the Township including the Notes, and such Notes are authorized security for any and all public deposits.

### **CONTINUING DISCLOSURE**

Pursuant to the requirements of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, the Township will deliver concurrently with the delivery of the Notes, a Continuing Disclosure Certificate in substantially the form annexed hereto as Appendix C (the "Continuing Disclosure Certificate"). The Township has covenanted for the benefit of the Noteholders in accordance with the provisions of the Continuing Disclosure Certificate, to provide or cause



to be provided, notices of the occurrence of certain enumerated events to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access Dataport ("EMMA").

The Township has previously entered into continuing disclosure undertakings under the Rule. The Township appointed Phoenix Advisors, LLC in January of 2013 to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its obligations.

## **LITIGATION**

Upon delivery of the Notes, the Township shall furnish a certificate of Rothstein, Mandell, Strohm, Halm & Cipriani, P.C., Toms River, New Jersey (the "Township Solicitor"), dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending or, to his knowledge, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Township or adversely affect the power of the Township to levy, collect and enforce the collection of taxes or other revenues for the payment of its bonds, which has not been disclosed in this Official Statement.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq., as amended by Public Law 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by an Act to Amend the Bankruptcy Law to Provide for Special Revenue Notes, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditors' rights and municipalities in general. Chapter IX permits a state or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 through 52:27-45.11, which provides that any county, municipality, or other political subdivision of this State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance of the governing body of the political subdivision. The powers of the municipal finance commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of

the Bankruptcy Act. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

### **CERTAIN REFERENCES**

The foregoing statements and descriptions of provisions of the New Jersey Constitution, the Local Bond Law and other laws of the State of New Jersey, the Federal Bankruptcy Code, the Ordinances of the Township and the Notes and all references to other material not purported to be quoted in full are only brief, generalized descriptions thereof, do not purport to be complete, and are in all respects subject to and qualified in their entireties by express reference to the complete provisions thereof. Copies of the Ordinances will be furnished by the Township on request.

All estimates and assumptions herein are believed to be reasonable, but no warranty, guaranty or other representation is made that such estimates or assumptions will be realized or are correct. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

### **CERTIFICATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein relating to the Township are true and correct in all material respects and, upon request, it will confirm to the purchasers of the Notes, by certificates signed by an official of the Township, that to their knowledge such descriptions and statements, as of the date hereof, and as of closing, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

All other information has been obtained from sources which the Township considers to be reliable and it makes no warranty, guaranty or other representation which respect to the accuracy and completeness of such information.

Bond Counsel has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

### **RATING**

The Notes are not rated. The Township currently has a long-term rating of "AA-" from S&P Global Ratings.

## **PURCHASERS**

### **2023A Notes**

The 2023A Notes have been purchased from the Township at a public sale by \_\_\_\_\_ (the "2023A Notes Purchaser") at a price of \$ \_\_\_\_\_. The 2023A Notes Purchaser is obligated to purchase all of the 2023A Notes if any are purchased.

### **2023B Notes**

The 2023B Notes have been purchased from the Township at a public sale by \_\_\_\_\_ (the "2023B Notes Purchaser" and together with the 2023A Notes Purchaser, the "Purchasers") at a price of \$ \_\_\_\_\_. The 2023B Notes Purchaser is obligated to purchase all of the 2023B Notes if any are purchased.

The Purchasers intend to offer the Notes to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Purchasers reserve the right to join with dealers and other Purchasers in offering the Notes to the public. The Purchasers may offer and sell Notes to certain dealers (including dealers depositing Notes into investment trusts) at yields higher than the public offering yields set forth on the inside front cover page, and such public offering yields may be changed, from time to time, by the Purchasers without prior notice.

## **MUNICIPAL ADVISOR**

Phoenix Advisors, LLC, Bordentown, New Jersey has served as Municipal Advisor to the Township with respect to the issuance of the Notes (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes are subject to the approval of GluckWalrath LLP, Freehold, New Jersey, Bond Counsel to the Township, whose approving legal opinions will be delivered with the Notes substantially in the form set forth as Appendix "D". Certain legal matters will be passed on for the Township by the Township Solicitor.

## **FINANCIAL STATEMENTS**

Appendix "B" contains certain audited financial data of the Township for the Township's fiscal year ending December 31, 2021. The audited financial data was extracted from the report prepared by Holman Frenia Allison, P.C., Lakewood, New Jersey (the "Auditor"), to the extent and for the period set forth in their report appearing in Appendix "B". The Auditor has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information

contained herein (except for the financial statements appearing in Appendix "B" hereto) and, accordingly, we will express no opinion with respect thereto.

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to the Township's Administrator/Chief Financial Officer, 665 Radio Road, Little Egg Harbor, New Jersey 08087, telephone (609) 296-7241, or the Township's Municipal Advisor, Phoenix Advisors, LLC, 625 Farnsworth Avenue, Bordentown, New Jersey, telephone (609) 291-0130.

### **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof.

### **TOWNSHIP OF LITTLE EGG HARBOR, IN THE COUNTY OF OCEAN, NEW JERSEY**

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Rodney R. Haines,  
Township Administrator/Chief Financial Officer

Dated: January \_\_, 2023

**APPENDIX A**  
**GENERAL INFORMATION REGARDING THE TOWNSHIP**

**APPENDIX B**  
**FINANCIAL INFORMATION REGARDING THE TOWNSHIP**

**APPENDIX C**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES**



**APPENDIX D**  
**FORM OF BOND COUNSEL'S OPINION FOR THE NOTES**

## **EXHIBIT B**

### **FORM OF CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Little Egg Harbor, in the County of Ocean, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$\_\_\_\_\_ Bond Anticipation Notes, Series 2023A Notes (the "Series 2023A Notes") and its \$\_\_\_\_\_ Bond Anticipation Notes, Series 2023B Notes (the "Series 2023B Notes", and together with the Series 2023A Notes, the "Notes"). The Notes are being issued pursuant to bond ordinances duly adopted by the Issuer. The Issuer covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Noteholders and Beneficial Owners of the Notes and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

**SECTION 2. Definitions.** The following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

"Continuing Disclosure Information" shall mean: (i) any notice required to be filed with the MSRB pursuant to Section 4 hereof; and (ii) any notice of an event required to be filed with the MSRB pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" 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). 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.

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Notcholder" shall mean any person who is the registered owner of any Note, including holders of beneficial interests in the Notes.

"Participating Underwriter" shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

### SECTION 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 3, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on the debt service reserves reflecting financial difficulties;
4. unscheduled draws on the credit enhancements reflecting financial difficulties;
5. substitution of the 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 Notes, or other material events affecting the tax-exempt status of the Notes;
7. modifications to rights of Noteholders, if material;
8. Note calls, if material, and tender offers;
9. defeasances;

10. release, substitution or sale of property securing repayment of the Notes, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar events of the Issuer, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
13. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Notes, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in subsection (a) for which the disclosure obligation is dependent upon materiality, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

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(c) If disclosure of a Listed Event is required, the Issuer shall in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 4. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 3(c).

SECTION 5. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Noteholders or Beneficial Owners of the Notes.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the same manner as for a Listed Event under Section 3(a), and shall include a narrative explanation of the reason for the amendment or waiver.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or

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including any other notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Noteholder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Notes, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Noteholders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Date: \_\_\_\_\_, 2023

TOWNSHIP OF LITTLE EGG HARBOR, IN THE  
COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Chief Financial Officer