

293-11.14

**TOWNSHIP OF NORTH BRUNSWICK, NEW JERSEY  
RESOLUTION AUTHORIZING PARTICIPATION  
IN THE SECURITIES AND EXCHANGE  
COMMISSION'S MUNICIPALITIES CONTINUING  
DISCLOSURE COOPERATION INITIATIVE**

---

**WHEREAS**, the Township of North Brunswick, in the County of Middlesex, New Jersey (the "Issuer") has previously issued one or more series of bonds, including in the past five (5) years pursuant to one or more preliminary and final official statements (collectively, the "Bonds"); and

**WHEREAS**, in connection with the issuance of such Bonds, the Issuer covenanted with Bondholders to provide certain secondary market information on an annual basis to the Nationally Recognized Municipal Securities Information Repositories (pre-2009) and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port (2009 to present) ("EMMA"), including, but not limited to, audited financial statements, certain financial and operating data, and ratings changes; and

**WHEREAS**, the Securities and Exchange Commission (the "SEC") has recently focused attention on what it alleges is widespread failure of local government issuers across the nation to meet their continuing disclosure obligations and misrepresentation through material misstatements in an official statement (innocently, inadvertently or otherwise) of past compliance with continuing disclosure obligations; and

**WHEREAS**, in an effort to remedy these perceived issues, the SEC has implemented the Municipalities Continuing Disclosure Cooperation Initiative (the "SEC Initiative"), a limited-time program ending on December 1, 2014, that encourages issuers of municipal bonds, including the Issuer, to self-report possible material misstatements or omissions, made in the past five (5) years in an official statement regarding compliance with prior continuing disclosure obligations; and

**WHEREAS**, by participating in the SEC Initiative, issuers agree to accept certain non-monetary penalties, in lieu of unknown monetary and non-monetary penalties the SEC has threatened on issuers that do not participate in the SEC Initiative, should the SEC determine that an issuer has made material misstatements in an official statement regarding compliance with prior continuing disclosure obligations; and

**WHEREAS**, by participating in the SEC Initiative, issuers agree to accept the following penalties, if imposed by the SEC (i) compliance with a cease and desist order in which the Issuer neither admits nor denies the findings of the SEC, (ii) implementation of policies, procedures and training regarding continuing disclosure obligations, (iii) compliance with all existing continuing disclosure undertakings, (iv) cooperation with any further SEC investigations, (v) disclosure of settlement terms in any final official statement issued within five years of the date of institution of the proceedings, and (vi) production to the SEC of a compliance certificate regarding the applicable undertakings on the one year anniversary of the proceedings; and

**WHEREAS**, on July 23, 2014, the Division of Local Government Services issued Local Finance Notice LFN 2014-9 (i) alerting New Jersey local governments to the SEC Initiative, (ii) strongly recommending that local governments examine their continuing disclosure contractual obligations and past official statements in order to determine if it is advisable for an issuer to participate in the SEC Initiative and (iii) cautioned that local governments that fail to complete a disclosure assessment in connection with the SEC Initiative will likely have difficulty accessing capital markets, difficulty in receiving timely approvals of the Local Finance Board or Director of the Division of Local Government Services, as applicable, and decreased scores on the future "Best Practices Questionnaires"; and

**WHEREAS**, the Issuer has previously engaged Acacia Financial Group, Inc. to conduct a disclosure audit which (i) summarized the results of the Issuer's prior compliance with its secondary market disclosure obligations and (ii) compared those results to the statements made by the Issuer in its official statements regarding past compliance (the "Disclosure Audit"); and

**WHEREAS**, based on the results of the Disclosure Audit, and weighing heavily the known, non-monetary penalties that may come through the Issuer's participation in the SEC Initiative versus the unknown monetary and non-monetary penalties the SEC has threatened on issuers that do not self-report, the Issuer further desires to delegate jointly to the Township's Chief Financial Officer and Township Administrator, in consultation with the Issuer's general counsel, bond counsel, auditor and other finance professionals, the power to prepare and submit all documentation required to enter the Issuer's Bond issues into the SEC Initiative, as necessary;

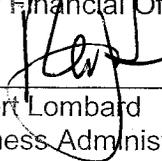
**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ISSUER, AS FOLLOWS:**

**Section 1.** In the event the Disclosure Audit revealed that the Issuer may have made a material misstatement regarding the Issuer's compliance with prior continuing disclosure undertakings, the Issuer hereby authorizes and directs the Township's Chief Financial Officer and the Township Administrator to jointly prepare and submit all documentation necessary to enter the Issuer's applicable Bond issues into the SEC Initiative.

**Section 2.** Any action taken by the Township's Chief Financial Officer, the Township Administrator or any other officer of the Issuer, with respect to the Disclosure Audit, the engagement of a disclosure specialist and participation in the SEC Initiative is hereby ratified and confirmed.

**Section 3.** This resolution shall take effect immediately.

  
 \_\_\_\_\_  
 Kala Sriranganathan  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Robert Lombard  
 Business Administrator

\_\_\_\_\_  
 Ronald Gordon, Esq.  
 Township Attorney  
 Approved at to legal form

**RECORDED VOTE:**

COUNCIL MEMBER	YES	NO	ABSTAIN	NOTES
MS. NARRA				
MR. ANDREWS				
MR. CORBIN				
MR. DAVIS				
MR. SOCIO				
MS. NICOLA				
MAYOR WOMACK				

I hereby certify the foregoing to be a true copy of a resolution adopted by the Township Council of the Township of North Brunswick at a meeting held on November 17, 2014.

