

**BOROUGH OF HIGHLANDS
RESOLUTION R-15-119**

**RESOLUTION DELEGATING AUTHORITY TO DETERMINE
THE FORM AND OTHER DETAILS OF NOT TO EXCEED
\$2,600,000 AGGREGATE PRINCIPAL AMOUNT OF
GENERAL OBLIGATION REFUNDING BONDS, SERIES
2015 OF THE BOROUGH OF HIGHLANDS, IN THE
COUNTY OF MONMOUTH, STATE OF NEW JERSEY AND
PROVIDING FOR THE SALE OF SUCH BONDS TO THE
MONMOUTH COUNTY IMPROVEMENT AUTHORITY
PURSUANT TO THE 2015 GOVERNMENTAL LOAN
REFUNDING PROGRAM**

WHEREAS, pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 *et seq.*, as amended and supplemented (the "Local Bond Law"), the Borough of Highlands, in the County of Monmouth, State of New Jersey (the "Borough"), had previously issued \$3,373,000 aggregate principal amount of General Obligation Bonds, dated December 4, 2008, consisting of general capital general obligation bonds (the "2008 General Capital Bonds") and sewer general obligation bonds (the "2008 Sewer Bonds" and together with the 2008 General Capital Bonds, the "2008 Bonds") to the Monmouth County Improvement Authority (the "MCIA") in connection with the Borough's participation in the 2008 Pooled Governmental Loan Program (the "2008 MCIA Loan Program"), which 2008 Bonds were issued to (i) memorialize the Borough's applicable loan through the 2008 MCIA Loan Program, and (ii) permanently finance the costs of various Borough projects; and

WHEREAS, the Borough has been informed by the MCIA that all or a portion of the outstanding 2008 Bonds are eligible for refunding through the MCIA and that such a refunding will achieve debt service savings for the Borough; and

WHEREAS, \$1,928,000 of such 2008 General Capital Bonds dated December 4, 2008 (the "2008 Refunded General Capital Bonds") are currently outstanding and can be defeased or are subject to redemption prior to their stated maturity, as applicable, and \$118,000 of such 2008 Sewer Bonds dated December 4, 2008 (the "2008 Refunded Sewer Bonds" and together with the 2008 Refunded General Capital Bonds, the "Refunded Bonds") are currently outstanding and can be defeased or are subject to redemption prior to their stated maturity, as applicable; and

WHEREAS, the MCIA and the Borough have determined that refunding bonds can be issued to refund such Refunded Bonds, which, under current market conditions, can generate approximately \$171,000 gross debt service savings to the Borough due to the low long-term interest rate environment; and

WHEREAS, the Borough has determined that it is in the best interests of the Borough to refund all of the Refunded Bonds; and

WHEREAS, the Borough has determined to provide for the refunding of the Refunded Bonds through its issuance of General Obligation Refunding Bonds in the aggregate principal amount of not to exceed \$2,600,000 to the MCIA (the "Refunding"), as provided in the refunding bond ordinance of the Borough entitled, "REFUNDING BOND ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,600,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS BY THE BOROUGH OF HIGHLANDS, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY (THE "MCIA") FOR THE PURPOSE OF REFUNDING CERTAIN BONDS HERETOFORE ISSUED BY THE BOROUGH TO THE MCIA" and finally adopted by the Borough Council on April 1, 2015 (the "Ordinance"); and

WHEREAS, to accomplish the Refunding, the MCIA requires the Borough to authorize, execute, attest and deliver the Borough's not to exceed \$2,600,000 General Obligation Refunding Bonds, Series 2015 (the "Bonds"), in accordance with the provisions hereof and pursuant to the terms of the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law") and other applicable law; and

WHEREAS, such Bonds shall be comprised of one or more series (if applicable, to memorialize the applicable obligations of the general or utility funds of the Borough), and any portion of such Bonds attributable to any self liquidating utility shall, if applicable, in accordance with the Local Bond Law, be deductible from gross debt when such utility is self-liquidating; and

WHEREAS, section 27(a)(2) and section 59 of the Local Bond Law allow for the sale of the Bonds to the MCIA without any public offering, all under the terms and conditions set forth herein and in a Bond Purchase Agreement by and between the Borough and the MCIA and dated as of the date hereof.

NOW THEREFORE, BE IT RESOLVED BY A TWO-THIRDS VOTE OF THE FULL MEMBERSHIP OF THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, as follows:

Section 1. The Borough Council hereby delegates to the Chief Financial Officer of the Borough, in accordance with the provisions of N.J.S.A. 40A:2-27(a)(2) and N.J.S.A. 40A:2-59, the power to sell and award the Borough's not to exceed \$2,600,000 General Obligation Refunding Bonds, Series 2015 (collectively, the "Bonds") to the MCIA in accordance with the provisions hereof and in accordance with the terms of a Bond Purchase Agreement by and between the Borough and the MCIA (the "Bond Purchase Agreement"). The Mayor of the Borough (the "Mayor") or Chief Financial Officer of the Borough (the "Chief Financial Officer") are each hereby authorized and directed on behalf of the Borough, in consultation with Bond Counsel (as hereinafter defined), to negotiate the terms of such Bond Purchase Agreement, to be dated the date of sale of the Bonds, to approve the terms of aforesaid Bond Purchase Agreement and to execute and deliver said Bond Purchase Agreement to the MCIA. The Bonds

have been referred to and described in the Ordinance finally adopted at a duly called and held meeting of the Borough Council and published as required by law. The Bonds are being issued for the purpose of (i) refunding the principal amount of the Refunded Bonds, including the payment of interest accrued thereon to the date fixed for redemption or prepayment, if applicable, and the redemption or prepayment price thereof, if applicable, and (ii) paying the costs of issuance relating to the Bonds, including printing, advertising, accounting, financial and legal services, rating agency fees, underwriter's discount, and MCIA costs of issuance, which may include any of the foregoing.

Section 2. The Chief Financial Officer of the Borough (the "Chief Financial Officer") is hereby authorized and directed to determine, in accordance with the Local Bond Law and pursuant to the terms and conditions established by the MCIA and the terms and conditions hereof and set forth in the Bond Purchase Agreement, the following items with respect to the Bonds, except those terms and conditions which are set forth in the Bond Purchase Agreement:

- (a) The aggregate principal amount of the Bonds to be issued, provided that the total amount of Bonds issued shall not exceed the aggregate principal amount of \$2,600,000;
- (b) The name and designation of the Bonds;
- (c) The maturity and principal installments of the Bonds;
- (d) The date of the Bonds;
- (e) The interest rates of the Bonds;
- (f) The purchase price of the Bonds;
- (g) The direction for the application and investment of the proceeds of the Bonds, if applicable; and
- (h) The terms and conditions under which the Bonds shall be subject to redemption prior to their stated maturities.

Section 3. Any determination made by the Chief Financial Officer pursuant to the terms hereof shall be conclusively evidenced by the execution and attestation of the Bonds by the parties authorized under Section 4(c) hereof.

Section 4. The Borough Council hereby determines that certain terms of the Bonds shall be as follows:

- (a) The Bonds shall be issued in a single denomination and shall be numbered GOR-1 (which may be issued in one or more separate

series aggregating said amount and to memorialize the applicable obligations of the general or utility fund purposes of the Borough);

- (b) The Bonds shall be issued in fully registered form and shall be payable to the registered owners thereof as to both principal and interest in lawful money of the United States of America; and
- (c) The Bonds shall be executed by the manual or facsimile signatures of the Mayor of the Borough (the "Mayor") and the Chief Financial Officer under official seal or facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual signature of the Clerk of the Borough (the "Borough Clerk").

Section 5. The Bonds shall be substantially in the form set forth in Exhibit A attached hereto with such additions, deletions and omissions as may be necessary for the Borough to comply with the requirements of the MCIAs 2015 Governmental Loan Refunding Program (the "Program"), upon the advice of Bond Counsel to the Borough (as defined herein);

Section 6. The law firm of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel to the Borough ("Bond Counsel"), the Borough Attorney and the Borough Auditor are each hereby authorized and directed to perform all actions necessary to consummate the issuance of the Bonds and the Refunding for which the Bonds are issued, including but not limited to, drafting and arranging for the printing and execution of the Bonds and all applicable documentation necessary to memorialize and consummate the issuance of the Bonds and the undertaking of the Refunding, preparing all necessary financial information and conducting all necessary studies, searches and analysis in connection with the issuance of the Bonds and the undertaking of the Refunding. The Mayor, the Chief Financial Officer and the Borough Clerk are each hereby authorized and directed to execute and deliver any certificates necessary or desirable in connection with the financial and other information.

Section 7. The Mayor, the Chief Financial Officer, the Borough Clerk and any other Borough representative, are each hereby authorized and directed to (i) execute any certificates or documents necessary or desirable in connection with the sale of the Bonds, including the Bond Purchase Agreement, or the undertaking of the Refunding and each is hereby further authorized and directed to deliver same to the MCIAs upon delivery of the Bonds and the receipt of payment therefor or in accordance with the Program and (ii) perform such other actions as they deem necessary, desirable or convenient, in consultation with Bond Counsel to the Borough, in relation to the execution and delivery thereof.

Section 8. Upon the adoption hereof, the Borough Clerk shall forward certified copies of this resolution: (a) via facsimile, to (i) Marion Masnick of the MCIAs at facsimile number 732-409-4821, and (ii) John M. Cantalupo, Esq., of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel to the Borough, at facsimile number 732-345-

8420; and (b) via certified first class mail, to (i) Marion Masnick of the MCIA at The Monmouth County Improvement Authority, Hall of Records, Main Street, Freehold, New Jersey 07728, and (ii) John M. Cantalupo, Esq., of Archer & Greiner P.C., Bond Counsel to the Borough at 10 Route 35, Red Bank, New Jersey 07701.

Section 9. This resolution shall take effect immediately.

ADOPTED: May 20, 2015

	INTRODUCED	SECONDED	AYE	NAY	ABSTAIN	ABSENT
CARD			x			
KANE	x		x			
REDMOND		x	x			
RYAN			x			
NOLAN						x
ON CONSENT AGENDA			YES	NO		

DATE: May 20, 2015

Carolyn Cummins, Borough Clerk

I hereby certify this to be a true copy of Resolution R-15-119 adopted by the Governing Body of the Borough of Highlands on May 20, 2015.

Carolyn Cummins, Borough Clerk

EXHIBIT A

**UNITED STATES OF AMERICA
BOROUGH OF HIGHLANDS
IN THE COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

GENERAL OBLIGATION REFUNDING BOND, SERIES 2015

NUMBER GOR-1

DATE OF ORIGINAL ISSUE: _____, 2015

REGISTERED OWNER: The Monmouth County Improvement Authority

PRINCIPAL SUM: _____ Dollars
(\$ _____)

THE BOROUGH OF HIGHLANDS, IN THE COUNTY OF MONMOUTH, a body politic and corporate of the State of New Jersey (the "Borough"), hereby acknowledges itself indebted and for value received promises to pay to the order of The Monmouth County Improvement Authority (the "Authority"), c/o _____ (the "Trustee"), Account Number _____, the Principal Sum specified above payable in the amounts and on the dates specified and set forth on Schedule A attached hereto and by this reference made a part hereof, and to pay interest on such sum from the Date of Original Issue of this Bond until payment in full at the interest rates per annum and in the amounts and dates specified and set forth on Schedule A attached hereto and by this reference made a part hereof. Interest is payable to the Authority at the corporate trust office of the Trustee on the _____ and _____ prior to each _____ and _____, commencing _____, 2015, in an amount equal to the interest accruing to each such _____ and _____. This Bond as to principal will be payable on the first day of the month immediately preceeding the due date therefor at the corporate trust office of the Trustee. Upon the occurrence of an event of default by the Authority under the bond resolution adopted by the Authority on _____, 2015 (as the same may be supplemented and amended, the "Resolution") which event of default is directly attributable to a default hereunder or to a default by the Borough under its Bond Purchase Agreement with the Authority relating to the Authority's purchase of this Bond, or in the event of default in any payments of principal of or interest on this Bond, the Trustee may by notice to the Chief Financial Officer of the Borough at Borough Municipal Offices, 42 Shore Drive, Highlands, New Jersey 07732, accelerate the principal amount of this Bond all as provided in the Resolution. Amounts not paid when due hereunder shall bear interest at the Late Payment Rate (as defined herein) until paid. This Bond shall be prepayable as set forth in Section 1303 of the Resolution.

Both principal of and interest on this Bond are payable in lawful money of the United States of America and in immediately available funds.

As used herein, "Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State of New Jersey or the State of New York or a day on which the Trustee is legally authorized to close. "Late Payment Rate" shall mean a rate per annum equal to the lower of (i) three percent above the interest rate that JPMorgan Chase announces from time to time as its prime lending rate, such interest rate to change on the effective date of each announced change in such rate, and (ii) the maximum interest rate allowed by law.

This Bond is one of an authorized issue of bonds and is issued pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and is one of the General Obligation Refunding Bonds referred to in and issued pursuant to an ordinance duly adopted by the Borough Council on April 1, 2015, such ordinance duly approved and published as required by law, entitled, "REFUNDING BOND ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,600,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS BY THE BOROUGH OF HIGHLANDS, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY (THE "MCIA") FOR THE PURPOSE OF REFUNDING CERTAIN BONDS HERETOFORE ISSUED BY THE BOROUGH TO THE MCIA", and a resolution duly adopted by the Borough Council on May 20, 2015 entitled, "RESOLUTION DELEGATING AUTHORITY TO DETERMINE THE FORM AND OTHER DETAILS OF NOT TO EXCEED \$2,600,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015 OF THE BOROUGH OF HIGHLANDS, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE 2015 GOVERNMENTAL LOAN REFUNDING PROGRAM".

The full faith and credit of the Borough are hereby irrevocably pledged for the punctual payment of the principal of and the interest on, and all other amounts due under, this Bond according to its terms.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or the statutes of the State of New Jersey to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that this Bond, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by such Constitution or statutes.

The Borough agrees to pay all costs and expenses, including legal fees, in connection with the administration and enforcement of this Bond.

IN WITNESS WHEREOF, the Borough of Highlands, in the County of Monmouth, State of New Jersey has caused this Bond to be executed in its name by the manual or facsimile signatures of its Mayor and its Chief Financial Officer, its corporate seal to be hereunto imprinted or affixed, this Bond and the seal to be attested to by the manual signature of the its Clerk, and this Bond to be dated the Date of Original Issue as specified above.

BOROUGH OF HIGHLANDS,
IN THE COUNTY OF MONMOUTH,
STATE OF NEW JERSEY

ATTEST:

(SEAL)

FRANK NOLAN,
Mayor

CAROLYN CUMMINS,
Clerk

PATRICK DEBLASIO,
Chief Financial Officer

ASSIGNMENT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ (Please Print or Type Name and Address of Assignee) the within Bond and irrevocably appoints _____ as Attorney to transfer this Bond on the registration books of the _____ with full power of substitution and revocation.

NOTICE

The signature of this assignment must correspond with the name as it appears on the face of the within Bond in every particular.

Dated:

Signature of Guarantee:

SCHEDULE A

BOROUGH OF HIGHLANDS
IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY

GENERAL OBLIGATION REFUNDING BOND, SERIES 2015

Schedule of Principal and Interest Payments

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Interest</u>
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CERTIFICATION

I, CAROLYN CUMMINS, Clerk of the Borough of Highlands, in the County of Monmouth, State of New Jersey (the "Borough"), DO HEREBY CERTIFY that the annexed resolution entitled, "RESOLUTION DELEGATING AUTHORITY TO DETERMINE THE FORM AND OTHER DETAILS OF NOT TO EXCEED \$2,600,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015 OF THE BOROUGH OF HIGHLANDS, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE 2015 GOVERNMENTAL LOAN REFUNDING PROGRAM", is a copy of a resolution which was duly adopted by the Borough Council at a special meeting duly called and held on May 20, 2015 in full compliance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., at which meeting a quorum was present and acting throughout and which resolution has been compared by me with the original thereof as contained in the minutes as officially recorded in my office in the Minute Book of such 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 within and aforesaid resolution has not been repealed, amended or rescinded but remains in full force and effect on and as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Borough as of this _____ day of _____, 2015.

(SEAL)

CAROLYN CUMMINS,
Clerk of the Borough of Highlands