

Mr. Nolan offered the following Resolution and moved on its adoption:

R-08-200

RESOLUTION AUTHORIZING BONDS AGGREGATING THE PRINCIPAL SUM OF \$3,373,000 AUTHORIZED BY EIGHT BOND ORDINANCES HERETOFORE ADOPTED TO FINANCE PART OF THE COST OF VARIOUS GENERAL IMPROVEMENTS IN THE BOROUGH OF HIGHLANDS, COUNTY OF MONMOUTH, NEW JERSEY INTO ONE CONSOLIDATED ISSUE OF BONDS AND PROVIDING FOR THE FORM, MATURITIES AND OTHER DETAILS OF SAID CONSOLIDATED ISSUE.

Adopted: November 12, 2008

WHEREAS, the Borough Council of the Borough of Highlands, in the County of Monmouth, New Jersey (the "Borough"), has heretofore adopted eight bond ordinances authorizing bonds to finance part of the cost of various general improvements in said Borough; and

WHEREAS, it is necessary to issue bonds pursuant to said ordinances in an aggregate principal amount of \$3,373,000 and it is deemed advisable and in the best interests of the Borough, for the purpose of the orderly marketing of said bonds and for other financial reasons, to combine the bonds authorized under said eight ordinances into one consolidated issue in the aggregate principal amount of \$3,373,000 pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the Revised Statutes of New Jersey; NOW, THEREFORE,

BE IT RESOLVED BY BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, 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 the following principal amounts pursuant to the following bond ordinances:

A. \$175,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 98-10):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$205,000 FOR ACQUISITION OF PUBLIC WORKS EQUIPMENT FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$194,750 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 5 years.

B. \$1,654,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 98-11):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$1,275,000 FOR CONSTRUCTION OF A FIREHOUSE/EMERGENCY MANAGEMENT FACILITY FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$973,750 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

which was amended by an ordinance entitled: (Ord. No. 02-22)

BOND ORDINANCE AMENDING BOND ORDINANCE NUMBER 0-98-11 FINALLY ADOPTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, NEW JERSEY ON DECEMBER 16, 1998.

which was amended by an ordinance entitled: (Ord. No. 04-10)

BOND ORDINANCE AMENDING BOND ORDINANCE NUMBER 0-98-11 FINALLY ADOPTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, NEW JERSEY ON DECEMBER 16, 1998.

heretofore finally adopted. The period of usefulness stated in said ordinance is 30 years.

C. \$135,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 05-11):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$175,000 FOR VARIOUS DRAINAGE IMPROVEMENTS FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$166,250 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 40 years.

D. \$464,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 05-20):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$840,000 FOR VARIOUS IMPROVEMENTS TO THE COMMUNITY CENTER FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$624,250 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 15 years.

E. \$365,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 06-02):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$378,000 FOR VARIOUS IMPROVEMENTS TO THE VALLEY STREET STORMWATER PUMP STATION FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$359,100 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

which was amended an ordinance entitled: (Ord. No. 06-07)

BOND ORDINANCE AMENDING BOND ORDINANCE NUMBER 06-02 FINALLY ADOPTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, NEW JERSEY ON MARCH 15, 2006.

heretofore finally adopted. The period of usefulness stated in said ordinance is 40 years.

F. \$240,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 06-13):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$600,000 FOR VARIOUS ROAD IMPROVEMENTS FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$427,500 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 20 years.

G. \$145,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 07-04):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$245,000 FOR VARIOUS IMPROVEMENTS TO THE COMMUNITY CENTER PARK AND PLAYGROUND FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$177,500 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

heretofore finally adopted. The period of usefulness stated in said ordinance is 15 years.

H. \$195,000 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 06-06):

BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$650,000 FOR REHABILITATION OF SANITARY SEWER SYSTEM FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$400,000 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION.

which was amended by an ordinance entitled (Ord. No. 07-15):

BOND ORDINANCE AMENDING BOND ORDINANCE NUMBER 0-06-06 FINALLY ADOPTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, NEW JERSEY ON JUNE 7, 2006

heretofore finally adopted. The period of usefulness stated in said ordinance is 40 years.

Section 2. The bonds referred to in Section 1 hereof are hereby combined into one consolidated issue of bonds in the aggregate principal amount of \$3,373,000 and are sometimes hereinafter collectively referred to as the "Bonds." The bond referred to in Subsections A through G shall be designated "General Improvement Bond, Series 2008" and shall be numbered with the prefix G from one (1) consecutively upward. The bonds referred to in Subsection H shall be designated "Sewer Utility Bonds, Series 2008" and shall be numbered with the prefix SU from one (1) consecutively upward. The bonds of said consolidated issue shall be dated the date of delivery of the Bonds and will be issued in fully registered form.

The Bonds shall bear interest and shall mature on December 1 of each of the following years and in the following principal amounts:

General Improvement Bonds

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate
2009	\$110,000	3.000%	2019	\$156,000	4.500%
2010	110,000	4.000	2020	166,000	4.500
2011	110,000	4.000	2021	169,000	5.000
2012	116,000	5.000	2022	179,000	5.250
2013	119,000	5.000	2023	189,000	5.000
2014	125,000	5.000	2024	201,000	5.125
2015	129,000	5.000	2025	208,000	5.125
2016	138,000	4.000	2026	220,000	5.000
2017	143,000	4.000	2027	220,000	5.000
2018	150,000	5.250	2028	220,000	5.000

Sewer Utility Bonds

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate
2009	\$7,000	3.000%	2019	\$10,000	4.500%
2010	7,000	4.000	2020	10,000	4.500
2011	7,000	4.000	2021	10,000	5.000
2012	7,000	5.000	2022	11,000	5.250
2013	7,000	5.000	2023	11,000	5.000
2014	8,000	5.000	2024	12,000	5.125
2015	8,000	5.000	2025	13,000	5.125
2016	8,000	4.000	2026	13,000	5.000
2017	9,000	4.000	2027	14,000	5.000
2018	9,000	5.250	2028	14,000	5.000

The Bonds maturing on or prior to December 1, 2018 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2019 are subject to redemption at the option of the Borough on or after December 1, 2018 upon notice as described in a bond resolution adopted by the Monmouth County Improvement Authority on October 10, 2008, either in whole or in part by lot within a single maturity from maturities selected by the Borough, on any date, at a redemption price equal to 100% of the principal amount thereof (the "Redemption Price"), plus in each case accrued interest to the date fixed for redemption.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption.

Section 3. It is hereby found, determined and declared that the average period of usefulness of the improvements or purposes for which the said General Improvement Bonds is to be issued, taking into consideration the amount of such General Improvement Bonds to be issued for said improvements or purposes, is 26.56 years. It is hereby found, determined and declared that the average period of usefulness of the improvements or purposes for which the said Sewer Utility Bonds are to be issued, taking into consideration the amount of such Sewer Utility Bonds to be issued for said improvements or purposes, is 40 years

Section 4. The Bonds shall be payable as to interest at the corporate trust office of U.S. Bank National Association, payable semi-annually five business days prior to the first day of June and December in each year until maturity, commencing on June 1, 2009, and payable as to principal at the corporate trust office of U.S. Bank National Association, payable five business days prior to the first day of December, commencing on December 1, 2009. Interest on the Bonds shall be calculated on the basis of a 360-day year or twelve 30-day calendar months.

Section 5. The Bonds shall be signed by the Mayor or Deputy Mayor 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 6. The Bonds are hereby sold and awarded to the Monmouth County Improvement Authority at the price of \$3,465,144.50. The Mayor and Deputy Mayor 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 U.S. Bank National Association.

Section 7. The Bonds and the registration provisions endorsed thereon shall be in substantially the following form:

Seconded by Mrs. Burton and adopted on the following roll call vote;

ROLL CALL:

AYES: Mrs. Burton, Mr. Urbanski, Mr. Nolan, Mayor Little

NAYES: None

ABSENT: Mr. Caizza

ABSTAIN: None

DATE: November 12, 2008

NINA LIGHT FLANNERY, Borough Clerk

I hereby certify this to be a true copy of the Resolution adopted by the Governing Body of the Borough of Highlands on November 12, 2008.

BOROUGH CLERK/DEPUTY CLERK

No. 2008 G-, or 2008 SU-

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

**BOROUGH OF HIGHLANDS
GENERAL IMPROVEMENT BOND, SERIES 2008**

SEWER UTILITY BOND, SERIES 2008

DATE OF
ORIGINAL
ISSUE: December 4, 2008

BOROUGH OF HIGHLANDS 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 U.S. BANK NATIONAL ASSOCIATION
(the "Trustee")
Account No. _____

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 May 15 and November 15 prior to each June 1 and December 1, commencing June 1, 2009, 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.

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 October 10, 2008 (as the same may be supplemented and amended, 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 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 (ii) the maximum interest rate allowed by law.

The Bonds maturing on or prior to December 1, 2018 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2019 are subject to redemption at the option of the Borough on or after December 15, 2019 upon notice as described in a bond resolution adopted by the Authority on October 10, 2008, either in whole or in part by lot within a single maturity from maturities selected by the Borough, on any date, at a redemption price equal to 100% of the principal amount thereof (the "Redemption Price"), plus in each case accrued interest to the date fixed for redemption.

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 Highlands adopted on November 12, 2008 and entitled "Resolution Authorizing Bonds Aggregating the Principal Sum of \$3,373,000 Authorized By Eight Bond Ordinances Heretofore Adopted To Finance Part Of The Cost of Various General Improvements In The Borough of Highlands, County of Monmouth, New Jersey into One Consolidated Issue of Bonds and Providing for the Form, Maturities and Other Details of Said Consolidated Issue," and the bond ordinances referred to therein, each in all respects duly approved and published as required by law.

The full faith and credit of the Borough of Highlands 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 Highlands, is within every debt and other limit prescribed by such Constitution or statutes.

The Borough of Highlands 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 Highlands and the Authority.

IN WITNESS WHEREOF, the BOROUGH OF HIGHLANDS, 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 Deputy 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 Borough Clerk, and this bond to be dated the DATE OF ORIGINAL ISSUE as specified above.

BOROUGH OF HIGHLANDS

ATTEST:

By: _____
Anna Little, Mayor

Nina Light Flannery, Clerk

By: _____
Stephen Pfeffer, 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 HIGHLANDS

GENERAL IMPROVEMENT BONDS

Schedule of Principal and Interest Payments

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal Amount</u>	<u>Interest</u>
2009	\$110,000	3.000%
2010	110,000	4.000
2011	110,000	4.000
2012	116,000	5.000
2013	119,000	5.000
2014	125,000	5.000
2015	129,000	5.000
2016	138,000	4.000
2017	143,000	4.000
2018	150,000	5.250
2019	156,000	4.500
2020	166,000	4.500
2021	169,000	5.000
2022	179,000	5.250
2023	189,000	5.000
2024	201,000	5.125
2025	208,000	5.125
2026	220,000	5.000
2027	220,000	5.000
2028	220,000	5.000

SEWER UTILITY BONDS

Schedule of Principal and Interest Payments

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal Amount</u>	<u>Interest</u>
2009	\$7,000	3.000%
2010	7,000	4.000
2011	7,000	4.000
2012	7,000	5.000
2013	7,000	5.000
2014	8,000	5.000
2015	8,000	5.000
2016	8,000	4.000
2017	9,000	4.000
2018	9,000	5.250
2019	10,000	4.500
2020	10,000	4.500
2021	10,000	5.000
2022	11,000	5.250
2023	11,000	5.000
2024	12,000	5.125
2025	13,000	5.125
2026	13,000	5.000
2027	14,000	5.000
2028	14,000	5.000

Section 8. 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 Gibbons P.C. (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 Ratings Services 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 9. Upon the date of issue of the Bonds, the Borough Chief Financial Officer is hereby authorized and directed as of said date of issue, to execute and deliver to said successful bidder (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 Gibbons P.C. as of said date of issue with respect to said arbitrage certification for the purposes of said Section 148.

Section 10. The proceeds of the Bonds shall be applied in the amounts and for the purpose provided in Section 1 hereof, and to pay and fund any bond anticipation notes theretofore issued for such purpose and then outstanding.

Section 11. The Mayor or Deputy Mayor and Borough Chief Financial Officer are hereby authorized, as is the Borough Clerk or Deputy Clerk, to execute all documents and certificates necessary for the sale and delivery of said Bonds.

Section 12. This resolution shall take effect immediately.

AYES:

NAYS:

ABSTAIN:

ABSENT: