

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY**

RESOLUTION NUMBER 22-289

RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES OF NOT EXCEEDING \$6,539,000 GENERAL OBLIGATION BONDS, SERIES 2022, CONSISTING OF \$4,187,000 GENERAL IMPROVEMENT BONDS, SERIES 2022 AND \$2,352,000 WATER AND SEWER UTILITY BONDS, SERIES 2022, OF THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, DETERMINING THE FORM AND OTHER DETAILS OF SUCH BONDS, AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE AUTHORITY'S 2022B AND 2022C POOLED GOVERNMENTAL LOAN PROGRAM

WHEREAS, the Borough of Red Bank (the "Borough"), in the County of Monmouth, a municipal corporation of the State of New Jersey, has determined that there exists a need within the Borough to finance the costs of various general capital improvements (the "General Improvements Project") and water and sewer capital improvements (the "Water and Sewer Improvements Project" and together with the General Improvements Project, the "Project") throughout the Borough; and

WHEREAS, the Borough Council has duly adopted various bond ordinances (the "Ordinances") to appropriate moneys and authorize the issuance of bonds or bond anticipation notes to undertake the Project; and

WHEREAS, the Borough has determined to finance the Project with the proceeds of a loan (the "Loan") to be made to the Borough by the Monmouth County Improvement Authority (the "MCIA") from proceeds generated by the MCIA in connection with the Series 2022B and Series 2022C Pooled Governmental Loan Program currently scheduled to close on or about December 22, 2022 (the "2022B and 2022C MCIA Bond Program"); and

WHEREAS, in order for the Borough to receive the Loan from the MCIA, it is necessary to combine the bonds authorized under said Ordinances, by fund, into one issue of bonds per fund, namely (i) a general improvement bond series in the principal amount of not to exceed \$4,187,000, and (ii) a water and sewer utility bond series in the principal amount of not to exceed \$2,352,000, aggregating said amount, and to memorialize the applicable obligations of the general capital improvement fund and the water and sewer utility fund of the Borough, pursuant to the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); and

WHEREAS, to evidence the Loan, the MCIA also requires the Borough to authorize, execute, attest and deliver to the MCIA, the Borough's not to exceed \$6,539,000 General Obligation Bonds, Series 2022, consisting of \$4,187,000 General Improvement Bonds, Series 2022 (the "General Improvement Bonds"), and \$2,352,000 Water and Sewer Utility Bonds, Series 2022 (the "Water and Sewer Utility Bonds", and together with the General Improvement Bonds, the "Bonds"), in accordance with the provisions hereof and pursuant to the terms of 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 to be entered into by and between the Borough and the MCIA to be dated as of the date of the sale of such Bonds.

NOW THEREFORE, BE IT RESOLVED BY NOT LESS THAN 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. Pursuant to the provisions of N.J.S.A. 40A:2-26(f), the bonds of the Borough, authorized pursuant to the general improvement bond ordinances (the “General Improvement Ordinances”) of the Borough heretofore adopted and described in Section 2 hereof, shall be combined into a single issue of General Improvement Bonds, Series 2022, in the aggregate principal amount of not exceeding \$4,187,000 and shall memorialize the obligations of the general capital improvement fund of the Borough.

SECTION 2. The principal amount of bonds authorized by each General Improvement Ordinance to be combined into a single issue of bonds as provided above, and the General Improvement Ordinances authorizing the General Improvement Bonds described by reference to the ordinance number, description and date of final adoption, amount of issue and average period of usefulness determined in each of the General Improvement Ordinances, are respectively as follows:

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount of Issue</u>	<u>Useful Life</u>
2021-01	Various capital improvements, finally adopted January 27, 2021	\$3,317,000	11.54 years
2022-03	Reconstruction and rehabilitation of the Senior Center, finally adopted February 23, 2022	<u>\$ 870,000</u>	20 years
TOTALS		<u>\$4,187,000</u>	

SECTION 3. The following matters are hereby determined with respect to the combined issue of General Improvement Bonds:

(a) The average period of usefulness, computed on the basis of the respective amounts of General Improvement Bonds presently authorized to be issued pursuant to each of the General Improvement Ordinances and the respective periods or average periods of usefulness therein determined, is not more than 13.29 years.

(b) The General Improvement Bonds of the combined issue shall be designated “General Improvement Bonds, Series 2022”, and shall mature within the average period of usefulness determined in Section 3(a) above.

(c) The General Improvement Bonds of the combined issue shall be sold and issued in accordance with the provisions of the Local Bond Law that are applicable to the sale and issuance of bonds to an authority of a county under Section 27(a)(2) of the Local Bond Law.

SECTION 4. The following additional matters are hereby determined, declared, recited and stated:

(a) None of the General Improvement Bonds described in Section 2 hereof have been sold or issued heretofore, and the several General Improvement Ordinances described in Section 2 have not been rescinded heretofore and now remain in full force and effect as authorizations for the respective amounts of bonds set opposite the descriptions of the General Improvement Ordinances set forth in Section 2 hereof.

(b) The several purposes or improvements authorized by the respective General Improvement Ordinances described in Section 2 hereof are purposes for which bonds may be issued lawfully pursuant to the Local Bond Law.

SECTION 5. Pursuant to the provisions of N.J.S.A. 40A:2-26(f), the bonds of the Borough, authorized pursuant to the water and sewer utility bond ordinances (the “Water and Sewer Utility Ordinances”) of the Borough heretofore adopted and described in Section 6 hereof, shall be combined into a single issue of Water and Sewer Utility Bonds, Series

2022, in the aggregate principal amount of not exceeding \$2,352,000, and shall memorialize the obligations of the water and sewer utility fund of the Borough.

SECTION 6. The principal amount of bonds authorized by each Water and Sewer Utility Ordinance to be combined into a single issue of bonds as provided above, and the Water and Sewer Utility Ordinances authorizing the Water and Sewer Utility Bonds described by reference to the ordinance number, description and date of final adoption, amount of issue and average period of usefulness determined in each of the Water and Sewer Utility Ordinances, are respectively as follows:

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount of Issue</u>	<u>Useful Life</u>
2018-34	Various improvements by the water/sewer utility, finally adopted November 18, 2018	\$ 990,500	20 years
2021-02	Various improvements by the water/sewer utility, finally adopted January 27, 2021	\$ 611,500	20 years
2022-14	Various improvements by the water and sewer utility, finally adopted June 22, 2022	<u>\$ 750,000</u>	30 years
TOTALS		<u>\$2,352,000</u>	

SECTION 7. The following matters are hereby determined with respect to the combined issue of Water and Sewer Utility Bonds:

(a) The average period of usefulness, computed on the basis of the respective amounts of Water and Sewer Utility Bonds presently authorized to be issued pursuant to each of the Water and Sewer Utility Ordinances and the respective periods or average periods of usefulness therein determined, is not more than 23.18 years.

(b) The Water and Sewer Utility Bonds of the combined issue shall be designated "Water and Sewer Utility Bonds, Series 2022", and shall mature within the average period of usefulness determined in Section 7(a) above.

(c) The Water and Sewer Utility Bonds of the combined issue shall be sold and issued in accordance with the provisions of the Local Bond Law that are applicable to the sale and issuance of bonds to an authority of a county under Section 27(a)(2) of the Local Bond Law.

SECTION 8. The following additional matters are hereby determined, declared, recited and stated:

(a) None of the Water and Sewer Utility Bonds described in Section 6 hereof have been sold or issued heretofore, and the several Water and Sewer Utility Ordinances described in Section 6 have not been rescinded heretofore and now remain in full force and effect as authorizations for the respective amounts of bonds set opposite the descriptions of the Water and Sewer Utility Ordinances set forth in Section 6 hereof.

(b) The several purposes or improvements authorized by the respective Water and Sewer Utility Ordinances described in Section 6 hereof are purposes for which bonds may be issued lawfully pursuant to the Local Bond Law and such improvements or purposes, if applicable and permitted by law, are deductible from gross debt in any annual or supplemental debt statement of the Borough, as the Water and Sewer Utility Fund is self-liquidating.

SECTION 9. The General Improvement Bonds and the Water and Sewer Utility Bonds are sometimes collectively referred to herein as the "Bonds". The General Improvement Ordinances and the Water and Sewer Utility Ordinances are sometimes collectively referred to herein as the "Ordinances".

SECTION 10. In accordance with the provisions of N.J.S.A. 40A:2-27(a)(2) and pursuant to the Ordinances, the Borough hereby authorizes the sale and award of, and hereby sells and awards, the Borough's Bonds 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 Ordinances finally adopted at duly called and held meetings of the Borough Council and published as required by law, and such Ordinances are combined for purposes of sale pursuant to this resolution, all pursuant to terms of the Local Bond Law and other applicable law.

SECTION 11. In accordance with the provisions of 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 as 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 \$6,539,000, issued in two series aggregating said amount;
- (b) The maturity and principal installments of the Bonds, which maturity shall not exceed 13.29 years for the General Improvement Bonds and 23.18 years for the Water and Sewer Utility Bonds, respectively;
- (c) The date of the Bonds of each series;
- (d) The interest rates of the Bonds of each series;
- (e) The purchase price of the Bonds of each series; and
- (f) The terms and conditions under which the Bonds of each series shall be subject to redemption, as applicable, prior to their stated maturities.

SECTION 12. 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 13(c) hereof.

SECTION 13. The Borough Council hereby determine that certain terms of the Bonds shall be as follows:

- (a) The Bonds of each series shall be issued in a single denomination and shall be numbered (i) GI-1 for the General Improvement Bonds, and (ii) WSU-1 for the Water and Sewer Utility Bonds (or such other designation as determined by Bond Counsel);
- (b) The Bonds of each series 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 of each series shall be executed by the manual or facsimile signatures of the Mayor and the Chief Financial Officer under official seal or facsimile thereof affixed, imprinted or reproduced thereon and attested by the manual signature of the Clerk of the Borough (the "Borough Clerk").

SECTION 14. The Bonds of each series 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 2022B and 2022C MCIA Bond Program, upon the advice of Bond Counsel.

SECTION 15. The law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Borough (“Bond Counsel”), NW Financial Group, LLC, Municipal Advisor to the MCIA (the “Municipal Advisor”), 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 respective Project for which each series of 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 Project, and 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 Project. The Mayor, the Chief Financial Officer, the Borough Clerk, the Borough Attorney and any other Borough representative (including Bond Counsel, the Municipal Advisor or the Borough Auditor) are each hereby authorized and directed to execute and deliver any certificates, documents, instruments or agreements necessary or desirable in connection with the submission of financial and other information to the MCIA related thereto.

SECTION 16. 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, documents, instruments or agreements necessary or desirable in connection with the sale of the Bonds, including the Bond Purchase Agreement, or the undertaking of the Project, and each are hereby further authorized and directed to deliver same to the County of Monmouth, New Jersey (the “County”) and/or the MCIA, as applicable, upon delivery of the Bonds and the applicable receipts of payment therefor, or in accordance with the 2022B and 2022C MCIA Bond Program and (ii) perform such other actions as they deem necessary, desirable or convenient, in consultation with Bond Counsel and/or the Municipal Advisor, in relation to the execution and delivery of the Bonds and any certificates, documents, instruments or agreements necessary or desirable in connection therewith.

SECTION 17. 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 required by the MCIA 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 18. 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 19. 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 MCIA Bond Counsel, at JDraikiwicz@gibbonslaw.com, and (ii) Everett M. Johnson, Esq., of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Borough, at ejohnson@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) Everett M. Johnson, Esq., Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095.

SECTION 20. This resolution shall take effect immediately.

EXHIBIT A

UNITED STATES OF AMERICA

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

**[GENERAL IMPROVEMENT] [WATER AND SEWER UTILITY] BOND,
SERIES 2022**

NUMBER [GI-1] / [WSU-1]

DATE OF ORIGINAL ISSUE: December 22, 2022

REGISTERED OWNER: Monmouth County Improvement Authority

**PRINCIPAL SUM: _____ Dollars
(\$_____)**

THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, a body politic and corporate of the State of New Jersey (the "Borough"), hereby acknowledges itself indebted and for value received promises to pay to the order of the Monmouth County Improvement Authority (the "Authority"), c/o _____, _____, _____ (the "Trustee"), Account Number _____, the Principal Sum specified above payable in the amounts and on the dates specified and set forth on Schedule A attached hereto and by this reference made a part hereof, and to pay interest on such sum from the Date of Original Issue of this Bond until payment in full at the interest rates per annum and in the amounts and dates specified and set forth on Schedule A attached hereto and by this reference made a part hereof. Interest is payable to the Authority at the corporate trust office of the Trustee on May 15 and November 15 prior to each June 1 and December 1, commencing June 1, 2023, 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 10, 2022 (as the same may be supplemented and amended, the "Resolution"), which event of default is directly attributable to a default hereunder or to a default by the Borough under its Bond Purchase Agreement with the Authority relating to the Authority's purchase of this Bond, or in the event of default in any payments of principal of or interest on this Bond, the Trustee may by notice to the Chief Financial Officer of the Borough at the Borough 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 are payable in lawful money of the United States of America and in immediately available funds.

As used herein, "Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State of New Jersey or the State of New York or a day on which the Trustee is legally authorized to close. "Late Payment Rate" shall mean a rate per annum equal to the lower of (i) 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 one of the [Genera Improvement] / [Water-Sewer Utility] Bonds referred to in and issued pursuant to a resolution duly adopted by the Borough Council of the Borough on November 22, 2022 entitled, "RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES OF NOT EXCEEDING \$6,539,000 GENERAL OBLIGATION BONDS, SERIES 2022, CONSISTING OF \$4,187,000 GENERAL IMPROVEMENT BONDS, SERIES 2022 AND \$2,352,000 WATER AND SEWER UTILITY BONDS, SERIES 2022, OF THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, DETERMINING THE FORM AND OTHER DETAILS OF SUCH BONDS, AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE AUTHORITY'S 2022B AND 2022C POOLED GOVERNMENTAL LOAN PROGRAM" and the various bond ordinances referred to therein, all finally adopted and published as required by law.

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 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)

[Form of Bond – Do Not Sign]

**PASQUALE MENNA,
Mayor**

[Form of Bond – Do Not Sign]

**LAURA REINERTSEN,
Borough Clerk**

[Form of Bond – Do Not Sign]

**THOMAS SEAMAN,
Chief Financial Officer**