



BOROUGH OF HIGHLANDS  
COUNTY OF MONMOUTH

## **RESOLUTION 21-135**

**RESOLUTION AUTHORIZING AN ISSUE OF REFUNDING BONDS OF  
THE BOROUGH OF HIGHLANDS, IN THE COUNTY OF MONMOUTH,  
NEW JERSEY AND PROVIDING FOR THE FORM, MATURITIES,  
INTEREST RATES AND OTHER DETAILS THEREOF AND FOR THE  
SALE THEREOF TO THE MONMOUTH COUNTY IMPROVEMENT  
AUTHORITY**

June 16, 2021

WHEREAS, the Atlantic Highlands/Highlands Sewerage Authority (the “AHHSA”), a former regional sewerage authority created by the Borough of Highlands, in the County of Monmouth, New Jersey (the “Borough”) and the Borough of Atlantic Highlands, in the County of Monmouth, New Jersey (“Atlantic Highlands”), has heretofore issued various series of bonds to finance and/or refinance various capital assets, including, inter alia, its \$7,905,000 Sewer Revenue Bonds, Series 2011 dated January 24, 2011 (the “2011 AHHSA Bonds”); and

WHEREAS, upon issuance, the Series 2011 AHHSA Bonds were sold by the AHHSA to the Monmouth County Improvement Authority (the “MCIA”) to secure payment of an allocable portion of the debt service on the MCIA’s \$40,325,000 Governmental Pooled Loan Revenue Bonds, Series 2011 dated January 24, 2011 (the “2011 MCIA Bonds”); and

WHEREAS, on April 1, 2014, the Borough and Atlantic Highlands caused the dissolution of the AHHSA, as a result of which the Borough assumed 52% of the outstanding debt of the AHHSA (including 52% of the 2011 AHHSA Bonds) and Atlantic Highlands assumed the remaining 48% of the outstanding debt of the AHHSA (including 48% of the 2011 AHHSA Bonds); and

WHEREAS, by Refunding Bond Ordinance No. O-21-17 finally adopted on May 19, 2021 (the “Refunding Bond Ordinance”), the Borough Council of the Borough has heretofore authorized the issuance of not to exceed \$2,750,000 General Obligation Refunding Bonds of the Borough (the “Refunding Bonds”) pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., in order to refund all or part of the Borough’s 52% share of the 2011 AHHSA Bonds; and

WHEREAS, the Borough now desires to authorize the issuance of the Refunding Bonds and to provide for the form, maturities, interest rates and other details thereof and for the sale thereof to the MCIA; and

WHEREAS, the proceeds of the sale of the Refunding Bonds will be used to refund an allocable portion of the 2011 MCIA Bonds, thereby indirectly refunding all or part of the Borough’s 52% share of the 2011 AHHSA Bonds; and

WHEREAS, the Refunding Bonds will be issued in accordance with N.J.S.A. 40A:2-51(c), and therefore the consent of the New Jersey Local Finance Board is not required;

NOW, THEREFORE, BE IT RESOLVED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, IN THE COUNTY OF MONMOUTH, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) that:

Section 1. General Obligation Refunding Bonds, in an amount not exceeding \$2,750,000 (the "Refunding Bonds"), of the Borough are hereby authorized to be issued and sold in order to refund all or part of the Borough's 52% share of the 2011 AHHSAs Bonds. The Mayor, Deputy Mayor or Chief Financial Officer (each, an "Authorized Officer") shall determine the actual aggregate principal amount of the Refunding Bonds to be issued and, if less than all of the Borough's 52% share of the 2011 AHHSAs Bonds are to be refunded, the portion thereof to be refunded; provided, that such determinations shall be consistent with the Refunding Bond Ordinance and that the maturities, interest rates and terms of sale are in accordance with the provisions of N.J.S.A. 40A:2-51 and N.J.A.C. 5:30-2.5 (which does not require the approval of the Local Finance Board, provided certain conditions therein are satisfied).

Section 2. The Refunding Bonds shall be designated "General Obligation Refunding Bonds" and shall be numbered from one (1) consecutively upward with a prefix designating the series. The Refunding Bonds shall be dated the date of delivery of the Refunding Bonds and will be issued in fully registered form. The Refunding Bonds shall be issued in such principal amount (not exceeding \$2,750,000) as shall be determined by an Authorized Officer to be necessary to provide a deposit to one or more escrow funds in respect of the 2011 MCIA Bonds and/or the 2011 AHHSAs Bonds and to pay issuance expenses (including the Borough's allocable share of issuance expenses in respect of the 2021 MCIA Bonds). The Refunding Bonds shall mature on such dates and in such amounts, and shall bear interest at such rates, as shall be determined by an Authorized Officer and as required by the MCIA. The Refunding Bonds may be subject to redemption prior to their stated maturities as determined by an Authorized Officer, as shall be set forth in the MCIA's proposal for the purchase of the Bonds, the acceptance of which is authorized pursuant to Section 5 hereof.

Section 3. The Refunding Bonds shall be payable as to interest at the corporate trust office of U.S. Bank National Association, Edison, New Jersey. Unless otherwise determined by an Authorized Officer, interest shall be payable on the January 1 and July 1 prior to each January 15 and July 15 interest payment date, commencing July 15, 2021, in an amount equal to the interest accruing to each such January 15 and July 15, and payable as to principal at the corporate trust office of U.S. Bank National Association. Interest on the Refunding Bonds shall be calculated on the basis of a 360-day year or twelve 30-day calendar months.

Section 4. The Refunding Bonds shall be signed by the Mayor or Deputy Mayor and the Chief Financial Officer, by their manual or facsimile signatures, and the corporate seal of the Borough shall be affixed thereto, or imprinted or reproduced thereon, and shall be attested by the manual signature of the Clerk or Deputy Clerk.

Section 5. The Refunding Bonds are hereby sold and awarded to the MCIA at a price determined by an Authorized Officer pursuant to the terms of a Bond Purchase Agreement between the Borough and the MCIA (the "Bond Purchase Agreement"), in substantially the form

presented to this meeting as Exhibit A attached hereto, with such changes as may be approved by the Authorized Officer executing same, such approval to be conclusively evidenced by his or her execution thereof. Any Authorized Officer is hereby authorized on behalf of the Borough to execute the Bond Purchase Agreement and, if required, a Continuing Disclosure Agreement by and between the Borough and U.S. Bank National Association and/or one or more escrow deposit agreements in respect of the 2011 MCIA Bonds and/or the 2011 AHSA Bonds, each in such form as may be approved by the Authorized Officer executing same, such approval to be conclusively evidenced by his or her execution thereof.

Section 6. The Refunding Bonds and the registration provisions endorsed thereon shall be in substantially the following form:

No. \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF NEW JERSEY  
COUNTY OF MONMOUTH  
  
BOROUGH OF HIGHLANDS  
GENERAL OBLIGATION REFUNDING BOND**

DATE OF  
ORIGINAL  
ISSUE: July \_\_, 2021

The Borough of Highlands, in the County of Monmouth, New Jersey, hereby acknowledges itself indebted and for value received promises to pay to

**THE MONMOUTH COUNTY IMPROVEMENT  
AUTHORITY (the "Authority")  
c/o U.S. BANK NATIONAL ASSOCIATION  
(the "Trustee")**

the principal sums on the dates and in the amounts set forth on Schedule A attached hereto and 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 shown on Schedule A attached hereto and made a part hereof. Interest is payable to the Authority at the corporate trust office of the Trustee on the \_\_\_\_\_ 15 and \_\_\_\_\_ 15 prior to each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, commencing \_\_\_\_\_ 1, 202\_, in an amount equal to the interest accruing to each such \_\_\_\_\_ 1 and \_\_\_\_\_ 1. This bond as to principal will be payable on the fifteenth day of the month immediately preceding the due date therefor at the corporate trust office of the Trustee. Amounts not paid when due hereunder shall bear interest at the Late Payment Rate until paid. This bond shall be prepayable as set forth in Section 1303 of the bond resolution adopted by the Authority on May 6, 2021 (as the same may be supplemented and amended, the "Bond Resolution").

Both principal of and interest on this bond is 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 JP Morgan Chase publicly 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.

[The Bonds maturing on or prior to \_\_\_\_\_ 1, 20\_\_ are not subject to redemption prior to their stated maturities. The Bonds maturing on or after \_\_\_\_\_ 1, 20\_\_ are subject to redemption at the option of the \_\_\_\_\_ on or after \_\_\_\_\_ 1, 20\_\_ upon notice as described in a bond resolution adopted by the Authority on May 6, 2021, either in whole or in part by lot within a single maturity from maturities selected by the \_\_\_\_\_, on any date, at a redemption price equal to 100% of the principal amount thereof (the “Redemption Price”), plus in each case accrued interest to the date fixed for redemption.]

This bond is one of an authorized issue of bonds and is issued pursuant to the Local Bond Law of New Jersey, and is one of the Bonds referred to in a resolution of the Borough of Highlands adopted on June 16, 2021 and entitled “\_\_\_\_\_”, and the refunding bond ordinance referred to therein, (each) in all respects duly approved and published as required by law.

The full faith and credit of the Borough of Highlands 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 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 the issue of bonds of which this is one, together with all other indebtedness of the Borough of Highlands, is within every debt and other limit prescribed by such Constitution or statutes.

The Borough of Highlands agrees to pay (i) all costs and expenses (including legal fees) in connection with the administration and enforcement of this bond, which includes but is not limited to costs in connection with the enforcement of the County Guaranty (as defined in the Bond Resolution) and (ii) its share of the amounts payable pursuant to Section 9(vi)(B) of the Bond Purchase Agreement between the Borough of Highlands and the Authority.

**IN WITNESS WHEREOF**, the BOROUGH OF HIGHLANDS, in the County of Monmouth, New Jersey has caused this bond to be executed in its name by the manual or facsimile signatures of its \_\_\_\_\_ and its \_\_\_\_\_, its corporate seal to be hereunto imprinted or affixed, this bond and the seal to be attested by the manual signature of its \_\_\_\_\_ Clerk, and this bond to be dated the DATE OF ORIGINAL ISSUE as specified above.

BOROUGH OF HIGHLANDS

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

By: \_\_\_\_\_

(Assignment Provision on Back of Bond)

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.

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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:

  

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SCHEDULE A

BOROUGH OF HIGHLANDS

GENERAL OBLIGATION REFUNDING BOND

Schedule of Principal and Interest Payments

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Coupon</u>
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Section 7. Any Authorized Officer is hereby authorized and directed (a) to cause a copy of the written opinion with respect to the Refunding Bonds which is to be rendered by the firm of GluckWalrath LLP (complete except for omission of its date) to be printed or referred to on the Refunding Bonds, and at the time of the original delivery of payment for the Refunding Bonds and when such written opinion is rendered, to cause the Borough Clerk to certify to the truth and correctness of such copy of opinion by executing on each of said Refunding Bonds, by manual or facsimile signature, a certificate subjoined to each such copy, and to file a signed duplicate of such written opinion in such Clerk's office and at each place at which the Refunding Bonds are payable, (b) to cause the applicable CUSIP number (if any) assigned for each of said Refunding Bonds by the CUSIP Service Bureau of Standard & Poor's Corporation of New York, New York, to be printed on each of the Refunding Bonds, and (c) to cause, in the event that the Refunding Bonds shall qualify for issuance of any policy of municipal bond insurance at the option of the purchaser thereof, such legend or reference (if any) of such insurance to be printed (at the expense of such purchaser) on the Refunding Bonds.

Section 8. Upon the date of issue of the Refunding Bonds, being the date of delivery of the Refunding Bonds to the Authority and the payment of the purchase price thereof in accordance with the Bond Purchase Agreement, any Authorized Officer is hereby authorized and directed as of said date of issue, to execute and deliver to said purchaser (a) an arbitrage certification with respect to the Refunding Bonds under and for the purpose of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) an accompanying opinion of GluckWalrath LLP as of said date of issue with respect to said arbitrage certification for the purposes of said Section 148.

Section 9. The proceeds of the Refunding Bonds shall be applied in the amounts and for the purposes provided in Section 2 hereof.

Section 10. The Authorized Officers are hereby authorized and directed, as is the Borough Clerk, to execute all documents and certificates, necessary for the sale and delivery of said Refunding Bonds, including, without limitation, any documents and certificates relating to the termination and/or amendment of the Debt Service Reserve Forward Delivery Agreement dated October 29, 2001 by and among Bank of America, N.A., the Authority and First Union National Bank and the Debt Service Forward Delivery Agreement dated November 16, 2001 by and among Bank of America, N.A., the Authority and First Union National Bank (collectively, the "Authority Float Agreements"). Any payments required to be made by the Borough in connection with the termination and/or amendment of the Float Agreements are hereby authorized and approved.

Section 11. This resolution shall take effect immediately.



Motion to Approve R-21-135:

	INTRODUCED	SECOND	AYE	NAY	ABSTAIN	ABSENT
MARTIN			X			
MAZZOLA			X			
MELNYK			X			
OLSZEWSKI		X	X			
BROULLON	X		X			

This is a Certified True copy of the Original Resolution on file in the Municipal Clerk's Office.

DATE OF VOTE: June 16, 2021




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Michelle Hutchinson Acting Municipal Clerk  
Borough of Highlands

EXHIBIT A – FORM OF BOND PURCHASE AGREEMENT

BOND PURCHASE AGREEMENT

June \_\_, 2021

Borough of Highlands  
Highlands, New Jersey

To Members:

The undersigned, The Monmouth County Improvement Authority (the “Authority”), offers to enter into the following Bond Purchase Agreement with you (the “Borrower”) which, upon your acceptance of this offer, will be binding upon you and upon the Authority. This offer is made subject to acceptance of this Bond Purchase Agreement by the Borrower on or before the date of Closing (as hereinafter defined), and, if not so accepted, will be subject to withdrawal by the Authority upon notice delivered to the Borrower at the address set forth above at any time prior to the acceptance hereof by the Borrower.

The Borrower acknowledges that the Authority is purchasing the bonds described below with the proceeds of the Authority’s Governmental Loan Revenue Bonds, Series 2021 (Monmouth County Guaranteed) (Highlands Project) (the “Authority Local Unit Bonds”) pursuant to a bond resolution of the Authority adopted May 6, 2021 (said bond resolution, together with any amendments and supplements thereto, is referred to herein as the “Local Unit Bond Resolution”). The Borrower further acknowledges that the Authority will execute a Contract of Purchase pursuant to which it will agree to sell its Governmental Pooled Loan Revenue Bonds, Series 2021 (the “Authority Pooled Bonds”) to the underwriters named therein (the “Underwriters”), the proceeds of which shall be used by the Authority to purchase the Authority Local Unit Bonds. The Authority Pooled Bonds are being issued under and pursuant to Chapter 37A of Title 40 of the New Jersey Statutes and a resolution of the Authority entitled “2021 Governmental Pooled Loan Revenue Bond Resolution” adopted by the Authority on May 6, 2021, as from time to time amended or supplemented in accordance with the terms thereof (the “Bond Resolution”). The Authority agrees to use its best efforts to issue and deliver its Authority Pooled Bonds no later than July \_\_, 2021. The Borrower agrees to comply with the provisions of the Authority’s Bond Resolution as applicable to it.

Upon the terms and conditions and upon the basis of the representations, warranties, and covenants set forth herein, the Authority hereby agrees to purchase from the Borrower, and the Borrower hereby agrees to sell to the Authority, \$\_\_\_\_\_ principal amount of the Borrower’s \$\_\_\_\_\_ general obligation refunding bonds (the “Borrower Bonds”), on the date on which the Authority initially issues its Authority Pooled Bonds. The Borrower Bonds shall be dated the date of Closing, shall mature not later than forty years from the date of Closing and shall bear interest at the interest rates per annum as shall be approved by an Authority representative and as shall be approved by the Borrower pursuant to the proceedings taken to authorize and issue such Borrower Bonds under the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1, et seq. or other similar law, including, where applicable, the

approval of the New Jersey Local Finance Board and under the Borrower's resolution, adopted June 16, 2021, as amended and supplemented (the approval by the Borrower of the principal amortization schedule and the interest rates per annum thereon shall be herein referred to as the "Details Resolution"; all other proceedings of the Borrower taken to authorize the Borrower Bonds shall be herein referred to as the "Local Proceedings").

The purchase price for the Borrower Bonds shall be equal to \$\_\_\_\_\_ (representing the principal amount of the Borrower Bonds plus the original issue premium of \$\_\_\_\_\_). The payment for and delivery of the Borrower Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery, herein called the "Closing," and as hereinafter further described in paragraph 7 hereof.

The Borrower hereby requests that its share of the costs of issuance of the Authority, \$\_\_\_\_\_, including but not limited to the County guaranty premium and the underwriters' discount, be netted against the purchase price for the Borrower Bond.

The Borrower Bonds shall be as described in, and shall be issued and secured under, the Local Proceedings.

It shall be a condition (i) to the obligations of the Borrower to sell and to deliver the Borrower Bonds to the Authority, and (ii) to the obligations of the Authority to purchase, to accept delivery of and to pay for the Borrower Bonds, that the entire issue of Borrower Bonds to be sold pursuant to Paragraph 1 hereof shall be sold and delivered by the Borrower and purchased, accepted and paid for by the Authority at the Closing. The Authority has pledged such Borrower Bonds, when issued, as security for the repayment of the Authority Local Unit Bonds.

By virtue of the execution of this Bond Purchase Agreement, the Borrower represents and warrants to, and agrees with, the Authority (and it shall be a condition of the obligation of the Authority to purchase and to accept delivery of the Borrower Bonds that the Borrower shall so represent and warrant as of the date of Closing) that:

The Borrower was duly created and organized as a political subdivision of the State of New Jersey (the "State"), the Borrower is authorized to execute and deliver this Bond Purchase Agreement, to issue the Borrower Bonds, to adopt the Local Proceedings and the Details Resolution and to perform its respective obligations under such instruments and proceedings, the Borrower has the authority to levy *ad valorem* property taxes on all the taxable real property within the geographic area or jurisdiction of the Borrower to provide for the payments required under the Borrower Bonds, and the Borrower Bonds will constitute full faith and credit obligations of the Borrower;

The officers of the Borrower are the duly qualified and presently acting officers of the Borrower;

The Borrower has complied with the provisions of all laws of the State relating to the issuance of the Borrower Bonds and has full power and authority to issue the Borrower Bonds and to carry out and consummate all transactions contemplated to be performed by it pursuant to this Bond Purchase Agreement, the Borrower Bonds, the

Local Proceedings and the Details Resolution, and any and all other agreements relating hereto and thereto;

The Borrower will not take any action, or fail or omit to take any action (or to the extent it exercises control or direction, permit any action), with respect to the proceeds of the sale of the Borrower Bonds to the Authority (i) which would result in any of the Borrower Bonds becoming an “arbitrage bond” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the “Code”), or (ii) which could adversely affect the exclusion from federal gross income of interest on the Borrower Bonds or the Authority Pooled Bonds pursuant to Section 103 of the Code;

At the time of the Borrower’s acceptance of this Bond Purchase Agreement and at all times subsequent thereto up to and including the date of the Closing, the financial and other information supplied by such Borrower to the Authority does not and will not contain any untrue statement of a material fact or omit to state a material fact required or necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

The Borrower has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Borrower Bonds upon the terms set forth herein; (ii) the adoption, delivery and due performance of the Local Proceedings and, as of the date of Closing, the Details Resolution; and (iii) the execution, delivery and performance by the Borrower of this Bond Purchase Agreement, the Borrower Bonds, an arbitrage certificate, and any and all other agreements and instruments that may be required to be executed, delivered and received by the Borrower in order to carry out, give effect to and consummate the transactions contemplated by each of said documents and the Local Proceedings;

Between the date of this Bond Purchase Agreement and the Closing, the Borrower will not, without advising the Authority, issue any bonds, notes or other obligations, other than the Borrower Bonds sold hereby;

To the knowledge of any official of the Borrower, after due inquiry, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of any official of the Borrower, threatened affecting the Borrower wherein an unfavorable decision, ruling or finding would adversely affect (i) the corporate existence or organization of the Borrower or the title to office of any officer of the Borrower or any power of the Borrower, (ii) the validity or enforceability of the Borrower Bonds, the Local Proceedings and, as of the date of Closing, the Details Resolution, this Bond Purchase Agreement, or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Bond Purchase Agreement, (iii) the financial position of the Borrower, or (iv) the tax-exempt status of the Borrower or the exclusion from federal gross income of interest on the Borrower Bonds;

The execution, delivery and performance by the Borrower of the events and documents provided for in this Bond Purchase Agreement, the Local Proceedings, the

Details Resolution, and the Borrower Bonds and compliance with the provisions hereof and thereof, will not violate any provision of any law of the State or any applicable judgment, order or regulation of any court or any public or governmental agency or authority of the State and will not conflict with, or result in any breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the Borrower is a party or by which the Borrower or any of its properties is or may be bound, nor will such action result in any violation of the Constitution or laws of the State relating to the establishment of the Borrower or its affairs, or any statute, order, rule or regulation of any court or of any federal, state or other regulatory agency or other governmental body having jurisdiction over the Borrower, and all consents, approvals, authorizations and orders of any governmental or regulatory agency, including but not limited to, the New Jersey Local Finance Board, which are required for the consummation of the transactions contemplated hereby have been obtained or will be obtained prior to the delivery of the Borrower Bonds, and are or will be in full force and effect;

When delivered to and paid for by the Authority in accordance with the terms of this Bond Purchase Agreement, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or similar laws relating to the enforcement of creditors' rights generally, the Borrower Bonds will be duly authorized, executed, authenticated (if applicable), issued and delivered by the Borrower, and will constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their terms and will be entitled to the benefit of the Local Proceedings and the Details Resolution;

Any certificate which is executed on behalf of the Borrower by any authorized officer of the Borrower, or by any duly appointed agent of the Borrower, and delivered to the Authority shall be deemed to be a representation by the Borrower to the Authority as to the truth of the statements made therein;

If, between the date of this Bond Purchase Agreement and the date of the Closing, an event occurs affecting the Borrower, of which any official of the Borrower has knowledge, which would cause the financial and other information supplied by the Borrower to contain an untrue statement of a material fact or omit to state a material fact required or necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the Borrower shall notify the Authority, and, if in the reasonable opinion of the Authority, such event requires an amendment or supplement to such information, the Borrower will amend or supplement such information, at the expense of the Borrower, in a form and in a manner approved by the Authority; and

All approvals, consents and orders of any governmental authority or agency having jurisdiction in any matter, including but not limited to the New Jersey Local Finance Board, which would constitute a condition precedent to the performance by the Borrower of its obligations hereunder have been obtained and are in full force and effect.

As a condition to the effectiveness of this Bond Purchase Agreement, the Borrower is required to deliver at or prior to the Closing: (A) an opinion of counsel, dated the

date of the acceptance hereof and addressed to the County of Monmouth, New Jersey (the "County") and the Authority, to the effect that (i) the Borrower has the right and power to enter into and carry out its obligations under this Bond Purchase Agreement, (ii) the Borrower has duly authorized, executed and delivered this Bond Purchase Agreement, and (iii) this Bond Purchase Agreement is a valid and binding agreement of the Borrower enforceable in accordance with its terms, subject to (x) applicable bankruptcy, insolvency, moratorium, debt adjustment, reorganization or other similar laws affecting creditors' rights generally, and (y) the availability of any particular remedy; and (B) certified copies of the Local Proceedings.

At or prior to 2:00 P.M., New York time, on July \_\_, 2021, or at such earlier or later time on such date as may be mutually agreeable to the Authority and the Borrower, the Borrower will deliver the Borrower Bonds to the Authority in substantially the form provided in Exhibit A to this Bond Purchase Agreement, duly executed, and the Authority will accept delivery, at which time the Authority will, upon receiving the documents hereinafter mentioned, and, subject to the terms and conditions hereof, pay the purchase price for the Borrower Bonds as set forth in Paragraph 2 hereof. Delivery of the Borrower Bonds as provided above shall be at the offices of Bond Counsel to the Authority, or at such other place as shall have been mutually agreed upon by the Borrower and the Authority.

The Authority has entered into this Bond Purchase Agreement in reliance upon the accuracy of the representations and warranties of the Borrower contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Borrower of its obligations hereunder at or prior to the date of the Closing. Accordingly, the Authority's obligation under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Borrower Bonds shall be subject to the performance by the Borrower of its obligations to be performed hereunder and under the documents and instruments described herein, at or prior to the Closing, and such obligation shall also be subject to the following conditions:

The representations and warranties of the Borrower contained herein shall be true, complete and correct on the date of the acceptance hereof, and on and as of the date of the Closing with the same effect as if made on the date of the Closing;

At the time of the Closing, the Local Proceedings and the Details Resolution shall be in full force and effect, and shall not have been rescinded, amended, modified or supplemented;

On the date of the acceptance hereof, and on and as of the date of the Closing, there shall have been taken in connection with the issuance of the Borrower Bonds all such actions as shall, in the opinion of the Authority, Bond Counsel to the Authority, and Bond Counsel to the Borrower, be necessary and appropriate in connection with the transactions contemplated hereby;

On and as of the date of Closing, (i) no Event of Default or condition, event or act which with notice or lapse of time or both shall result in an Event of Default shall have occurred and be continuing under the Bond Resolution or the Borrower Bonds and

(ii) sufficient funds shall be available to the Authority in the Loan Fund under the Bond Resolution to purchase the Borrower Bonds;

At or prior to the Closing, the Borrower shall have performed all of its obligations required under or specified in this Bond Purchase Agreement and under the Local Proceedings and the Details Resolution to be performed at or prior to the date of the Closing, and the Authority shall have received each of the following documents:

A certified copy of the record of the Local Proceedings and the Details Resolution;

An unqualified final approving opinion, dated the date of the Closing and addressed to the Borrower, the County, the Underwriters and the Authority, of Bond Counsel to the Borrower, which shall be a firm satisfactory to the Authority, to the effect that (a) the Local Proceedings and the Details Resolution have been validly adopted and are in full force and effect, (b) the Borrower Bonds are legal, valid and binding general obligations of the Borrower enforceable in accordance with their terms and the terms of the Local Proceedings and the Details Resolution and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property located within the jurisdiction of the Borrower, without limitation as to rate or amount, and (c) the interest on the Borrower Bonds is excluded from gross income for federal income tax purposes and interest on the Borrower Bonds and any gain on the sale thereof is not includable as gross income under the New Jersey Gross Income Tax Act;

An opinion or opinions, dated the date of the Closing and addressed to the Borrower, the County, the Underwriters and the Authority, of Bond Counsel to the Borrower, to the effect that (a) the Borrower Bonds have been duly authorized, executed and delivered by the Borrower, (b) the Borrower Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended, respectively, to the extent provided in such acts, and that it is not necessary in connection with the sale of the Borrower Bonds to the public to register the Borrower Bonds under the Securities Act of 1933, as amended, or to qualify the Local Proceedings or the Details Resolution under the Trust Indenture Act of 1939, as amended, (c) this Bond Purchase Agreement has been duly authorized, executed and delivered by, and constitutes a legal, valid and binding agreement of the Borrower enforceable in accordance with its terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally, and (d) nothing has come to such counsel's attention which would cause them to believe that the statements and information relating to the Borrower contained in the Official Statement under the captions "SECURITY FOR THE SERIES 2021 BONDS - Obligation of the Borrowers," "SUMMARY OF CERTAIN PROVISIONS OF THE BORROWER BONDS AND BOND PURCHASE AGREEMENTS - Obligation of the Borrowers," and "SECONDARY MARKET DISCLOSURE - Obligated Borrower Obligation to Provide Continuing Disclosure (except for the last paragraph)" and as of its date and the date of Closing, contained any untrue statement of a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Such letter may state that it is solely for the benefit of the Authority, the Underwriters, the Borrower and the County.

An opinion, dated the date of the Closing and addressed to the Borrower, the County, the Underwriters and the Authority, of counsel to the Borrower, to the effect that (A) there is no litigation pending or, to such counsel's knowledge, threatened against the Borrower wherein an unfavorable decision, ruling or finding would adversely affect (i) the corporate existence or organization of the Borrower or the title to office of any officer of the Borrower or any power of the Borrower, (ii) the validity or enforceability of the Borrower Bonds, the Local Proceedings, the Details Resolution, this Bond Purchase Agreement, or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Bond Purchase Agreement, (iii) the financial position of the Borrower, or (iv) the tax-exempt status of the Borrower or the exclusion from federal gross income of interest on the Borrower Bonds; and (B) nothing has come to such counsel's attention which would cause him to believe that the statements and information relating to the Borrower contained in the Official Statement under the caption "LITIGATION–The Borrower" and as of its date and the date of Closing, contained any untrue statement of a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

A certificate or certificates, satisfactory in form and substance to the Authority and the County, of a duly authorized officer of the Borrower, dated as of the date of the Closing, to the effect that (i) each of the representations and warranties of the Borrower set forth in this Bond Purchase Agreement is true, accurate and complete as of the date of the Closing; (ii) the executed copies of this Bond Purchase Agreement and the certified copies of the Local Proceedings and the Details Resolution are true, correct and complete copies of such documents and have not been modified, amended, superseded or rescinded, and remain in full force and effect as of the date of the Closing; (iii) the Borrower Bonds have been duly authorized, executed and delivered by the Borrower; (iv) this Bond Purchase Agreement and any and all other agreements and documents required to be executed and delivered by the Borrower in order to carry out, give effect to and consummate the transactions contemplated hereby have each been duly authorized, executed and delivered by or on behalf of the Borrower, and as of the date of the Closing, each is in full force and effect; (v) no litigation is pending or, to such authorized officer's knowledge, threatened to restrain or enjoin the issuance or sale of the Borrower Bonds or in any way contesting the validity or affecting the authority for the issuance of the Borrower Bonds, the authorization, execution or performance of the Local Proceedings, the Details Resolution, the Bond Purchase Agreement or the existence or powers of the Borrower; (vi) no further authorization, approval, consent or other order of any governmental authority or agency, or of any other entity or person (or persons) is required for the valid authorization, execution and delivery of the Borrower Bonds or the Local Proceedings, the Details Resolution, the Bond Purchase Agreement or any other agreement or instrument to which the Borrower is a party and which is used in the consummation of the transactions contemplated by the Bond Purchase Agreement; (vii) the authorization, execution and delivery of the Borrower Bonds, the Local Proceedings, the Details Resolution, the Bond Purchase Agreement and any other agreement or instrument to which the Borrower is a party and which is used in the consummation of the transactions contemplated by the Bond Purchase Agreement and the fulfillment of the terms and provisions of said agreements and instruments by the Borrower will not, to the best of his knowledge (a) conflict with, violate or result in a breach of any law any administrative order, regulation or decree applicable to the Borrower, or (b) conflict with, or result in a breach of, or constitute a default under, any indenture, mortgage, deed of trust, agreement or other instrument



to which the Borrower is a party, or by which it is bound or any order, rule or regulation applicable to the Borrower of any court or other governmental body; (viii) such officer has reviewed the Official Statement dated December 9, 2020 relating to the Authority Pooled Bonds (the "Official Statement"); (ix) to the best of such officer's knowledge, the information contained in the Official Statement relating to the Borrower is true and correct, and the Official Statement, solely with respect to the information relating to the Borrower, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; (x) there are no facts known to such officer that the Borrower has failed to disclose to the County that, in such officer's opinion, individually or in the aggregate, materially adversely affect or will materially adversely affect the operations, affairs, properties, conditions (financial or otherwise) or prospects of the Borrower and (xi) no event has occurred and is continuing that constitutes or that with notice or the lapse of time or both would constitute a default under the Local Proceedings;

An unqualified opinion of Bond Counsel to the Authority addressed to the Authority to the effect that the purchase of the Borrower Bonds by the Authority, the use of the proceeds thereof by the Borrower as represented by the Borrower to such Bond Counsel and the pledge of the Borrower Bonds under the Local Unit Bond Resolution complies in all respects with the Local Unit Bond Resolution and does not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Authority Pooled Bonds;

An arbitrage certificate, in form and substance satisfactory to Bond Counsel to the Authority, executed by an authorized officer of the Borrower;

A certificate, dated the date of the Closing, signed by official representatives of the Borrower (i) consenting to the use by the Underwriters in the Official Statement of the financial and other information relating to the Borrower and (ii) regarding the "deemed final" nature of certain information concerning the Borrower set forth in the Preliminary Official Statement, in accordance with Securities and Exchange Commission Rule 15c2-12;

If the Authority shall determine that the Borrower is or will be an "obligated person" with respect to the Authority Pooled Bonds within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, an executed Continuing Disclosure Agreement in substantially the form appended hereto as Exhibit B; and

Such additional legal opinions, certificates, instruments and other documents as the Authority or the County may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Borrower's representations, warranties and covenants contained herein and the due performance or satisfaction by the Borrower, at or prior to the Closing, of all agreements then to be performed and all conditions then to be satisfied by the Borrower.

If the Borrower shall be unable to satisfy, after good faith efforts on its part, the conditions to the obligations of the Authority contained in this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Borrower Bonds, or if the obligations of the Authority to purchase, to accept delivery of and to pay for the Borrower Bonds shall be

terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall immediately terminate and neither the Authority nor the Borrower shall be under further obligation hereunder except as set forth in Section 9 hereof. No failure to purchase Borrower Bonds hereunder due to a failure to satisfy any condition precedent (whether or not within the control of the Borrower) shall give rise to any liability of the Authority to such Borrower.

The Authority shall be under no obligation to pay, and the Borrower shall pay (whether or not Borrower Bonds are purchased hereunder), all expenses incidental hereto and to the performance of the Borrower's obligations hereunder, including but not limited to: (i) the cost of the preparation of the Local Proceedings and the Details Resolution; (ii) the cost of the preparation and printing of the Borrower Bonds; (iii) the fees and disbursements of Bond Counsel to the Borrower; (iv) the fees and disbursements of the Borrower's counsel, financial advisor, independent auditor, and advisers, if any, and of any other experts or consultants retained by the Borrower; (v) the fees and disbursements of any paying agent or bond registrar for the Borrower Bonds; (vi) the Borrower's proportionate share of (A) the Authority's Cost of Issuance (as defined in the Bond Resolution) to the extent not paid from proceeds of the Authority Pooled Bonds and (B) the ongoing fees that the Trustee, Paying Agent and Registrar under the Bond Resolution and the Local Unit Bond Resolution charge in connection with the Bond Resolution and the Local Unit Bond Resolution; (vii) the cost of preparing, mailing and delivering any financial or other information about the Borrower; (viii) any applicable taxes or fees for issuance and purchase of any Borrower Bonds or other related expenses; and (ix) all costs and expenses (including legal fees) in connection with the administration and enforcement of the Borrower Bonds, which includes but is not limited to costs in connection with the enforcement of the County Guaranty (as defined in the Bond Resolution). The Borrower's proportionate share of the costs and fees referenced in clause (vi) (A) of the immediately preceding sentence shall be \$\_\_\_\_\_; provided, however, that to the extent that the Borrower is solely responsible for the incurrence of any payments referenced in clause (vi)(B), the Borrower shall be obligated to make all such payments.

Any notice or other communication to be given to the Borrower under this Bond Purchase Agreement may be given by delivering the same in writing at the Borrower's address set forth above, and any notice or other communication to be given to the Authority under this Bond Purchase Agreement may be given by delivering the same in writing to The Monmouth County Improvement Authority, Hall of Records, 1 East Main Street, Freehold, New Jersey 07728, attention: Marion Masnick, Secretary.

This Bond Purchase Agreement is made solely for the benefit of the Borrower, the County and the Authority (including the successors or assigns of each), and no other person shall acquire or have any right hereunder by virtue hereof. All of the Borrower's representations, warranties and covenants contained in this Bond Purchase Agreement shall remain operative and in full force and effect subsequent to the delivery of and payment for the Borrower Bonds pursuant to this Bond Purchase Agreement.

This Bond Purchase Agreement shall not be amended nor shall any provision hereof be waived by either party hereto without the prior written consent of the Borrower, the County and the Authority.

This Bond Purchase Agreement shall be construed in accordance with and shall be governed by the laws of the State of New Jersey.

This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof on behalf of the Borrower by such officer authorized by resolution to so execute it, shall be valid and enforceable as of the time of such acceptance and consent and shall remain in full force and effect until the Borrower Bonds shall have been fully paid in accordance with their terms and all payments due and owing pursuant to paragraph 9 hereof shall have been paid in full.

THE MONMOUTH COUNTY IMPROVEMENT  
AUTHORITY

By: \_\_\_\_\_  
Richard Gatto, Chairman

Accepted:

This \_\_ day of June, 2021

Borough of Highlands, New Jersey:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

No. \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF NEW JERSEY  
COUNTY OF MONMOUTH**

**BOROUGH OF HIGHLANDS  
GENERAL OBLIGATION REFUNDING BOND**

DATE OF  
ORIGINAL  
ISSUE: July \_\_, 2021

The Borough of Highlands, in the County of Monmouth, New Jersey, hereby acknowledges itself indebted and for value received promises to pay to

THE MONMOUTH COUNTY IMPROVEMENT  
AUTHORITY (the "Authority")  
c/o U.S. BANK NATIONAL ASSOCIATION  
(the "Trustee")

the principal sums on the dates and in the amounts set forth on Schedule A attached hereto and 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 shown on Schedule A attached hereto and made a part hereof. Interest is payable to the Authority at the corporate trust office of the Trustee on the \_\_\_\_\_ 15 and \_\_\_\_\_ 15 prior to each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, commencing \_\_\_\_\_ 1, 202\_, in an amount equal to the interest accruing to each such \_\_\_\_\_ 1 and \_\_\_\_\_ 1. This bond as to principal will be payable on the fifteenth day of the month immediately preceding the due date therefor at the corporate trust office of the Trustee. Amounts not paid when due hereunder shall bear interest at the Late Payment Rate until paid. This bond shall be prepayable as set forth in Section 1303 of the bond resolution adopted by the Authority on May 6, 2021 (as the same may be supplemented and amended, the "Bond Resolution").

Both principal of and interest on this bond is 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 JP Morgan Chase publicly 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.

[The Bonds maturing on or prior to \_\_\_\_\_ 1, 20\_\_ are not subject to redemption prior to their stated maturities. The Bonds maturing on or after \_\_\_\_\_ 1, 20\_\_ are subject to

redemption at the option of the \_\_\_\_\_ on or after \_\_\_\_\_ 1, 20\_\_ upon notice as described in a bond resolution adopted by the Authority on May 6, 2021, either in whole or in part by lot within a single maturity from maturities selected by the \_\_\_\_\_, on any date, at a redemption price equal to 100% of the principal amount thereof (the "Redemption Price"), plus in each case accrued interest to the date fixed for redemption.]

This bond is one of an authorized issue of bonds and is issued pursuant to the Local Bond Law of New Jersey, and is one of the Bonds referred to in a resolution of the Borough of Highlands adopted on June 16, 2021 and entitled "\_\_\_\_\_", and the refunding bond ordinance referred to therein, (each) in all respects duly approved and published as required by law.

The full faith and credit of the Borough of Highlands 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 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 the issue of bonds of which this is one, together with all other indebtedness of the Borough of Highlands, is within every debt and other limit prescribed by such Constitution or statutes.

The Borough of Highlands agrees to pay (i) all costs and expenses (including legal fees) in connection with the administration and enforcement of this bond, which includes but is not limited to costs in connection with the enforcement of the County Guaranty (as defined in the Bond Resolution) and (ii) its share of the amounts payable pursuant to Section 9(vi)(B) of the Bond Purchase Agreement between the Borough of Highlands and the Authority.

**IN WITNESS WHEREOF**, the BOROUGH OF HIGHLANDS, in the County of Monmouth, New Jersey has caused this bond to be executed in its name by the manual or facsimile signatures of its \_\_\_\_\_ and its \_\_\_\_\_, its corporate seal to be hereunto imprinted or affixed, this bond and the seal to be attested by the manual signature of its \_\_\_\_\_ Clerk, and this bond to be dated the DATE OF ORIGINAL ISSUE as specified above.

BOROUGH OF HIGHLANDS

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

By: \_\_\_\_\_

(Assignment Provision on Back of Bond)

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.

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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:

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SCHEDULE A

BOROUGH OF HIGHLANDS

GENERAL OBLIGATION REFUNDING BOND

Schedule of Principal and Interest Payments

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Coupon</u>
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**EXHIBIT B**

