

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
RESOLUTION NUMBER 20-262**

RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES OF NOT EXCEEDING \$5,885,000 GENERAL OBLIGATION BONDS, SERIES 2020, CONSISTING OF \$2,664,000 GENERAL IMPROVEMENT BONDS, SERIES 2020 AND \$3,221,000 PARKING UTILITY BONDS, SERIES 2020, 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 2020 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 (the "General Improvements Project") and parking capital improvements (the "Parking Improvements Project" and together with the General Improvements Project, the "Project") throughout the Borough; and

WHEREAS, the Borough Council has duly adopted the General Improvement Ordinances (as hereinafter defined) and the Parking Utility Bond Ordinance (as hereinafter defined) 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") in connection with an MCIA 2020 Pooled Governmental Loan Program currently scheduled to close on or about December 23, 2020 (the "2020 MCIA Bond Program"); and

WHEREAS, in order for the Borough to issue the General Improvement Bonds (as hereinafter defined) to the MCIA, it is necessary to combine the bonds authorized under said General Improvement Ordinances, into one issue of General Improvement Bonds (as hereinafter defined) in the principal amount of \$2,664,000, 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 Borough will authorize, execute, attest and deliver to the MCIA the Borough's \$5,885,000 General Obligation Bonds, Series 2020, consisting of \$2,664,000 General Improvement Bonds, Series 2020 (the "General Improvement Bonds") and \$3,221,000 Parking Utility Bonds, Series 2020 (the "Parking 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 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 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. 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 2020, in the aggregate principal amount of not exceeding \$2,664,000, aggregating said amount and to memorialize the obligations of the general 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 as above provided, 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>
2018-33	2018 Capital Improvement Program, finally adopted 11/28/18	\$2,484,000	12.23 years
2019-72	Streetscape and Drainage Improvements, finally adopted 12/11/19	\$ 180,000	15 years
TOTALS		\$2,664,000	

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 12.42 years.

(b) The General Improvement Bonds of the combined issue shall be designated "General Improvement Bonds, Series 2020", and shall mature within the average period of usefulness hereinabove determined.

(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 a public entity 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 and some of such improvements or purposes, if applicable and permitted by law, a deduction may be taken in any annual or supplemental debt statement.

SECTION 5. The \$3,221,000 aggregate principal amount of Parking Utility Bonds, Series 2020, referred to and described in Bond Ordinance Number 2019-73 duly adopted by the Borough Council of the Borough pursuant to the Local Bond Law on December 11, 2019 entitled, "BOND ORDINANCE PROVIDING FOR VARIOUS PARKING IMPROVEMENTS, BY AND IN THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY; APPROPRIATING \$3,221,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$3,221,000 PARKING UTILITY BONDS OR NOTES OF THE BOROUGH TO FINANCE PART OF THE COST THEREOF", (the "Parking Utility Bond Ordinance").

SECTION 6. The following matters are hereby determined with respect to the Parking Utility Bonds:

(a) The period of usefulness, is not more than 15 years.

(b) The Parking Utility Bonds shall be designated "Parking Utility Bonds, Series 2020", and shall mature within the period of usefulness hereinabove determined.

(c) The purposes or improvements authorized by the Parking Utility Bond Ordinance described in Section 5 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, and provided the parking utility of the Borough is self-liquidating, are deductible from gross debt in any annual or supplemental debt statement of the Borough.

SECTION 7. The General Improvement Bonds and the Parking Utility Bonds are sometimes collectively referred to herein as the "Bonds". The General Improvement Ordinances and the Parking Utility Bond Ordinance are sometimes collectively referred to herein as the "Ordinances".

SECTION 8. 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 \$5,885,000 General Obligation Bonds, Series 2020, consisting of \$2,664,000 General Improvement Bonds, Series 2020 (the "General Improvement Bonds") and \$3,221,000 Parking Utility Bonds, Series 2020 (the "Parking Utility Bonds" and together with the General Improvement Bonds, the "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 the terms of such Bond Purchase Agreement, to be dated the date of sale of the Bonds, to approve the terms of aforesaid Bond Purchase Agreement and to execute and deliver said Bond Purchase Agreement to the MCIA. The Bonds have been referred to and described in the Ordinances being finally adopted at duly called and held meetings of the Borough Council and published as required by law, and which Ordinances, as applicable, were combined for purposes of sale pursuant to this resolution, all pursuant to terms of the Local Bond Law and other applicable law.

SECTION 9. 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 \$5,885,000, issued in two series aggregating said amount;
- (b) The maturity and principal installments of the Bonds, which maturity shall not exceed 12.42 years for the General Improvement Bonds, and 15 years for the Parking 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 prior to their stated maturities.

SECTION 10. 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 17(c) hereof.

SECTION 11. The Borough Council hereby determines 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) PU-1 for the Parking 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, printed, engraved or reproduced thereon and attested by the manual signature of the Clerk of the Borough (the "Borough Clerk").

SECTION 12. 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 2020 MCIA Bond Program, upon the advice of Bond Counsel.

SECTION 13. 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 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, 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 or the Borough Auditor) are each hereby authorized and directed to execute and deliver any certificates necessary or desirable in connection with the financial and other information related thereto.

SECTION 14. 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 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 2020 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 15. 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 16. 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 17. 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) Lisa A. Gorab, Esq., of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Borough, at lgorab@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., Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095.

SECTION 18. This resolution shall take effect immediately.

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

Dated: November 24, 2020

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 24, 2020.

Pamela Borghi, Municipal Clerk

EXHIBIT A

UNITED STATES OF AMERICA

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

**[GENERAL IMPROVEMENT] [PARKING UTILITY] BOND,
SERIES 2020**

NUMBER [GI-1] / [PU-1]

DATE OF ORIGINAL ISSUE: December 23, 2020

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 the May 15 and November 15 prior to each June 1 and December 1, commencing June 1, 2021, 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 5, 2020 (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 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 one of the [General Improvement] [Parking Utility] Bonds referred to in and issued pursuant to a resolution duly adopted by the Borough Council on November 24, 2020 entitled, "RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES OF NOT EXCEEDING \$5,885,000 GENERAL OBLIGATION BONDS, SERIES 2020, CONSISTING OF \$2,664,000 GENERAL IMPROVEMENT BONDS, SERIES 2020 AND \$3,221,000 PARKING UTILITY BONDS, SERIES 2020, 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 2020 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 to by the manual signature of the 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] _____
PAMELA BORGHI,
Borough Clerk**

**[Form of Bond – Do Not Sign] _____
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] [PARKING UTILITY] BOND,
SERIES 2020

Schedule of Principal and Interest Payments

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest</u>	and <u>Principal</u> <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 attached hereto is a copy of a resolution entitled "RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN ISSUES OF NOT EXCEEDING \$5,885,000 GENERAL OBLIGATION BONDS, SERIES 2020, CONSISTING OF \$2,664,000 GENERAL IMPROVEMENT BONDS, SERIES 2020 AND \$3,221,000 PARKING UTILITY BONDS, SERIES 2020, 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 2020 POOLED GOVERNMENTAL LOAN PROGRAM" (the "Resolution"), which Resolution was duly adopted by the Borough Council at a meeting duly called and held on November 24, 2020, 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 officially recorded in the Minute Book of said Borough Council and that said Resolution has not been amended, modified or repealed and is 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 _____, 2020.

(SEAL)

PAMELA BORGHI,
Clerk of the Borough of Red Bank