

Mr. Francy offered the following Resolution and moved on its adoption:

R-11-27

RESOLUTION AUTHORIZING BONDS AGGREGATING THE PRINCIPAL SUM OF NOT TO EXCEED \$938,000 AUTHORIZED BY VARIOUS BOND ORDINANCES HERETOFORE ADOPTED TO FINANCE PART OF THE COST OF VARIOUS GENERAL IMPROVEMENTS IN THE BOROUGH OF HIGHLANDS, COUNTY OF MONMOUTH, NEW JERSEY INTO ONE CONSOLIDATED ISSUE OF BONDS AND PROVIDING FOR THE FORM, THE AUTHORIZATION TO DELEGATE THE AWARD OF THE BONDS BY AN AUTHORIZED OFFICER AND OTHER DETAILS OF SAID CONSOLIDATED ISSUE.

Adopted: January 10, 2011

WHEREAS, the Borough Council of the Borough of Highlands, in the County of Monmouth, New Jersey (the "Borough"), has heretofore adopted various bond ordinances authorizing bonds to finance part of the cost of various general improvements in said Borough; and

WHEREAS, it is necessary to issue bonds pursuant to said ordinances in an aggregate principal amount of not to exceed \$938,000 and it is deemed advisable and in the best interests of the Borough, for the purpose of the orderly marketing of said bonds and for other financial reasons, to combine the bonds authorized under said various ordinances into one consolidated issue in the aggregate principal amount of not to exceed \$938,000 pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the Revised Statutes of New Jersey; NOW, THEREFORE,

BE IT RESOLVED BY 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. There shall be issued bonds of the Borough in the following principal amounts pursuant to the following bond ordinances:

A. Not to exceed \$135,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 0-06-06):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$650,000 FOR REHABILITATION OF SANITARY SEWER FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$400,000 BONDS OR

NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

which such ordinance has been heretofore amended by an ordinance entitled: (#0-07-15)

BOND ORDINANCE AMENDING BOND ORDINANCE NUMBER 06-06 FINALLY ADOPTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, NEW JERSEY ON JUNE 7, 2006.

heretofore finally adopted. The period of usefulness stated in said ordinance is 40 years.

B. Not to exceed \$281,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 0-08-02):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$515,000 FOR VARIOUS IMPROVEMENTS AT CERTAIN PUMP STATIONS AND COMMUNITY CENTER FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$313,300 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 15 years.

C. Not to exceed \$48,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 0-08-05):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$480,000 FOR IMPROVEMENTS TO SHORE DRIVE FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$256,000 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 20 years.

D. Not to exceed \$142,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 0-08-11):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$280,000 FOR VARIOUS ROAD IMPROVEMENTS FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE

ISSUANCE OF \$256,000 BONDS OR NOTES OF THE
BOROUGH FOR FINANCING PART OF THE
APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 10 years.

E. Not to exceed \$32,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 0-09-03):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$86,500 FOR REHABILITATION OF STORM SEWER ON VALLEY AVENUE FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$82,000 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.”

As amended by ordinance no. 0-09-19 finally adopted on September 16, 2009

“BOND ORDINANCE AMENDING BOND ORDINANCE NUMBER 09-03 FINALLY ADOPTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, NEW JERSEY ON MARCH 18, 2009.

heretofore finally adopted. The period of usefulness stated in said ordinance is 15 years.

F. Not to exceed \$200,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 0-09-05):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$235,000 FOR DEMOLITION OF THE WASTEWATER TREATMENT PLANT FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$223,250 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 15 years.

G. Not to exceed \$100,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 09-27):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$300,000 FOR IMPROVEMENTS TO WATERWITCH AVENUE FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND,

AUTHORIZING THE ISSUANCE OF \$102,500 BONDS OR
NOTES OF THE BOROUGH FOR FINANCING PART OF THE
APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 10 years.

Section 2. The bonds referred to in Section 1 hereof are hereby combined into one consolidated issue of bonds in the aggregate principal amount of not to exceed 938,000 and are sometimes hereinafter collectively referred to as the "Bonds." The bonds referred to in Subsection A shall be designated "Sewer Utility Bonds, Series 2011" and shall be numbered with the prefix SU from one (1) consecutively upward. The bonds referred to in Subsections B through G shall be designated "General Improvement Bonds, Series 2011" and shall be numbered with the prefix G from one (1) consecutively upward. The bonds of said consolidated issue shall be dated the date of delivery of the Bonds and will be issued in fully registered form. The Chief Financial Officer of the Borough (the "Chief Financial Officer") and the Administrator of the Borough (each, an "Authorized Official"), are each hereby delegated the power to determine the final principal amount of the Bonds; provided, however, that the maximum principal amount of the Bonds shall not exceed \$938,000. The bonds of said consolidated issue shall be dated the date of delivery of the Bonds and will be issued in fully registered form. The Bonds shall mature annually on such dates and in such principal amounts and shall bear interest at such rates, all as shall be determined by an Authorized Official; provided, however, that (i) the year of final maturity of the Bonds shall be no later than 2022 or eleven (11) years from the year of issuance, whichever is later and (ii) the effective rate of interest on the Bonds does not exceed 6.00%.

The Bonds shall not be subject to redemption prior to their stated maturities.

Section 3. It is hereby found, determined and declared that the average period of usefulness of the improvements or purposes for which the said General Improvement Bonds is to be issued, taking into consideration the amount of such General Improvement Bonds to be issued for said improvements or purposes, is 13.79 years. It is hereby found, determined and declared that the average period of usefulness of the improvements or purposes for which the said Sewer Utility Bonds are to be issued, taking into consideration the amount of such Sewer Utility Bonds to be issued for said improvements or purposes, is 40 years.

Section 4. The Bonds shall be payable as to interest at the corporate trust office of The Bank of New York Mellon, payable semi-annually on January 1 and July 1 prior to each January 15 and July 15 in each year until maturity, commencing on July 15, 2011, and payable as to principal at the corporate trust office of The Bank of New York Mellon, payable on January 1 prior to each January 15, commencing on January 15, 2012. Interest on the Bonds shall be calculated on the basis of a 360-day year or twelve 30-day calendar months.

Section 5. The Bonds shall be signed by the Mayor or Deputy Mayor and the Borough 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 or facsimile signature of the Clerk or Deputy Clerk of the Borough.

Section 6. The Bonds are hereby sold and awarded to the Monmouth County Improvement Authority by an Authorized Officer at the price determined by the Authorized Officer. The Mayor and Deputy Mayor are hereby authorized on behalf of the Borough to execute the Bond Purchase Agreement by and between the Borough and the Monmouth County Improvement Authority and the Continuing Disclosure Agreement by and between the Borough and The Bank of New York Mellon.

Section 7. The Bonds and the registration provisions endorsed thereon shall be in substantially the following form:

No. 2010 G-_, SU-__

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

**BOROUGH OF HIGHLANDS
GENERAL IMPROVEMENT BOND, SERIES 2011
OR
SEWER UTILITY BOND, SERIES 2011**

DATE OF
ORIGINAL
ISSUE: January __, 2011

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 The Bank of New York Mellon
(the "Trustee")**

Account No. _____

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 January 1 and July 1 prior to each January 15 and July 15, commencing July 15, 2011, in an amount equal to the interest accruing to each such January 15 and July 15. This bond as to principal will be payable on the first 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 December 10, 2010 (as the same may be supplemented and amended, the "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) the greater of three percent above the interest rate that JPMorgan 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 are not subject to redemption prior to their stated maturities.

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 January 10, 2011 and entitled “Resolution Authorizing Bonds Aggregating the Principal Sum of Not to Exceed \$938,000 Authorized By Various Bond Ordinances Heretofore Adopted To Finance Part Of The Cost of Various General Improvements In The Borough of Highlands, County of Monmouth, New Jersey into One Consolidated Issue of Bonds and Providing for the Form, the Authorization to Delegate the Award of the Bonds By an Authorized Officer and Other Details of Said Consolidated Issue,” and the bond ordinances 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 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 Mayor or Deputy Mayor and its Chief Financial Officer, its corporate seal to be hereunto imprinted or affixed, this bond and the seal to be attested by the manual signature of its Borough Clerk, and this bond to be dated the DATE OF ORIGINAL ISSUE as specified above.

BOROUGH OF HIGHLANDS

By: _____
Frank L. Nolan, Mayor

ATTEST:

Carolyn Cummins, Clerk

By: _____
Stephen Pfeffer, Chief Financial Officer

(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.

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
GENERAL IMPROVEMENT BONDS, SERIES 2011
OR
SEWER UTILITY BONDS, SERIES 2011

Schedule of Principal and Interest Payments

Section 8. The Borough Chief Financial Officer is hereby authorized and directed (a) to cause a copy of the written opinion with respect to the Bonds which is to be rendered by the firm of Gibbons P.C. (complete except for omission of its date) to be printed or referred to on the Bonds, and at the time of the original delivery of payment for the 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 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 Bonds are payable, (b) to cause the applicable CUSIP number (if any) assigned for each of said Bonds by the CUSIP Service Bureau of Standard & Poor's Ratings Services of New York, New York, to be printed on each of the Bonds, and (c) to cause, in the event that the 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 Bonds.

Section 9. Upon the date of issue of the Bonds, the Borough Chief Financial Officer is hereby authorized and directed as of said date of issue, to execute and deliver to said successful bidder (a) an arbitrage certification with respect to the 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 Gibbons P.C. as of said date of issue with respect to said arbitrage certification for the purposes of said Section 148.

Section 10. The proceeds of the Bonds shall be applied in the amounts and for the purposes provided in Section 1 hereof, and to pay and fund any bond anticipation notes theretofore issued for such purpose and then outstanding.

Section 11. The Mayor or Deputy Mayor and Borough Chief Financial Officer are hereby authorized, as is the Borough Clerk or Deputy Clerk, to execute all documents and certificates necessary for the sale and delivery of said Bonds.

Section 12. This resolution shall take effect immediately.

Seconded by Mr. Francy and adopted on the following roll call vote:

ROLL CALL:

AYES: Mr. O'Neil, Mr. Francy, Ms. Kane, Mayor Nolan

NAYS: None

ABSTAIN: None

ABSENT: Mr. Connelly

DATE: January 11, 2011

Carolyn Cummins,
Borough Clerk

I hereby certify this to be a true copy of Resolution R-10-27 adopted by the Governing Body of the Borough of Highlands on January 11, 2011.

Borough Clerk/Deputy Clerk