

Mayor Nolan offered the following Resolution and moved on its adoption:

R-12-254

RESOLUTION AUTHORIZING BONDS AGGREGATING THE PRINCIPAL SUM OF \$645,000 AUTHORIZED BY THREE 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: December 5, 2012

WHEREAS, the Borough Council of the Borough of Highlands, in the County of Monmouth, New Jersey (the "Borough"), has heretofore adopted three 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 \$645,000 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 three ordinances into one consolidated issue in the aggregate principal amount of \$645,000 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. \$278,659.95 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 0-10-14):

"BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$170,000 FOR RECONSTRUCTION OF HIGHLAND AVENUE FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$161,500 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION"

as amended by an ordinance entitled: (Ord. No. 0-11-6):

“BOND ORDINANCE AMENDING BOND ORDINANCE NUMBER 10-14 FINALLY ADOPTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLANDS, NEW JERSEY ON AUGUST 18, 2010”

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

B. \$303,177.13 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 0-11-7):

“BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$760,000 FOR RECONSTRUCTION OF BAY AVENUE FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$310,075 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION”

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

C. \$63,162.92 bonds, being a portion of the bonds authorized by an ordinance entitled: (Ord. No. 0-11-22):

“BOND ORDINANCE PROVIDING AN APPROPRIATION OF \$68,000 FOR ACQUISITION OF COMPUTERS AND SOFTWARE FOR AND BY THE BOROUGH OF HIGHLANDS IN THE COUNTY OF MONMOUTH, NEW JERSEY AND, AUTHORIZING THE ISSUANCE OF \$64,600 BONDS OR NOTES OF THE BOROUGH FOR FINANCING PART OF THE APPROPRIATION”

heretofore finally adopted. The average period of usefulness stated in said ordinance is 5 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 \$645,000 and are sometimes hereinafter collectively referred to as the “Bonds.” The bonds referred to in subsections A to C of Section 1 shall be designated “General Improvement Bonds, Series 2012” and shall be numbered with the prefix G 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, Series 2012

Maturity Date	Principal Amount	Interest Rate	Maturity Date	Principal Amount	Interest Rate
2013	\$35,000	2.00%	2021	\$45,000	4.00%
2014	35,000	2.00	2022	45,000	4.00
2015	35,000	2.00	2023	45,000	4.00
2016	40,000	2.50	2024	50,000	2.00
2017	40,000	3.00	2025	50,000	3.00
2018	40,000	3.00	2026	50,000	2.00
2019	40,000	3.00	2027	55,000	2.00
2020	40,000	4.00			

The Bonds maturing on or prior to December 1, 2022 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2023 are subject to redemption at the option of the Borough on or after December 1, 2022 upon notice as described in a bond resolution adopted by the Monmouth County Improvement Authority on November 13, 2012, 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, Series 2012 is to be issued, taking into consideration the amount of such General Improvement Bond, Series 2012 to be issued for said improvements or purposes, is 18.53 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 on May 15 and November 15 prior to each June 1 and December 1 in each year until maturity, commencing on June 1, 2013, and payable as to principal at the corporate trust office of U.S. Bank National Association, payable on November 15 prior to each December 1, commencing on December 1, 2013. 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 \$698,606.50. 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:

No. 2012 G-__

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

**BOROUGH OF HIGHLANDS
GENERAL IMPROVEMENT BOND, SERIES 2012**

DATE OF
ORIGINAL
ISSUE: December 19, 2012

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, 2013, 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 November 13, 2012 (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, 2022 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2023 are subject to

redemption at the option of the Borough on or after December 1, 2022 upon notice as described in a bond resolution adopted by the Authority on November 13, 2012, 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 December 5, 2012 and entitled "Resolution Authorizing Bonds Aggregating the Principal Sum of \$645,000 Authorized By Three 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

By: _____
Frank L. Nolan, Mayor

ATTEST:

Carolyn Cummins, 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, SERIES 2012

Schedule of Principal and Interest Payments

Maturity Date (December 1)	Principal Amount	Interest
2013	\$35,000	2.00%
2014	35,000	2.00
2015	35,000	2.00
2016	40,000	2.50
2017	40,000	3.00
2018	40,000	3.00
2019	40,000	3.00
2020	40,000	4.00
2021	45,000	4.00
2022	45,000	4.00
2023	45,000	4.00
2024	50,000	2.00
2025	50,000	3.00
2026	50,000	2.00
2027	55,000	2.00

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 purposes 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.

Seconded by Ms. Kany and adopted on the following Roll Call Vote:

ROLL
CALL:
AYES:
Redmond
O'Neil
Francy
Kane
Nolan

NAYS:
None

Absent;
None

ABSTAIN:
None

ABSENT:
None

DATE: December 5, 2012

Carolyn Cummins, Borough Clerk

I hereby certify this to be a true copy of Resolution R-12-254 adopted by the Governing Body of the Borough of Highlands at a meeting held on December 5, 2012.

Borough Clerk/Deputy Clerk