

**ORDINANCE NO. 10-08**

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**ORDINANCE OF THE BOROUGH OF MERCHANTVILLE,  
COUNTY OF CAMDEN, NEW JERSEY, AUTHORIZING  
THE GUARANTY BY THE BOROUGH OF THE PAYMENT  
OF THE PRINCIPAL OF AND INTEREST ON THE WATER  
REVENUE BONDS, IN ONE OR MORE SERIES, PROJECT  
NOTES, OR OTHER OBLIGATIONS EVIDENCING DEBT  
TO BE ISSUED BY THE MERCHANTVILLE-PENNSAUKEN  
WATER COMMISSION, IN AN AGGREGATE PRINCIPAL  
AMOUNT NOT TO EXCEED \$1,200,000 FOR THE PURPOSE  
OF PROVIDING ADDITIONAL SECURITY FOR THE  
PAYMENT OF SAID REVENUE BONDS OR BOND  
ANTICIPATION NOTES; AND DETERMINING CERTAIN  
MATTERS IN CONNECTION THEREWITH**

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**BACKGROUND**

**WHEREAS**, the Merchantville-Pennsauken Water Commission ("Commission"), a body politic of the State of New Jersey, situated at 20 West Maple Avenue, Merchantville, New Jersey 08109, has been duly organized in accordance with the provisions of *N.J.S.A. 40:62-108 et seq.*; and

**WHEREAS**, the Commission is jointly owned by the Borough of Merchantville, County of Camden, New Jersey ("Borough") and the Township of Pennsauken, County of Camden, New Jersey ("Township") in the following percentages:

Borough of Merchantville	11.58%
Township of Pennsauken	<u>88.42</u>
	<u>100.00%</u>

**WHEREAS**, the Commission has determined there exists a need within its service area for various improvements to its water system ("Water System") consisting of reclaiming water from the Maple Shade Wastewater Treatment Plant and re-using that water for irrigation purposes for the Pennsauken County Club Golf Course in the Township ("2010 Project"); and

**WHEREAS**, the Commission has determined to finance the costs of the 2010 Project through the issuance of its water revenue bonds, project notes or other obligations evidencing debt, in an aggregate principal amount not to exceed \$1,200,000 (collectively, the "Obligations"); and

**WHEREAS**, the Commission intends to finance the 2010 Project by the issuance of the Obligations through the New Jersey Environmental Infrastructure Trust 2010 Financing Program, or through a public or private sale, as may be determined by Commission; and

**WHEREAS**, the Borough Council, after due deliberation, has ascertained that it will be in the best interest of the Commission to issue any such Obligations to finance the costs of the 2010 Project; and

**WHEREAS**, it is the desire of the Borough to guarantee repayment of any such Obligations in the event of a default by the Commission.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, AS FOLLOWS:**

**Section 1.** The Borough hereby guarantees repayment of the principal of and interest on any Obligations issued by the Commission in connection with the 2010 Project, when due, in the event the Commission is unable to make such payment.

**Section 2.** Said unconditional guarantee by the Borough shall be to the full extent of

its ownership interest in the Commission, that being 11.58% of the amount of any default by the Commission.

**Section 3.** The term of this Ordinance shall extend until all Obligations issued by the Commission in connection with the 2010 Project have been paid in full.

**Section 4.** All ordinances, or parts of ordinances, inconsistent or in conflict with the provisions of this Ordinance are hereby repealed to the extent of any such inconsistency.

**Section 5.** This Ordinance shall take effect upon publication and final enactment as provided by law.

**BOROUGH OF MERCHANTVILLE**

**INTRODUCED: June 14, 2010**

**ADOPTED: July 12, 2010**

I hereby certify this to be a true copy of an Ordinance adopted by the Governing Body of the Borough of Merchantville at the Council Meeting held on \_\_\_\_\_ .

**THE BOROUGH OF MERCHANTVILLE**

**BY: \_\_\_\_\_**  
**FRANK M. NORTH, MAYOR**

**ATTEST:**

**\_\_\_\_\_  
DENISE L. BROUSE, BOROUGH CLERK**

The foregoing Ordinance was introduced by Mayor and Council at the regular meeting held on June 14, 2010. This Ordinance will be considered for adoption on final reading and public hearing to be held on July 14, 2010 at 7:30 p.m. in the Council Meeting Room, Merchantville Borough Hall, 1 West Maple Avenue, Merchantville, New Jersey.

The purpose of this Ordinance is to authorize the guaranty by the Borough of the Payment of the Principal of and Interest on the WATER Revenue Bonds to be issued by the Merchantville-Pennsauken Water Commission. A copy of this Ordinance is available at no charge to the general public between the hours of 8:30 AM to 4:30 PM, Monday through Friday (Legal Holidays excluded), at the Office of the Borough Clerk, Merchantville Borough Hall, 1 West Maple Avenue, Merchantville, New Jersey.