

**BOROUGH OF RED BANK**

**COUNTY OF MONMOUTH**

**RESOLUTION NO. 09-265**

**RESOLUTION CONFIRMING THE DETAILS OF THE SALE OF \$2,720,227 GENERAL OBLIGATION BONDS, SERIES 2009, OF THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND THE STATE OF NEW JERSEY PURSUANT TO THE YEAR 2009 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM**

Mr. DuPont offered the following resolution and moved its adoption:

**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 undertake the renovations, acquisitions, installations, improvements and upgrades, as applicable, to its Chestnut Street and Tower Hill water treatment facilities including, but not limited to, the replacement of pressure filters, installation of new internal piping at Tower Hill, installation of flow regulating valves at both sites, site lighting and security equipment at both sites, improvements to chemical feed equipment and replacement of the back-up generator at Tower Hill (the "Project"), as further defined in the trust loan agreement (the "Trust Loan Agreement") to be entered into by and between the Borough and the New Jersey Environmental Infrastructure Trust (the "Trust") and the fund loan agreement (the "Fund Loan Agreement") to be entered into by and between the Borough and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), all pursuant to the Fiscal Year 2010 New Jersey Environmental Infrastructure Trust Financing Program (the "Program"); and

**WHEREAS**, the Trust Loan Agreement and the Fund Loan Agreement shall be referred to herein collectively, as the "Loan Agreements"; and

**WHEREAS**, the Borough has determined to finance the Project with the proceeds of the loan to be made by the Trust (the "Trust Loan") pursuant to the Trust Loan Agreement and the State (the "Fund Loan") pursuant to the Fund Loan Agreement; and

**WHEREAS**, the Trust Loan and the Fund Loan shall be referred to herein collectively, as the "Loans"; and

**WHEREAS**, to evidence the Loans, each of the Trust and the State require the Borough to authorize, execute, attest and deliver the Borough's \$2,720,227 General Obligation Bonds, Series 2009, in the following manner: (i) a General Obligation Bond, Series 2009 in the principal amount of \$680,000 shall be issued to the Trust (the "Trust Loan Bond"), and (ii) a General Obligation Bond, Series 2009 in the principal amount of \$2,040,227 shall be issued to the State (the "Fund Loan Bond" and together with the Trust Loan Bond, the "Bonds") pursuant to the terms of the Local Bond Law, N.J.S.A. 40A:2-1 *et seq.* (the "Local Bond Law"), other applicable law and the Loan Agreements and the Escrow Agreement dated October 29, 2009 (the "Escrow Agreement") by and among the State, the Trust, the Borough and the Escrow Agent (as defined in the Escrow Agreement); and

**WHEREAS**, section 27(a)(2) of the Local Bond Law allows for the sale of the Trust Loan Bond and the Fund Loan Bond to the Trust and the State, respectively, without any public offering, and N.J.S.A. 58:11B-9(a) allows for the sale of the Trust Loan Bond to the Trust without any public offering, all under the terms and conditions set forth herein; and

**WHEREAS**, in accordance with the terms of the Escrow Agreement, the Trust has sold its bonds to fund the Trust Loans, thereby enabling the Borough to confirm the exact aggregate principal amount of and debt service schedule for the Bonds.

**NOW THEREFORE, BE IT RESOLVED** by the Borough Council of the Borough of Red Bank, in the County of Monmouth, State of New Jersey (not less than two-thirds of all members thereof affirmatively concurring), as follows:

**Section 1.** The sale of (i) the General Obligation Bond, Series 2009 in the principal amount of \$680,000 to the Trust (the "Trust Loan Bond") and (ii) the General Obligation Bond, Series 2009 in the principal amount of \$2,040,227 to the State (the "Fund Loan Bond" and together with the Trust Loan Bond, the "Bonds") is hereby confirmed. The Trust Loan Bond shall be released from Escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the principal loan amount, interest rates and maturity schedule set forth in Exhibit A attached hereto and made a part hereof. The Fund Loan Bond shall be released from escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the maturity schedule set forth in Exhibit B attached hereto and made a part hereof.

**Section 2.** Upon the adoption hereof, the Borough Deputy Clerk shall forward certified copies of this resolution to Everett M. Johnson, Esq., Bond Counsel to the Borough and Richard Nolan, Esq., McCarter & English, LLP, Bond Counsel to the Trust.

**Section 3.** This resolution shall take effect immediately.

Seconded by Ms. Lewis and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Ms. Lewis	( x )	( )	( )	( )
Mr. Zipprich	( )	( )	( )	( x )
Mr. DuPont	( x )	( )	( )	( )
Ms. Horgan	( x )	( )	( )	( )
Ms. Lee	( x )	( )	( )	( )
Mr. Murphy	( x )	( )	( )	( )

Dated: November 23, 2009