

BOROUGH OF RED BANK

COUNTY OF MONMOUTH

RESOLUTION NO. 09-202

**RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF NOT EXCEEDING
\$3,160,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS,
SERIES 2009, OF THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, NEW
JERSEY, AND PROVIDING FOR THEIR SALE TO THE NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST AND THE STATE OF NEW JERSEY PURSUANT TO THE 2009
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM**

Ms. Lewis offered the following resolution and moved its adoption:

WHEREAS, the Borough of Red Bank (the "Local Unit"), in the County of Monmouth, New Jersey, has determined that there exists a need within the Local Unit 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 defined in each of that certain Loan Agreement (the "Trust Loan Agreement") to be entered into by and between the Local Unit and the New Jersey Environmental Infrastructure Trust (the "Trust") and that certain Loan Agreement (the "Fund Loan Agreement", and together with the Trust Loan Agreement, the "Loan Agreements") to be entered into by and between the Local Unit and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), all pursuant to the 2009 New Jersey Environmental Infrastructure Trust Financing Program (the "Program");

WHEREAS, the Local Unit has determined to finance the acquisition, construction, renovation or installation of the Project with the proceeds of a loan to be made by each of the Trust (the "Trust Loan") and the State (the "Fund Loan", and together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively;

WHEREAS, to evidence the Loans, each of the Trust and the State require the Local Unit to authorize, execute, attest and deliver the Local Unit's General Obligation Bonds, Series 2009A, to the Trust in an aggregate principal amount not to exceed \$845,000 (the "Trust Loan Bond") and General Obligation Bonds, Series 2009B, to the State in an aggregate principal amount not to exceed \$2,315,000 (the "Fund Loan Bond", and together with the Trust Loan Bond, the "Local Unit Bonds") pursuant to the terms of the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the Revised Statutes of the State of New Jersey (the "Local Bond Law"), other applicable law and the Loan Agreements; and

WHEREAS, N.J.S.A. 40A:2-27(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.

NOW, THEREFORE, BE IT RESOLVED by a 2/3 vote of the full membership of the governing body of the Local Unit as follows:

Section 1. In accordance with N.J.S.A. 40A:2-27(a)(2) of the Local Bond Law and N.J.S.A. 58:11B-9(a), the Local Unit hereby sells and awards its (a) Trust Loan Bond in an

aggregate principal amount not to exceed \$845,000 to the Trust in accordance with the provisions hereof and (b) Fund Loan Bond in an aggregate principal amount not to exceed \$2,315,000 to the State in accordance with the provisions hereof. The Local Unit Bonds have been referred to and are described in bond ordinance #2008-24 of the Local Unit, which bond ordinance is entitled "BOND ORDINANCE PROVIDING FOR VARIOUS 2008 CAPITAL IMPROVEMENTS BY THE WATER/SEWER UTILITY OF THE BOROUGH OF RED BANK, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY; APPROPRIATING \$675,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$675,000 BONDS OR NOTES TO FINANCE THE COST THEREOF" and was finally adopted by the Local Unit at a meeting duly called and held on October 13, 2008, as amended by bond ordinance #2009-4 finally adopted on February 23, 2009, and as further amended by bond ordinance #2009-24 finally adopted on July 13, 2009, at which times a quorum was present and acted throughout, all pursuant to the terms of the Local Bond Law and other applicable law.

Section 2. The Chief Financial Officer of the Local Unit (the "Chief Financial Officer") is hereby authorized to determine, in accordance with the Local Bond Law and pursuant to the terms and conditions established by the Trust and the State under the Loan Agreements and the terms and conditions hereof, the following items with respect to the Trust Loan Bond and the Fund Loan Bond:

- (a) The aggregate principal amounts of the Trust Loan Bond and the Fund Loan Bond to be issued;
- (b) The maturity and annual principal installments of the Local Unit Bonds, which maturity shall not exceed 20 years;
- (c) The date of the Local Unit Bonds;
- (d) The interest rates of the Local Unit Bonds;
- (e) The purchase price for the Local Unit Bonds; and
- (f) The terms and conditions under which the Local Unit 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 Local Unit Bonds by the parties authorized under Section 4(c) hereof.

Section 4. The Local Unit hereby determines that certain terms of the Local Unit Bonds shall be as follows:

- (a) The Trust Loan Bond shall be issued in a single denomination and shall be numbered TLB-1. The Fund Loan Bond shall be issued in a single denomination and shall be numbered FLB-1;
- (b) The Local Unit 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 Local Unit 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 Local Unit Clerk.

Section 5. The Trust Loan Bond and the Fund Loan Bond shall be substantially in the form set forth in the Trust Loan Agreement and the Fund Loan Agreement, respectively.

Section 6. The law firm of Wilentz, Goldman & Spitzer, P.A. is hereby authorized to arrange for the printing of the Local Unit Bonds, which law firm may authorize McCarter &

English, LLP, bond counsel to the Trust and the State for the Program, to arrange for same. The Local Unit auditor is hereby authorized to prepare the financial information necessary in connection with the issuance of the Local Unit Bonds. The Mayor, the Chief Financial Officer and the Local Unit Clerk are hereby authorized to execute any certificates necessary or desirable in connection with the financial and other information.

Section 7. The terms of the Local Unit Bonds authorized to be set forth by the Chief Financial Officer in accordance with Section 2 hereof shall be ratified by the affirmative vote of 2/3 of the full membership of the governing body of the Local Unit.

Section 8. The Mayor and the Chief Financial Officer are hereby severally authorized to execute any certificates or documents necessary or desirable in connection with the sale of the Local Unit Bonds, and are further authorized to deliver same to the Trust and the State upon delivery of the Local Unit Bonds and the receipt of payment therefor in accordance with the Loan Agreements.

Section 9. This resolution shall take effect immediately.

Section 10. Upon the adoption hereof, the Local Unit Clerk shall forward certified copies of this resolution to Wilentz, Goldman & Spitzer, P.A., bond counsel to the Local Unit, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the Trust.

Seconded by Ms. Lee 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: August 10, 2009