

BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
RESOLUTION NO. 15-114

**RESOLUTION PROVIDING FOR THE FORM, MATURITIES AND
OTHER DETAILS OF NOT TO EXCEED \$5,400,000 GENERAL
IMPROVEMENT REFUNDING BONDS OF THE BOROUGH OF
RED BANK, NEW JERSEY AND PROVIDING FOR THEIR
SALE.**

Councilman DuPont offered the following resolution and moved its adoption:

WHEREAS, the Borough Council of the Borough of Red Bank, in the County of Monmouth, New Jersey (the "Borough"), has heretofore issued the following series of bonds: General Obligation Bonds, Series 2007, issued in the original aggregate principal amount of \$13,776,000, dated July 15, 2007, which bonds are subject to redemption (on or after February 1, 2016) prior to their stated dates of maturity, maturing on or after February 1, 2017 in an aggregate amount of \$5,031,000, inclusive (the "Refunded Bonds"); and

WHEREAS, the Borough desires to redeem the Refunded Bonds on any date at a redemption price of 100% of the principal amount of the Refunded Bonds and has adopted a bond ordinance entitled "Refunding Bond Ordinance Of The Borough Of Red Bank, In The County Of Monmouth, New Jersey, Providing For The Refunding Of All Or A Portion Of The Borough's General Obligation Bonds, Series 2007, Dated July 15, 2007, Appropriating An Amount Not Exceeding \$5,400,000 Therefor And Authorizing The Issuance Of Not To Exceed \$5,400,000 General Obligation Refunding Bonds Of The Borough Of Red Bank For Financing The Cost Thereof," which authorized refunding bonds to be issued to refund the Refunded Bonds;

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

Section 1. There shall be issued bonds of the Borough in an amount not to exceed \$5,400,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 2015-01)

"REFUNDING BOND ORDINANCE OF THE BOROUGH OF RED
BANK, IN THE COUNTY OF MONMOUTH, NEW JERSEY,
PROVIDING FOR THE REFUNDING OF ALL OR A PORTION OF
THE BOROUGH'S GENERAL OBLIGATION BONDS, SERIES
2007, DATED JULY 15, 2007, APPROPRIATING AN AMOUNT
NOT EXCEEDING \$5,400,000 THEREFOR AND AUTHORIZING
THE ISSUANCE OF NOT TO EXCEED \$5,400,000 GENERAL
OBLIGATION REFUNDING BONDS OF THE BOROUGH OF
RED BANK FOR FINANCING THE COST THEREOF."

Section 2. The bonds referred to in Section 1 hereof are sometimes hereinafter collectively referred to as the "Bonds." The Bonds may be issued in one series as "General Improvement Refunding Bonds, Series 2015". The Bonds of said issue (i) shall be dated the date of delivery of the Bonds, (ii) shall mature in the years 2017 through 2022, or such other years as may be determined by the Chief Financial Officer, (iii) shall bear interest at the interest rates per annum as determined by the Chief Financial Officer, (iv) shall be sold at such price or prices as determined by the Chief Financial Officer, and (v) may be subject to redemption prior

to their stated maturities as determined by the Chief Financial Officer, as shall be set forth in the proposal for the purchase of the Bonds acceptance of which is authorized pursuant to Section 5 hereof. The Bonds shall be numbered one consecutively upward, and will be issued in fully registered form.

Section 3. The Bonds shall be payable as to interest at the corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey, payable on the January 15 and July 15 prior to each February 1 and August 1, commencing August 1, 2015, in an amount equal to the interest accruing to each such February 1 and August 1, and payable as to principal at the corporate trust office of TD Bank, National Association, payable on the fifteenth day of the month immediately preceding the due date therefor. Interest on the Bonds shall be calculated on the basis of a 360-day year or twelve 30-day calendar months.

The Bonds shall be subject to the parameters set forth as follows and otherwise consistent with the terms included in the application submitted by the Authority (as hereinafter defined) on behalf of the Borough to the Local Finance Board in the Department of Community Affairs, State of New Jersey (the "Local Finance Board") on March 17, 2015 (the "Application"): (i) the aggregate principal amount of the Bonds does not exceed \$5,400,000, (ii) the maturity structure or weighted average maturity for the Bonds is substantially similar to the structure submitted to the Local Finance Board in the Application, and (iii) all conditions described in the Application as submitted to the Local Finance Board for the sale of the Bonds are satisfied.

Section 4. The Bonds shall be signed by the Mayor or Council President and the Borough Chief Financial Officer, by their manual or facsimile signatures, and the corporate seal of the Borough shall be affixed thereto, or imprinted or reproduced thereon and shall be attested by the manual or facsimile signature of the Clerk or Deputy Clerk of the Borough.

Section 5. The Bonds are hereby sold and awarded to the Monmouth County Improvement Authority (the "Authority") by an Authorized Officer at a price determined by the Authorized Officer pursuant to the terms of a Bond Purchase Agreement between the Borough and the Authority (the "Bond Purchase Agreement"). The Mayor and Council President are hereby authorized on behalf of the Borough to execute the Bond Purchase Agreement by and between the Borough and the Monmouth County Improvement Authority and the Continuing Disclosure Agreement by and between the Borough and TD Bank, National Association.

Section 6. The Bonds and the registration provisions endorsed thereon shall be in substantially the following form:

No. 2015 __

**UNITED STATES OF AMERICA
STATE OF NEW JERSEY
COUNTY OF MONMOUTH**

**BOROUGH OF RED BANK
GENERAL IMPROVEMENT REFUNDING BOND, SERIES 2015**

DATE OF
ORIGINAL
ISSUE: June __, 2015

BOROUGH OF RED BANK in the County of Monmouth, New Jersey, hereby acknowledges itself indebted and for value received promises to pay to

**THE MONMOUTH COUNTY IMPROVEMENT
AUTHORITY (the "Authority")
c/o TD BANK, NATIONAL ASSOCIATION
(the "Trustee")**

the principal sums on the dates and in the amounts set forth on Schedule A attached hereto and 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 shown on Schedule A attached hereto and made a part hereof. Interest is payable to the Authority at the corporate trust office of the Trustee on the January 15 and July 15 prior to each February 1 and August 1, commencing August 1, 2015, in an amount equal to the interest accruing to each such February 1 and August 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. Amounts not paid when due hereunder shall bear interest at the Late Payment Rate until paid. This bond shall be prepayable as set forth in Section 1303 of the bond resolution adopted by the Authority on April 24, 2015 (as the same may be supplemented and amended, the "Bond 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.

The Bonds are not subject to redemption prior to their stated maturities.

This bond is one of an authorized issue of bonds and is issued pursuant to the Local Bond Law of New Jersey, and is one of the Bonds referred to in a resolution of the Borough of Red Bank adopted on May 13, 2015 and entitled "Resolution Providing For The Form, Maturities And Other Details Of Not To Exceed \$5,400,000 General Improvement Refunding Bonds Of The Borough Of Red Bank, New Jersey And Providing For Their Sale," and the bond ordinance referred to therein, in all respects duly approved and published as required by law.

The full faith and credit of the Borough of Red Bank 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 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 the issue of bonds of which this is one, together with all other indebtedness of the Borough of Red Bank, is within every debt and other limit prescribed by such Constitution or statutes.

The Borough of Red Bank 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)(B) of the Bond Purchase Agreement between the Borough of Red Bank and the Authority.

IN WITNESS WHEREOF, the BOROUGH OF RED BANK, in the County of Monmouth, New Jersey has caused this bond to be executed in its name by the manual or facsimile signatures of its Mayor or Council President 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 Borough Clerk, and this bond to be dated the DATE OF ORIGINAL ISSUE as specified above.

BOROUGH OF RED BANK

ATTEST:

By: _____
Pasquale Menna, Mayor

Pamela Borghi, Clerk

By: _____
Eugenia Poulos,
Chief Financial Officer

(Assignment Provision on Back of Bond)

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
GENERAL IMPROVEMENT REFUNDING BONDS, SERIES 2015
Schedule of Principal and Interest Payments

Section 7. The Borough Chief Financial Officer is hereby authorized and directed (a) to cause a copy of the written opinion with respect to the Bonds which is to be rendered by the firm of Dilworth Paxson LLP (complete except for omission of its date) to be printed or referred to on the Bonds, and at the time of the original delivery of payment for the Bonds and when such written opinion is rendered, to cause the Borough Clerk to certify to the truth and correctness of such copy of opinion by executing on each of said Bonds, by manual or facsimile signature, a certificate subjoined to each such copy, and to file a signed duplicate of such written opinion in such Clerk's office and at each place at which the Bonds are payable, (b) to cause the applicable CUSIP number (if any) assigned for each of said Bonds by the CUSIP Service Bureau of Standard & Poor's Corporation of New York, New York, to be printed on each of the Bonds, and (c) to cause, in the event that the Bonds shall qualify for issuance of any policy of municipal bond insurance at the option of the purchaser thereof, such legend or reference (if any) of such insurance to be printed (at the expense of such purchaser) on the Bonds.

Section 8. Upon the date of issue of the Bonds, being the date of delivery of the Bonds to the Authority and the payment of the purchase price thereof in accordance with the Bond Purchase Agreement, the Borough Chief Financial Officer is hereby authorized and directed as of said date of issue, to execute and deliver to said purchaser (a) an arbitrage certification with respect to the Bonds under and for the purpose of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) an accompanying opinion of Dilworth Paxson LLP as of said date of issue with respect to said arbitrage certification for the purposes of said Section 148.

Section 9. The proceeds of the Bonds shall be applied to refund the outstanding Refunded Bonds and pay for the costs of issuance associated with the Bonds.

Section 10. The Mayor or Council President and Borough Chief Financial Officer are hereby authorized and directed, as is the Borough Clerk, to execute all documents and certificates, necessary for the sale and delivery of said Bonds in order to effectuate the refunding of the outstanding amount of the Refunded Bonds.

Section 11. This resolution shall take effect immediately.

Seconded by Councilwoman Schwabenbauer and adopted on roll call by the following vote:

| | Yes | No | Abstain | Absent |
|----------------------------|-------|-----|---------|--------|
| Councilman Murphy | (x) | () | () | () |
| Councilwoman Burnham | (x) | () | () | () |
| Councilwoman Horgan | () | () | () | (x) |
| Councilwoman Schwabenbauer | (x) | () | () | () |
| Councilman Zipprich | (x) | () | () | () |
| Councilman DuPont | (x) | () | () | () |

Dated: May 13, 2015

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 May 13, 2015.

Pamela Borghi, Municipal Clerk