

**BOROUGH OF RED BANK
RESOLUTION NUMBER 19-278**

**RESOLUTION DETERMINING THE FORM AND OTHER
DETAILS OF NOT TO EXCEED \$2,685,000 GENERAL
IMPROVEMENT BONDS, SERIES 2019 OF THE
BOROUGH OF RED BANK, 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 AUTHORITY'S 2019 POOLED GOVERNMENTAL
LOAN PROGRAM**

WHEREAS, the Borough of Red Bank (the "Borough"), in the County of Monmouth, State of New Jersey, has determined that there exists a need within the Borough to finance the costs of various general capital improvements throughout the Borough (collectively, the "Capital Improvements Project"); and

WHEREAS, the Borough Council has duly adopted Bond Ordinance Number 2019-21, finally adopted May 22, 2019 (the "Ordinance") to appropriate moneys and authorize the issuance of bonds or bond anticipation notes to undertake the Capital Improvements Project; and

WHEREAS, the Borough has determined to finance the Capital Improvements Project with the proceeds of a loan (the "Loan") to be made to the Borough by the Monmouth County Improvement Authority (the "MCIA") in connection with the 2019 Pooled Governmental Loan Program, currently scheduled to close on or about December 23, 2019 (the "2019 MCIA Bond Program"); and

WHEREAS, to evidence the Loan, the Borough will deliver the Borough's not to exceed \$2,685,000 General Improvement Bonds, Series 2019 (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, section 27(a)(2) of the Local Bond Law allows 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 to be dated as of the date of the sale of such Bonds; and

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

Section 1. The Bonds pursuant to the Ordinance are hereby authorized to be sold to the MCIA in accordance with the provisions hereof and in accordance with

the terms of a Bond Purchase Agreement to be executed by and between the Borough and the MCIA (the "Bond Purchase Agreement"). The Mayor of the Borough (the "Mayor") and 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 and approve the terms of such Bond Purchase Agreement, to be dated the date of sale of the Bonds and to execute and deliver said Bond Purchase Agreement to the MCIA. The Bonds have been referred to and described in the Ordinance being finally adopted at a duly called and held meeting of the Borough Council of the Borough and published as required by law, all pursuant to terms of the Local Bond Law and other applicable law.

Section 2. In accordance with N.J.S.A. 40A:2-27(a)(2), 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 \$2,685,000 issued in one series aggregating said amount;
- (b) The maturity and principal installments of the Bonds, which maturity shall not exceed 11.76 years;
- (c) The date of the Bonds;
- (d) The interest rates of the Bonds;
- (e) The purchase price of the Bonds; and
- (f) 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 GI-1;

- (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 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 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 2019 MCIA Bond Program, upon the advice of Bond Counsel.

Section 6. The law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Borough ("Bond Counsel"), the Borough Engineer, 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 undertaking of the Capital Improvements Project 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 Capital Improvements Project, preparing all necessary financial information, all engineering and design work, preparation of plans and specifications and conducting all necessary studies, searches and analysis in connection with the issuance of the Bonds and the undertaking of the Capital Improvements Project. The Mayor, the Chief Financial Officer, the Borough Clerk, the Borough Attorney and any other Borough representative (including Bond Counsel or the Borough Auditor) are each hereby authorized and directed to execute and deliver any certificates necessary or desirable in connection with the issuance of the Bonds and the provision of financial and other information related thereto.

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 Capital Improvements Project, and each are hereby further authorized and directed to deliver same to the County and/or MCIA, as applicable, upon delivery of the Bonds and the applicable receipt of payment therefore, or in accordance with the 2019 MCIA Bond Program and (ii) perform such other actions as they deem necessary, desirable or convenient, in consultation with Bond Counsel, in relation to the execution and delivery of the Bonds and any certificates or documents necessary or desirable in connection therewith.

Section 8. The Mayor and Chief Financial Officer are each hereby authorized and directed, without further authorization, to enter into and execute a

continuing disclosure agreement or such other agreement as may be by required by the MCI A for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time, in a form satisfactory to Bond Counsel.

Section 9. The Borough hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended, in order to preserve the exemption from taxation of interest on the Bonds, including the requirement to rebate all net investment earnings on gross proceeds above the yield on the Bonds, if necessary.

Section 10. Upon the adoption hereof, the Borough Clerk shall forward certified copies of this resolution: (a) via electronic email, to (i) John D. Draikiwicz, Esq. of Gibbons P.C., Newark, New Jersey, the MCI A Bond Counsel at jdraikiwicz@gibbonslaw.com and (ii) Lisa A. Gorab, Esq., of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Borough, at Igorab@wilentz.com, and (b) via certified first class mail, to (i) John D. Draikiwicz, Esq., Gibbons P.C., One Gateway Center, Newark, New Jersey 07102, and (ii) Lisa A. Gorab, Esq., of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Borough at 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095.

Section 11. This resolution shall take effect immediately.

	Motion	Yes	No	Abstain	Absent
Councilman Yassin	Second	X			
Councilwoman Triggiano		X			
Councilman Ballard					X
Councilman Yngstrom		X			
Councilman Zipprich	Motion	X			
Councilwoman Horgan		X			

Dated: November 26, 2019

I hereby certify the above to be a true copy of a resolution adopted by the Council of the Borough of Red Bank, in the County of Monmouth, at a meeting held on November 26, 2019.

Pamela Borghi

Pamela Borghi, Municipal Clerk

EXHIBIT A

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

GENERAL IMPROVEMENT BOND, SERIES 2019

NUMBER GI-1

DATE OF ORIGINAL ISSUE: December 23, 2019

REGISTERED OWNER: Monmouth County Improvement Authority

PRINCIPAL SUM: _____ Dollars (\$_____)

THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, a municipal corporation 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 May 15 and November 15 prior to each June 1 and December 1, commencing June 1, 2020, in an amount equal to the interest accruing to each such June 1 and December 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. Upon the occurrence of an

event of default by the Authority under the bond resolution adopted by the Authority on November 7, 2019 (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 or interest on this Bond, the Trustee may by notice to the Chief Financial Officer of the Borough at Municipal Building, 90 Monmouth Street, Red Bank, New Jersey 07701, 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 hereinafter defined) until paid. This Bond shall be prepayable as set forth in Section 1303 of 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 (a) 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 (b) the rate then payable on this bond, 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 the General Obligation Bond referred to in and issued pursuant to Bond Ordinance number 2019-21, finally adopted by the Borough Council of the Borough on May 22, 2019, approved by the Mayor and published as required by law and entitled, "BOND ORDINANCE PROVIDING FOR THE 2019 CAPITAL IMPROVEMENT PROGRAM BY AND IN THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, APPROPRIATING \$3,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$2,685,000 BONDS OR NOTES TO FINANCE PART OF THE COST THEREOF" and a resolution duly adopted by the Borough Council of the Borough on November 26, 2019 and entitled, "RESOLUTION DELEGATING AUTHORITY TO DETERMINE THE FORM AND OTHER DETAILS OF NOT TO EXCEED \$2,685,000 GENERAL OBLIGATION BONDS, SERIES 2019 OF THE BOROUGH OF RED BANK, 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 AUTHORITY'S 2019 POOLED GOVERNMENTAL LOAN 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 (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)(C) of the Bond Purchase Agreement by and between the Borough and the Authority.

IN WITNESS WHEREOF, the Borough of Red Bank, 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 its Clerk, and this Bond to be dated the Date of Original Issue as specified above.

**BOROUGH OF RED BANK,
IN THE COUNTY OF MONMOUTH,
STATE OF NEW JERSEY**

ATTEST:

(SEAL)

**PASQUALE MENNA,
Mayor**

**PAMELA BORGHI,
Clerk**

**PETER O'REILLY,
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 RED BANK
IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY

GENERAL IMPROVEMENT BOND, SERIES 2019

Schedule of Principal and Interest Payments

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

I, PAMELA BORGHI, Clerk of the Borough of Red Bank, in the County of Monmouth, State of New Jersey (the "Borough"), DO HEREBY CERTIFY that the foregoing resolution entitled, "RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF NOT TO EXCEED \$2,685,000 GENERAL IMPROVEMENT BONDS, SERIES 2019 OF THE BOROUGH OF RED BANK, 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 AUTHORITY'S 2019 POOLED GOVERNMENTAL LOAN PROGRAM", is a copy of a resolution which was duly adopted by the Borough Council of the Borough at a meeting duly called and held on November 26, 2019 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 this ___ day of _____, 2019.

(SEAL)

PAMELA BORGHI,
Clerk of the Borough of Red Bank