

Mr. Urbanski offered the following Ordinance and moved on its adoption and authorized the Clerk to publish according to law:

**O-07-10**

**ORDINANCE AUTHORIZING THE GUARANTY BY THE BOROUGH OF HIGHLANDS, NEW JERSEY OF PAYMENT OF PRINCIPAL AND INTEREST ON THE CAPITAL EQUIPMENT LEASE REVENUE BONDS, SERIES 2007 (HIGHLANDS PROJECT), OF THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY**

**BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, NEW JERSEY** (not less than two-thirds of all members thereof affirmatively concurring) **AS FOLLOWS:**

**Section 1.** Pursuant to Section 80 of the County Improvement Authorities Law, N.J.S.A. 40:37A-44 *et seq.*, the Borough of Highlands, New Jersey (the "Municipality") is hereby authorized to unconditionally and irrevocably guaranty the punctual payment of the principal of and the interest on the Capital Equipment Lease Revenue Bonds, Series 2007 (Highlands Project) (the "Bonds") of The Monmouth County Improvement Authority (the "Authority") Outstanding (as that term is defined in the following described resolution) under the resolution of the Authority entitled, "Capital Equipment Lease Revenue Bond Resolution (Highlands Project)" (the "Bond Resolution") to be adopted in a form approved by counsel to the Municipality. The Authority plans to issue the Bonds to finance the acquisition and subsequent leasing of certain capital equipment to the Municipality pursuant to a lease and agreement to be entered into by the Authority and the Municipality (the "Lease"). Such guaranty shall be given in accordance with the guaranty agreement (the "Guaranty Agreement") between the Municipality and the Authority in substantially the form submitted to this Board, a copy of which is on file in the office of the Clerk of the Municipality, with such changes as may be approved by counsel to the Municipality. The Mayor is hereby authorized to execute the Guaranty Agreement on behalf of the Municipality in substantially such form as submitted hereto and with such changes as may be approved by the Mayor, and the Clerk of the Municipality is hereby authorized to attest such signature affixing the seal of the Municipality. All representatives, officials and employees of the Municipality are hereby authorized to enforce and to implement the Guaranty Agreement.

**Section 2.** The following additional matters are hereby determined, declared, recited and stated:

(1) The maximum principal amount of the Bonds of the Authority hereby and hereunder to be guaranteed as to payment of principal and interest shall not exceed the sum of the amount necessary to acquire the Municipality's equipment which will be subject to the Lease and to pay the Municipality's share of the costs of issuance, but in no event shall such principal amount exceed \$270,000.

(2) The Bonds shall mature within eleven years of the date of issue.

(3) The Bonds shall remain Outstanding to their respective stated maturity dates and the guaranty authorized herein shall remain effective until all Bonds shall have been paid in full in accordance with their terms notwithstanding the occurrence of any other event.

(4) The guaranty authorized herein may be made and this ordinance may be adopted notwithstanding any statutory debt or other limitations, including particularly any limitation or requirement under or pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., but the principal amount of any Outstanding Bonds shall be included after their issuance in the gross debt of the Municipality for the purpose of determining the indebtedness of the Municipality under or pursuant to the Local Bond Law. The principal amount of the Bonds included in the gross debt of the Municipality shall be deducted from the gross debt of the Municipality under and for all the purposes of the Local Bond Law (a) from and after the time of issuance of the Bonds until the end of the fiscal year beginning next after the acquisition of the equipment to be financed from the proceeds of the Bonds and (b) in any Annual Debt Statement filed pursuant to the Local Bond Law as of the end of such fiscal year or any subsequent fiscal year if the revenues or other receipts or moneys of the Authority in such year are sufficient to pay its expenses of operation and maintenance in such year and all amounts payable in such year on account of the principal of and the interest on all such Bonds, all bonds of the Municipality issued as provided under N.J.S.A. 40:37A-79 and all bonds of the Authority issued under the County Improvement Authorities Law.

**Section 3.** Upon payment of the principal of and the interest due on the Bonds by the Authority or the defeasance of the Bonds pursuant to the Bond Resolution, the guaranty authorized herein will cease to exist and the gross debt of the Municipality shall be reduced to the extent that such Bonds cease to be Outstanding under the Bond Resolution.

**Section 4.** This ordinance shall take effect 20 days after the first publication thereof after final adoption in accordance with the County Improvement Authorities Law and the Local Bond Law.

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

**ROLL CALL:**

**AYES:** Mr. Nolan, Miss Thomas, Mr. Caizza, Mr. Urbanski, Mayor O'Neil

**NAYES:** None

**ABSENT:** None

**ABSTAIN:** None

**Date:** July 18, 2007

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**NINA LIGHT FLANNERY**  
**Borough Clerk**

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Introduce: June 20, 2007  
Publication: June 28, 2007, The Courier  
2<sup>nd</sup> Reading: July 18, 2007  
Public Hearing: July 18, 2007  
Adoption: July 18, 2007  
Publication: July 26, 2007, The Courier  
Estoppel End Date: August 16, 2007

I hereby certify that this is a true copy of the Ordinance adopted by the Governing Body of the Borough of Highlands on July 18, 2007.

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**BOROUGH CLERK/DEPUTY CLERK**