

**TOWNSHIP COMMITTEE SPECIAL MEETING – MARCH 8, 2011**

Mayor McMillan calls the workshop meeting to order at 9:00 a.m. and asks the Clerk to call the roll:

<u>ROLL CALL</u>	<u>PRESENT/ABSENT</u>
J. Randy Bishop	_____
Dr. Michael Brantley	_____
Eric J. Houghtaling	_____
Mary Beth Jahn	_____
Kevin B. McMillan	_____

Also present: Philip D. Huhn, Business Administrator; Michael J. Bascom, Chief Financial Officer; Gene Anthony, Township Attorney; and Richard J. Cuttrel, Municipal Clerk.

Mayor McMillan announces that the notice requirements of R.S. 10:4-18 have been satisfied by the publication of the required advertisement in The Coaster and the Asbury Park Press on March 3, 2011, posting the notice on the Board in the Municipal Complex, and filing a copy of said notice with the Municipal Clerk.

**PUBLIC COMMENTS**

**RESOLUTION**

Res. # 11-130 – Delegating authority to determine the form and other details of not to exceed \$950,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2011 of the Township of Neptune, in the County of Monmouth, State of New Jersey and to approve a Bond Purchase Agreement which provides for the sale of such bonds to the Monmouth County Improvement Authority pursuant to the 2010/2011 Governmental Loan Refunding Program.

Offered by: \_\_\_\_\_ Seconded by: \_\_\_\_\_  
Vote: Bishop, \_\_\_\_\_; Brantley, \_\_\_\_\_; Houghtaling, \_\_\_\_\_; Jahn, \_\_\_\_\_; McMillan, \_\_\_\_\_.

**ADJOURNMENT**

RESOLUTION #11-130 – 3/8/11

RESOLUTION DELEGATING AUTHORITY TO DETERMINE THE FORM AND OTHER DETAILS OF NOT TO EXCEED \$950,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011 OF THE TOWNSHIP OF NEPTUNE, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY AND TO APPROVE A BOND PURCHASE AGREEMENT WHICH PROVIDES FOR THE SALE OF SUCH BONDS TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE 2010/2011 GOVERNMENTAL LOAN REFUNDING PROGRAM

**WHEREAS**, pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), the Township of Neptune, in the County of Monmouth, State of New Jersey (the “Township”), had previously issued General Obligation Bonds, Series 2001 (the “2001 Bonds”) to the Monmouth County Improvement Authority (the “MCIA”) in connection with the Township’s participation in the 2001 Pooled Governmental Loan Program, which 2001 Bonds were issued to (i) memorialize the Township’s applicable loan through the 2001 MCIA Loan Program, and (ii) permanently finance the costs of various Township projects; and

**WHEREAS**, \$848,000 aggregate principal amount of such 2001 Bonds are currently outstanding and can be defeased or are subject to redemption prior to their stated maturity (the “Refunded Bonds”); and

**WHEREAS**, the MCIA and the Township have determined that refunding bonds can be issued to refund such Refunded Bonds, which, under current market conditions, can generate a debt service savings to the Township due to the low long-term interest rate environment; and

**WHEREAS**, the Township has determined that it is in the best interests of the Township to refund all of the Refunded Bonds; and

**WHEREAS**, the Township has determined to provide for the refunding of the Refunded Bonds through its issuance of General Obligation Refunding Bonds in the aggregate principal amount of not to exceed \$950,000 to the MCIA (the “Refunding”), as provided in the refunding bond ordinance of the Township entitled, “REFUNDING BOND ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,250,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS BY THE TOWNSHIP OF NEPTUNE, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY (THE “MCIA”) FOR THE PURPOSE OF REFUNDING CERTAIN BONDS HERETOFORE ISSUED BY THE TOWNSHIP TO THE MCIA”, such refunding bond ordinance being finally adopted by the Township Committee on October 25, 2010 (the “Ordinance”); and

**WHEREAS**, to accomplish the Refunding, the MCIA requires the Township to authorize, execute, attest and deliver the Township’s not to exceed \$950,000 General Obligation Refunding Bonds, Series 2011 (the “Bonds”), in accordance with the provisions hereof and

pursuant to the terms of the Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law") and other applicable law; and

**WHEREAS**, such Bonds shall be comprised of one series, and any portion of such Bonds attributable to the Township's Sewer Utility shall, in accordance with the Local Bond Law, be deductible from gross debt when such Sewer Utility is self-liquidating; and

**WHEREAS**, section 27(a)(2) and section 59 of the Local Bond Law allow 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 Township and the MCIA and dated as of the date hereof.

**NOW THEREFORE, BE IT RESOLVED** BY A TWO-THIRDS VOTE OF THE FULL MEMBERSHIP OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF NEPTUNE, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, as follows:

**Section 1.** The Township Committee hereby delegates to the Chief Financial Officer or Administrator of the Township, in accordance with the provisions of N.J.S.A. 40A:2-27(a)(2) and N.J.S.A. 40A:2-59, the power to sell and award the Township's not to exceed \$950,000 General Obligation Refunding Bonds, Series 2011 (collectively, the "Bonds") to the MCIA in accordance with the provisions hereof and in accordance with the terms of a Bond Purchase Agreement by and between the Township and the MCIA (the "Bond Purchase Agreement"), the form of which Bond Purchase Agreement is attached hereto as Exhibit B and is hereby approved, along with such changes to any information set forth therein as Bond Counsel to the Township (as defined herein) shall advise. The Bonds have been referred to and described in the Ordinance finally adopted at a duly called and held meeting of the Township Committee and published as required by law. The Bonds are being issued for the purpose of (i) refunding the principal amount of the Refunded Bonds, including the payment of interest accrued thereon to the date fixed for redemption or prepayment, if applicable, and the redemption or prepayment price thereof, if applicable, and (ii) paying the costs of issuance relating to the Bonds, including printing, advertising, accounting, financial and legal services, rating agency fees, underwriter's discount, and MCIA costs of issuance, which may include any of the foregoing.

**Section 2.** The Chief Financial Officer of the Township (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 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 \$950,000;
- (b) The name and designation of the Bonds;
- (c) The maturity and principal installments of the Bonds;
- (d) The date of the Bonds;
- (e) The interest rates of the Bonds;

- (f) The purchase price of the Bonds;
- (g) The direction for the application and investment of the proceeds of the Bonds, if applicable; and
- (h) The terms and conditions under which the 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 Bonds by the parties authorized under Section 4(c) hereof.

**Section 4.** The Township Committee hereby determines that certain terms of the Bonds shall be as follows:

- (a) The Bonds shall be issued in a single denomination and shall be numbered GOR-1;
- (b) The 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 Bonds shall be executed by the manual or facsimile signatures of the Mayor of the Township (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 Township (the "Township Clerk").

**Section 5.** The Bonds shall be substantially in the form set forth in Exhibit A attached hereto with such additions, deletions and omissions as may be necessary for the Township to comply with the requirements of the MCI's 2010/2011 Governmental Loan Refunding Program (the "Program"), upon the advice of Bond Counsel to the Township (as defined herein);

**Section 6.** The law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Township ("Bond Counsel"), the Township Attorney and the Township Auditor are each hereby authorized and directed to perform all actions necessary to consummate the issuance of the Bonds and the Refunding for which 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 Refunding, preparing all necessary financial information and conducting all necessary studies, searches and analysis in connection with the issuance of the Bonds and the undertaking of the Refunding. The Mayor, the Chief Financial Officer and the Township Clerk are each hereby authorized and directed to execute and deliver any certificates necessary or desirable in connection with the financial and other information.

**Section 7.** The Mayor, the Chief Financial Officer, the Township Clerk and any other Township 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 Refunding and each is hereby further

authorized and directed to deliver same to the MCIA upon delivery of the Bonds and the receipt of payment therefor or in accordance with the Program and (ii) perform such other actions as they deem necessary, desirable or convenient, in consultation with Bond Counsel to the Township, in relation to the execution and delivery thereof.

**Section 8.** Upon the adoption hereof, the Township Clerk shall forward certified copies of this resolution: (a) via facsimile, to (i) Marion Masnick of the MCIA at facsimile number 732-409-4821, and (ii) John M. Cantalupo, Esq., of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Township, at facsimile number 732-726-6573; and (b) via certified first class mail, to (i) Marion Masnick of the MCIA at The Monmouth County Improvement Authority, Hall of Records, Main Street, Freehold, New Jersey 07728, and (ii) John M. Cantalupo, Esq., of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Township at 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095.

**Section 9.** This resolution shall take effect immediately.

ADOPTED: March 8, 2011

Recorded Vote

AYE:

NAY:

ABSTAIN:

ABSENT:

**EXHIBIT A**

**UNITED STATES OF AMERICA  
TOWNSHIP OF NEPTUNE  
IN THE COUNTY OF MONMOUTH  
STATE OF NEW JERSEY**

**GENERAL OBLIGATION REFUNDING BOND, SERIES 2011**

**NUMBER GOR-1**

**DATE OF ORIGINAL ISSUE:** \_\_\_\_\_, 2011

**REGISTERED OWNER:** The Monmouth County Improvement Authority

**PRINCIPAL SUM:** \_\_\_\_\_ Dollars  
(\$\_\_\_\_\_)

THE TOWNSHIP OF NEPTUNE, IN THE COUNTY OF MONMOUTH, a body politic and corporate of the State of New Jersey (the "Township"), 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 Bank of New York, Mellon, Woodland Park, New Jersey (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 \_\_\_\_\_ and \_\_\_\_\_ prior to each \_\_\_\_\_ and \_\_\_\_\_, commencing \_\_\_\_\_, 2011, in an amount equal to the interest accruing to each such \_\_\_\_\_ and \_\_\_\_\_. This Bond as to principal will be payable on the first 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 October 14, 2010 (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 Township 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 Township at Township Municipal Complex, 25 Neptune Boulevard, Neptune, New Jersey, 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 defined herein) until paid. This Bond shall be prepayable as set forth in Section 1303 of the Resolution.

Both principal of and interest on this Bond are 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) three percent above the interest rate that JPMorgan Chase 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.

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 Obligation Refunding Bonds referred to in and

issued pursuant to an ordinance duly adopted by the Township Committee on October 25, 2010, duly approved and published as required by law, entitled, "REFUNDING BOND ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,250,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS BY THE TOWNSHIP OF NEPTUNE, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY (THE "MCIA") FOR THE PURPOSE OF REFUNDING CERTAIN BONDS HERETOFORE ISSUED BY THE TOWNSHIP TO THE MCIA" and a resolution duly adopted by the Township Committee on March 8, 2011 entitled, "RESOLUTION DELEGATING AUTHORITY TO DETERMINE THE FORM AND OTHER DETAILS OF NOT TO EXCEED \$950,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011 OF THE TOWNSHIP OF NEPTUNE, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY AND TO APPROVE A BOND PURCHASE AGREEMENT WHICH PROVIDES FOR THE SALE OF SUCH BONDS TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE 2010/2011 GOVERNMENTAL LOAN REFUNDING PROGRAM".

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

The Township agrees to pay all costs and expenses, including legal fees, in connection with the administration and enforcement of this Bond.

IN WITNESS WHEREOF, the Township of Neptune, 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.

TOWNSHIP OF NEPTUNE,  
IN THE COUNTY OF MONMOUTH,  
STATE OF NEW JERSEY

ATTEST:

(SEAL)

\_\_\_\_\_  
KEVIN B. MCMILLAN,  
Mayor

\_\_\_\_\_  
RICHARD J. CUTTRELL,  
Clerk

\_\_\_\_\_  
MICHAEL J. BASCOM,  
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.

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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:

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**SCHEDULE A**

TOWNSHIP OF NEPTUNE  
IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY

GENERAL OBLIGATION REFUNDING BOND, SERIES 2011

Schedule of Principal and Interest Payments

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Interest</u>
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**EXHIBIT B**

**BOND PURCHASE AGREEMENT**

## CERTIFICATION

I, RICHARD J. CUTTRELL, Clerk of the Township of Neptune, in the County of Monmouth, State of New Jersey (the "Township"), DO HEREBY CERTIFY that the annexed resolution entitled, "RESOLUTION DELEGATING AUTHORITY TO DETERMINE THE FORM AND OTHER DETAILS OF NOT TO EXCEED \$950,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011 OF THE TOWNSHIP OF NEPTUNE, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY AND TO APPROVE A BOND PURCHASE AGREEMENT WHICH PROVIDES FOR THE SALE OF SUCH BONDS TO THE MONMOUTH COUNTY IMPROVEMENT AUTHORITY PURSUANT TO THE 2010/2011 GOVERNMENTAL LOAN REFUNDING PROGRAM", is a copy of a resolution which was duly adopted by the Township Committee at a special meeting duly called and held on March 8, 2011 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 contained in the minutes as officially recorded in my office in the Minute Book of such governing body and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to within and aforesaid resolution has not been repealed, amended or rescinded but remains 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 Township as of this 8th day of March, 2011.

(SEAL)

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RICHARD J. CUTTRELL,  
Clerk of the Township of Neptune

## BOND PURCHASE AGREEMENT

\_\_\_\_\_, 2011

[Name of Municipality]  
\_\_\_\_\_, New Jersey

To Members:

The undersigned, The Monmouth County Improvement Authority (the "Authority"), offers to enter into the following Bond Purchase Agreement with you (the "Borrower") which, upon your acceptance of this offer, will be binding upon you and upon the Authority. This offer is made subject to acceptance of this Bond Purchase Agreement by the Borrower on or before the date of Closing (as hereinafter defined), and, if not so accepted, will be subject to withdrawal by the Authority upon notice delivered to the Borrower at the address set forth above at any time prior to the acceptance hereof by the Borrower.

The Borrower acknowledges that the Authority is purchasing the bonds described below with the proceeds of the Authority's Governmental Loan Refunding Revenue Bonds, Series 2011 (Monmouth County Guaranteed) (\_\_\_\_\_ Project) (the "Authority Bonds") pursuant to a bond resolution of the Authority adopted on \_\_\_\_\_, 2010 (said bond resolution, together with any amendments and supplements thereto, is referred to herein as the "Bond Resolution"). The Borrower further acknowledges that the Authority will execute a Contract of Purchase pursuant to which it will agree to sell the Authority Bonds to the underwriters named therein (the "Underwriters"). The Authority agrees to use its best efforts to issue and deliver its Authority Bonds no later than \_\_\_\_\_, 2011. The Borrower agrees to comply with the provisions of the Authority's Bond Resolution as applicable to it.

1. Upon the terms and conditions and upon the basis of the representations, warranties, and covenants set forth herein, the Authority hereby agrees to purchase from the Borrower, and the Borrower hereby agrees to sell to the Authority, \$\_\_\_\_\_ principal amount of the Borrower's general obligation bonds (the "Borrower Bonds") on the date on which the Authority initially issues its Authority Bonds. The Borrower Bonds shall be dated the date of Closing, shall mature not later than forty years from the date of Closing and shall bear interest at the interest rates per annum as shall be approved by an Authority representative and as shall be approved by the Borrower pursuant to the proceedings taken to authorize and issue such Borrower Bonds under the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1, et seq. or other similar law, including, where applicable, the approval of the New Jersey Local Finance Board (the approval by the Borrower of the principal amortization schedule and the interest rates per annum thereon shall be herein referred to as the "Details Resolution"; all other proceedings of the Borrower taken to authorize the Borrower Bonds shall be herein referred to as the "Local Proceedings").

2. The purchase price for the Borrower Bonds shall be equal to \$\_\_\_\_\_. The payment for and delivery of the Borrower Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery, herein called the "Closing," and as hereinafter defined in paragraph 7 hereof.

The Borrower hereby requests that its share of the costs of issuance of the Authority, including but not limited to the bond insurance premium and the underwriters' discount, be netted against the purchase price for the Borrower Bond.

The Borrower hereby further requests that the Authority apply the purchase price for the Borrower Bonds as follows:

- (i) \$ \_\_\_\_\_ shall be transferred to \_\_\_\_\_, as Trustee (the "\_\_\_\_ Trustee") for the Authority's Governmental Loan Revenue Bonds, Series \_\_\_\_ (the "\_\_\_\_ Authority Bonds"), for deposit to the Escrow Deposit Trust Fund (the "\_\_\_\_ Escrow Deposit Trust Fund") established pursuant to the Escrow Deposit Trust Agreement, dated as of \_\_\_\_\_ 1, 2011, between the Authority and the \_\_\_\_ Trustee, as Escrow Agent (the "\_\_\_\_ Escrow Agreement"); and
- (ii) \$ \_\_\_\_\_ shall be transferred to \_\_\_\_\_, as Trustee (the "\_\_\_\_ Trustee") for the Authority's Governmental Loan Revenue Bonds, Series \_\_\_\_ (the "\_\_\_\_ Authority Bonds"), for deposit to the Escrow Deposit Trust Fund (the "\_\_\_\_ Escrow Deposit Trust Fund") established pursuant to the Escrow Deposit Trust Agreement, dated as of \_\_\_\_\_ 1, 2011, between the Authority and the \_\_\_\_ Trustee, as Escrow Agent (the "\_\_\_\_ Escrow Agreement"); and
- (iii) \$ \_\_\_\_\_ shall be transferred to \_\_\_\_\_, as Trustee (the "\_\_\_\_ Trustee") for the Authority's Governmental Loan Revenue Bonds, Series \_\_\_\_ (the "\_\_\_\_ Authority Bonds"), for deposit to the Escrow Deposit Trust Fund (the "\_\_\_\_ Escrow Deposit Trust Fund") established pursuant to the Escrow Deposit Trust Agreement, dated as of \_\_\_\_\_ 1, 2011, between the Authority and the \_\_\_\_ Trustee, as Escrow Agent (the "\_\_\_\_ Escrow Agreement"); and
- (iv) \$ \_\_\_\_\_ shall be transferred to the Borrower in accordance with wiring instructions provided by the Borrower prior to the Closing.

The Borrower acknowledges that said deposit to the \_\_\_\_ Escrow Deposit Trust Fund and the subsequent investment and application thereof in accordance with the \_\_\_\_ Escrow Agreement will effect the advance refunding of a portion of the \_\_\_\_ Authority Bonds, maturing on December 1 in each of the years \_\_\_\_\_ and \_\_\_\_\_, respectively (the "\_\_\_\_ Refunded Bonds"). The Borrower further acknowledges that the defeasance of the \_\_\_\_ Refunded Bonds will directly benefit the Borrower by serving as a prepayment of the \_\_\_\_ through and including \_\_\_\_ maturities of each of its \_\_\_\_\_, Series \_\_\_\_\_, \_\_\_\_\_, Series \_\_\_\_ and General Improvement Bonds, Series \_\_\_\_\_, each of which are held by the \_\_\_\_ Trustee as security for the repayment of a portion of the \_\_\_\_\_, Authority Bonds.

The Borrower acknowledges that said deposit to the \_\_\_\_ Escrow Deposit Trust Fund and the subsequent investment and application thereof in accordance with the \_\_\_\_ Escrow Agreement will effect the advance refunding of a portion of the \_\_\_\_ Authority Bonds, maturing on December 1 in each of the years \_\_\_\_\_, and \_\_\_\_\_ respectively (the "\_\_\_\_



Refunded Bonds”). The Borrower further acknowledges that the defeasance of the \_\_\_\_ Refunded Bonds will directly benefit the Borrower by serving as a prepayment of the \_\_\_\_ through \_\_\_\_ maturities of its \_\_\_\_\_, Series \_\_\_\_, the \_\_\_\_ through \_\_\_\_ maturities of its General Improvement Bonds, Series \_\_\_\_ and \_\_\_\_\_, Series \_\_\_\_, each held by the \_\_\_\_ Trustee as security for the repayment of a portion of the \_\_\_\_ Authority Bonds.

The Borrower acknowledges that said deposit to the \_\_\_\_ Escrow Deposit Trust Fund and the subsequent investment and application thereof in accordance with the \_\_\_\_ Escrow Agreement will effect the advance refunding of a portion of the \_\_\_\_ Authority Bonds, maturing on December 1 in each of the years \_\_\_\_ through and including \_\_\_\_, respectively (the “ \_\_\_\_ Refunded Bonds”). The Borrower further acknowledges that the defeasance of the \_\_\_\_ Refunded Bonds will directly benefit the Borrower by serving as a prepayment of each of the \_\_\_\_ through and including \_\_\_\_ maturities of its General Improvement Bonds, Series \_\_\_\_, the \_\_\_\_ through and including \_\_\_\_ maturities of its \_\_\_\_\_, Series \_\_\_\_ and the \_\_\_\_ through and including \_\_\_\_ maturities of its \_\_\_\_\_, Series \_\_\_\_, each held by the \_\_\_\_ Trustee as security for the repayment of a portion of the \_\_\_\_ Authority Bonds.

3. The Borrower Bonds shall be as described in, and shall be issued and secured under the Local Proceedings.

4. It shall be a condition (i) to the obligations of the Borrower to sell and to deliver the Borrower Bonds to the Authority, and (ii) to the obligations of the Authority to purchase, to accept delivery of and to pay for the Borrower Bonds, that the entire issue of Borrower Bonds to be sold pursuant to Paragraph 1 hereof shall be sold and delivered by the Borrower and purchased, accepted and paid for by the Authority at the Closing. The Authority has pledged such Borrower Bonds, when issued, as security for the repayment of the Authority Bonds.

5. By virtue of the execution of this Bond Purchase Agreement, the Borrower represents and warrants to, and agrees with, the Authority (and it shall be a condition of the obligation of the Authority to purchase and to accept delivery of the Bonds that the Borrower shall so represent and warrant as of the date of Closing) that:

(a) The Borrower was duly created and organized as a political subdivision of the State of New Jersey (the “State”) and that the Borrower is authorized to execute and deliver this Bond Purchase Agreement, to issue the Borrower Bonds, to adopt the Local Proceedings and the Details Resolution, to perform its respective obligations under such instruments and proceedings and that it has the authority to levy ad valorem property taxes on all the taxable real property within the geographic area or jurisdiction of the Borrower to provide for the payments required under the Borrower Bonds, and the Borrower Bonds will constitute full faith and credit obligations of the Borrower;

(b) The officers of the Borrower are the duly qualified and presently acting officers of the Borrower;

(c) The Borrower has complied with the provisions of all laws of the State relating to the issuance of the Borrower Bonds and has full power and authority to issue the Borrower Bonds and to carry out and consummate all transactions contemplated to be

performed by it pursuant to this Bond Purchase Agreement, the Borrower Bonds, the Local Proceedings and the Details Resolution, and any and all other agreements relating hereto and thereto;

(d) The Borrower will not take any action, or fail or omit to take any action (or to the extent it exercises control or direction, permit any action), with respect to the proceeds of the sale of the Borrower Bonds to the Authority (i) which would result in any of the Borrower Bonds becoming an “arbitrage bond” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the “Code”), or (ii) which could adversely affect the exclusion from federal gross income of interest on the Borrower Bonds or the Authority Bonds pursuant to Section 103 of the Code;

(e) At the time of the Borrower’s acceptance of this Bond Purchase Agreement and at all times subsequent thereto up to and including the date of the Closing, the financial and other information supplied by such Borrower to the Authority does not and will not contain any untrue statement of a material fact or omit to state a material fact required or necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(f) The Borrower has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Borrower Bonds upon the terms set forth herein; (ii) the adoption, delivery and due performance of the Local Proceedings and, as of the date of Closing, the Details Resolution; and (iii) the execution, delivery and performance by the Borrower of this Bond Purchase Agreement, the Borrower Bonds, an arbitrage certificate, and any and all other agreements and instruments that may be required to be executed, delivered and received by the Borrower in order to carry out, give effect to and consummate the transactions contemplated by each of said documents and the Local Proceedings;

(g) Between the date of this Bond Purchase Agreement and the Closing, the Borrower will not, without advising the Authority, issue any bonds, notes or other obligations, other than the Borrower Bonds sold hereby;

(h) To the knowledge of any official of the Borrower, after due inquiry, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of any official of the Borrower, threatened affecting the Borrower wherein an unfavorable decision, ruling or finding would adversely affect (i) the corporate existence or organization of the Borrower or the title to office of any officer of the Borrower or any power of the Borrower, (ii) the validity or enforceability of the Borrower Bonds, the Local Proceedings and, as of the date of Closing, the Details Resolution, this Bond Purchase Agreement, or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Bond Purchase Agreement, (iii) the financial position of the Borrower, or (iv) the tax-exempt status of the Borrower or the exclusion from federal gross income of interest on the Borrower Bonds;

(i) The execution, delivery and performance by the Borrower of the events and documents provided for in this Bond Purchase Agreement, the Local Proceedings, the Details Resolution, and the Borrower Bonds and compliance with the provisions hereof

and thereof, will not violate any provision of any law of the State or any applicable judgment, order or regulation of any court or any public or governmental agency or authority of the State and will not conflict with, or result in any breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the Borrower is a party or by which the Borrower or any of its properties is or may be bound, nor will such action result in any violation of the Constitution or laws of the State relating to the establishment of the Borrower or its affairs, or any statute, order, rule or regulation of any court or of any federal, state or other regulatory agency or other governmental body having jurisdiction over the Borrower, and all consents, approvals, authorizations and orders of any governmental or regulatory agency, including but not limited to, the New Jersey Local Finance Board, which are required for the consummation of the transactions contemplated hereby have been obtained or will be obtained prior to the delivery of the Borrower Bonds, and are or will be in full force and effect;

(j) When delivered to and paid for by the Authority in accordance with the terms of this Bond Purchase Agreement, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or similar laws relating to the enforcement of creditors' rights generally, the Borrower Bonds will be duly authorized, executed, authenticated (if applicable), issued and delivered by the Borrower, and will constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their terms and will be entitled to the benefit of the Local Proceedings and the Details Resolution;

(k) Any certificate which is executed on behalf of the Borrower by any authorized officer of the Borrower, or by any duly appointed agent of the Borrower, and delivered to the Authority shall be deemed to be a representation by the Borrower to the Authority as to the truth of the statements made therein;

(l) If, between the date of this Bond Purchase Agreement and the date of the Closing, an event occurs affecting the Borrower, of which any official of the Borrower has knowledge, which would cause the financial and other information supplied by the Borrower to contain an untrue statement of a material fact or omit to state a material fact required or necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the Borrower shall notify the Authority, and, if in the reasonable opinion of the Authority, such event requires an amendment or supplement to such information, the Borrower will amend or supplement such information, at the expense of the Borrower, in a form and in a manner approved by the Authority; and

(m) All approvals, consents and orders of any governmental authority or agency having jurisdiction in any matter, including but not limited to the New Jersey Local Finance Board, which would constitute a condition precedent to the performance by the Borrower of its obligations hereunder have been obtained and are in full force and effect.

6. As a condition to the effectiveness of this Bond Purchase Agreement, the Borrower is required to deliver at or prior to the Closing: (A) an opinion of counsel, dated the date of the acceptance hereof and addressed to the County and the Authority, to the effect that (i) the Borrower has the right and power to enter into and carry out its obligations under this Bond Purchase Agreement; (ii) the Borrower has duly authorized, executed and delivered this Bond

Purchase Agreement, and (iii) this Bond Purchase Agreement is a valid and binding agreement of the Borrower enforceable in accordance with its terms, subject to (x) applicable bankruptcy, insolvency, moratorium, debt adjustment, reorganization or other similar laws affecting creditors' rights generally, and (y) the availability of any particular remedy; and (B) certified copies of the Local Proceedings.

7. At or prior to 2:00 P.M., New York time, or at such earlier or later time on such date as may be mutually agreeable to the Authority and the Borrower (provided that such date shall be not later than \_\_\_\_\_, 2011), the Borrower will deliver the Borrower Bonds in substantially the form provided in Exhibit A to this Bond Purchase Agreement to the Authority, duly executed, and the Authority will accept delivery, at which time the Authority will, upon receiving the documents hereinafter mentioned, and, subject to the terms and conditions hereof, pay the purchase price for the Borrower Bonds as set forth in Paragraph 2 hereof. Delivery of the Borrower Bonds as provided above shall be at the offices of Bond Counsel to the Authority, or at such other place as shall have been mutually agreed upon by the Borrower and the Authority.

8. The Authority has entered into this Bond Purchase Agreement in reliance upon the accuracy of the representations and warranties of the Borrower contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Borrower of its obligations hereunder at or prior to the date of the Closing. Accordingly, the Authority's obligation under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Borrower Bonds shall be subject to the performance by the Borrower of its obligations to be performed hereunder and under the documents and instruments described herein, at or prior to the Closing, and such obligation shall also be subject to the following conditions:

(a) The representations and warranties of the Borrower contained herein shall be true, complete and correct on the date of the acceptance hereof, and on and as of the date of the Closing with the same effect as if made on the date of the Closing;

(b) At the time of the Closing, the Local Proceedings and the Details Resolution shall be in full force and effect, and shall not have been rescinded, amended, modified or supplemented;

(c) On the date of the acceptance hereof, and on and as of the date of the Closing, there shall have been taken in connection with the issuance of the Borrower Bonds all such actions as shall, in the opinion of the Authority, Bond Counsel to the Authority, and Bond Counsel to the Borrower, be necessary and appropriate in connection with the transactions contemplated hereby;

(d) On and as of the date of Closing, (i) no Event of Default or condition, event or act which with notice or lapse of time or both shall result in an Event of Default shall have occurred and be continuing under the Bond Resolution or the Borrower Bonds and (ii) sufficient funds shall be available to the Authority in the Loan Fund under the Bond Resolution to purchase the Borrower Bonds;

(e) At or prior to the Closing, the Borrower shall have performed all of its obligations required under or specified in this Bond Purchase Agreement and under the

Local Proceedings and the Details Resolution to be performed at or prior to the date of the Closing, and the Authority shall have received each of the following documents:

(1) A certified copy of the record of the Local Proceedings and the Details Resolution;

(2) An unqualified final approving opinion, dated the date of the Closing and addressed to the Borrower, the County of Monmouth, New Jersey (the "County"), the Underwriters and the Authority, of Bond Counsel to the Borrower, which shall be a firm satisfactory to the Authority, to the effect that (a) the Local Proceedings and the Details Resolution have been validly adopted and are in full force and effect, (b) that the Borrower Bonds are legal, valid and binding general obligations of the Borrower enforceable in accordance with their terms and the terms of the Local Proceedings and the Details Resolution and, unless paid from other sources, is payable from ad valorem taxes levied upon all the taxable property located within the jurisdiction of the Borrower, without limitation as to rate or amount, and (c) interest on the Borrower Bonds is excluded from gross income for federal income tax purposes and interest on the Borrower Bonds and any gain on the sale thereof is not includable as gross income under the New Jersey Gross Income Tax Act;

(3) An opinion or opinions, dated the date of the Closing and addressed to the Borrower, the County, the Underwriters and the Authority, of Bond Counsel to the Borrower, to the effect that (a) the Borrower Bonds have been duly authorized, executed and delivered by the Borrower, (b) the Borrower Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended, respectively, to the extent provided in such acts, and that it is not necessary in connection with the sale of the Borrower Bonds to the public to register the Borrower Bonds under the Securities Act of 1933, as amended, or to qualify the Local Proceedings or the Details Resolution under the Trust Indenture Act of 1939, as amended, and (c) this Bond Purchase Agreement has been duly authorized, executed and delivered by, and constitutes a legal, valid and binding agreement of the Borrower enforceable in accordance with its terms. Such letter may state that it is solely for the benefit of the Authority, the Underwriters, the Borrower and the County;

(4) An opinion, dated the date of the Closing and addressed to the Borrower, the County, the Underwriters and the Authority, of counsel to the Borrower, to the effect that (A) there is no litigation pending or, to such counsel's knowledge, threatened against the Borrower wherein an unfavorable decision, ruling or finding would adversely affect (i) the corporate existence or organization of the Borrower or the title to office of any officer of the Borrower or any power of the Borrower, (ii) the validity or enforceability of the Borrower Bonds, the Local Proceedings, the Details Resolution, this Bond Purchase Agreement, or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Bond Purchase Agreement, (iii) the financial position of the Borrower, or (iv) the tax-exempt status of the Borrower or the exclusion from federal gross income of interest on the Borrower Bonds; and (B) nothing has come to such counsel's attention which would cause him to believe that the statements and information relating to the Borrower contained in the Official Statement under the caption "LITIGATION - The Borrowers" and as of its date and the date of Closing, contained any untrue statement of a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(5) A certificate or certificates, satisfactory in form and substance to the Authority and the County, of a duly authorized officer of the Borrower, dated as of the date of the Closing, to the effect that (i) each of the representations and warranties of the Borrower set forth in this Bond Purchase Agreement are true, accurate and complete as of the date of the Closing; (ii) the executed copies of this Bond Purchase Agreement and the certified copies of the Local Proceedings and the Details Resolution are true, correct and complete copies of such documents and have not been modified, amended, superseded or rescinded, and remain in full force and effect as of the date of the Closing; (iii) the Borrower Bonds have been duly authorized, executed and delivered by the Borrower; (iv) this Bond Purchase Agreement and any and all other agreements and documents required to be executed and delivered by the Borrower in order to carry out, give effect to and consummate the transactions contemplated hereby have each been duly authorized, executed and delivered by or on behalf of the Borrower, and as of the date of the Closing, each is in full force and effect; (v) no litigation is pending or, to such authorized officer's knowledge, threatened to restrain or enjoin the issuance or sale of the Borrower Bonds or in any way contesting the validity or affecting the authority for the issuance of the Borrower Bonds, the authorization, execution or performance of the Local Proceedings, the Details Resolution, the Bond Purchase Agreement or the existence or powers of the Borrower; (vi) no further authorization, approval, consent or other order of any governmental authority or agency, or of any other entity or person (or persons) is required for the valid authorization, execution and delivery of the Borrower Bonds or the Local Proceedings, the Details Resolution, the Bond Purchase Agreement or any other agreement or instrument to which the Borrower is a party and which is used in the consummation of the transactions contemplated by the Bond Purchase Agreement; (vii) the authorization, execution and delivery of the Borrower Bonds, the Local Proceedings, the Details Resolution, the Bond Purchase Agreement and any other agreement or instrument to which the Borrower is a party and which is used in the consummation of the transactions contemplated by the Bond Purchase Agreement and the fulfillment of the terms and provisions of said agreements and instruments by the Borrower will not, to the best of his knowledge (a) conflict with, violate or result in a breach of any law any administrative order, regulation or decree applicable to the Borrower, or (b) conflict with, or result in a breach of, or constitute a default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the Borrower is a party, or by which it is bound or any order, rule or regulation applicable to the Borrower of any court or other governmental body; (viii) such officer has reviewed the Official Statement dated \_\_\_\_\_, 2011 relating to the Bonds (the "Official Statement"); (ix) to the best of such officer's knowledge, the information contained in the Official Statement relating to the Borrower is true and correct, and the Official Statement, solely with respect to the information relating to the Borrower, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; (x) there are no facts known to such officer that the Borrower has failed to disclose to the County that, in such officer's opinion, individually or in the aggregate, materially adversely affect or will materially adversely affect the operations, affairs, properties, conditions (financial or otherwise) or prospects of the Borrower; and (xi) no event has occurred and is continuing that constitutes or that with notice or the lapse of time or both would constitute a default under the Local Proceedings;

(6) An unqualified opinion of Bond Counsel to the Authority addressed to the Authority to the effect that the purchase of the Borrower Bonds by the Authority, the use of the proceeds thereof by the Borrower as represented by the Borrower to such Bond Counsel and the

pledge of the Borrower Bonds under the Bond Resolution complies in all respects with the Bond Resolution and does not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Authority Bonds;

(7) An arbitrage certificate, in form and substance satisfactory to Bond Counsel to the Authority, executed by an authorized officer of the Borrower;

(8) A certificate, dated the date of the Closing, signed by official representatives of the Borrower (i) consenting to the use by the Underwriters in the Official Statement of the financial and other information relating to the Borrower and (ii) regarding the “deemed final” nature of certain information concerning the Borrower set forth in the Preliminary Official Statement, in accordance with Securities and Exchange Commission Rule 15c2-12;

(9) If the Authority shall determine that the Borrower is or will be an “obligated person” with respect to the Authority Bonds within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, an executed Continuing Disclosure Agreement in substantially the form appended hereto as Exhibit B; and

(10) Such additional legal opinions, certificates, instruments and other documents as the Authority or the County may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Borrower’s representations, warranties and covenants contained herein and the due performance or satisfaction by the Borrower, at or prior to the Closing, of all agreements then to be performed and all conditions then to be satisfied by the Borrower.

If the Borrower shall be unable to satisfy, after good faith efforts on its part, the conditions to the obligations of the Authority contained in this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Borrower Bonds, or if the obligations of the Authority to purchase, to accept delivery of and to pay for the Borrower Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall immediately terminate and neither the Authority nor the Borrower shall be under further obligation hereunder except as set forth in Section 9 hereof. No failure to purchase Borrower Bonds hereunder due to a failure to satisfy any condition precedent (whether or not within the control of the Borrower) shall give rise to any liability of the Authority to such Borrower.

9. The Authority shall be under no obligation to pay, and the Borrower shall pay (whether or not Borrower Bonds are purchased hereunder), all expenses incidental hereto and to the performance of the Borrower’s obligations hereunder, including but not limited to: (i) the cost of the preparation of the Local Proceedings and the Details Resolution; (ii) the cost of the preparation and printing of the Borrower Bonds; (iii) the fees and disbursements of Bond Counsel to the Borrower; (iv) the fees and disbursements of the Borrower’s counsel, financial advisor, independent auditor, and advisers, if any, and of any other experts or consultants retained by the Borrower; (v) the fees and disbursements of any paying agent or bond registrar for the Borrower Bonds; (vi) the Borrower’s proportionate share of (A) the Authority’s Cost of Issuance (as defined in the Bond Resolution) to the extent not paid from proceeds of the Authority Bonds, and (B) the ongoing fees that the Trustee, Paying Agent and Registrar under the Bond Resolution charge in connection with the Bond Resolution; (vii) the cost of preparing, mailing and delivering any financial or other information about the Borrower; and (viii) any

applicable taxes or fees for issuance and purchase of any Borrower Bonds or other related expenses. The Borrower's proportionate share of the costs and fees referenced in clause (vi) of the immediately preceding sentence shall be \$\_\_\_\_\_; provided, however, that to the extent that the Borrower is solely responsible for the incurrence of any payments referenced in clause (vi)(C), the Borrower shall be obligated to make all such payments.

10. Any notice or other communication to be given to the Borrower under this Bond Purchase Agreement may be given by delivering the same in writing at the Borrower's address set forth above, and any notice or other communication to be given to the Authority under this Bond Purchase Agreement may be given by delivering the same in writing to The Monmouth County Improvement Authority, Hall of Records, Main Street, Freehold, New Jersey 07728, attention: Marion Masnick, Secretary.

11. This Bond Purchase Agreement is made solely for the benefit of the Borrower, the Authority and the County (including the successors or assigns of each), and no other person shall acquire or have any right hereunder by virtue hereof. All of the Borrower's representations, warranties and covenants contained in this Bond Purchase Agreement shall remain operative and in full force and effect subsequent to the delivery of and payment for the Borrower Bonds pursuant to this Bond Purchase Agreement.

12. This Bond Purchase Agreement shall not be amended nor shall any provision hereof be waived by either party hereto without the prior written consent of the Borrower, the Authority and the County.



13. This Bond Purchase Agreement shall be construed in accordance with and shall be governed by the laws of the State of New Jersey.

14. This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof on behalf of the Borrower by such officer authorized by resolution to so execute it, shall be valid and enforceable as of the time of such acceptance and consent and shall remain in full force and effect until the Borrower Bonds shall have been fully paid in accordance with their terms and all payments due and owing pursuant to paragraph 9 hereof shall have been paid in full.

THE MONMOUTH COUNTY IMPROVEMENT  
AUTHORITY

By: \_\_\_\_\_  
Al Rosenthal  
Chairman

Accepted:

This \_\_\_\_\_ day of March, 2011

\_\_\_\_\_, New Jersey:

By \_\_\_\_\_

Title \_\_\_\_\_

**Form of Bond**

No.

\$\_

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

**[NAME OF MUNICIPALITY]**

**GENERAL IMPROVEMENT BOND**

DATE OF  
ORIGINAL  
ISSUE: \_\_\_\_\_, 2011

\_\_\_\_\_, 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 \_\_\_\_\_ (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 five Business Days prior to each \_\_\_\_\_ and \_\_\_\_\_, commencing \_\_\_\_\_, 2011, in an amount equal to the interest accruing to each such \_\_\_\_\_ and \_\_\_\_\_. This bond as to principal will be payable five Business Days prior to 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 \_\_\_\_\_, 2010 (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 \_\_\_\_\_ of \_\_\_\_\_ 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 or interest on this bond, the Trustee may by notice to the [\_\_\_\_\_] 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 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) three percent above the interest rate that JPMorgan Chase 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.

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 General Improvement Bonds referred to in a resolution of the \_\_\_\_\_, adopted on \_\_\_\_\_, 200\_ and entitled "Resolution Providing for the Sale of \$\_\_\_\_\_ General Improvement Bonds to The Monmouth County Improvement Authority and Determining the Form and Other Details Thereof," and the bond ordinance(s) referred to therein, (each) in all respects duly approved and published as required by law.

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

The [\_\_\_\_\_] agrees to pay all costs and expenses (including legal fees) in connection with the administration and enforcement of this bond.

**IN WITNESS WHEREOF**, the \_\_\_\_\_, 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 \_\_\_\_\_ and its \_\_\_\_\_, its corporate seal to be hereunto imprinted or affixed, this bond and the seal to be attested by the manual signature of its \_\_\_\_\_ Clerk, and this bond to be dated the DATE OF ORIGINAL ISSUE as specified above.

\_\_\_\_\_

By \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

By \_\_\_\_\_

(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:

**[NAME OF MUNICIPALITY]**  
**GENERAL OBLIGATION BOND**

SCHEDULE A

Schedule of Principal and Interest Payments

Maturity Date	Principal Amount	Coupon	Interest
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\_\_\_\_\_

**CONTINUING DISCLOSURE AGREEMENT**

\_\_\_\_\_

**By and Between**

\_\_\_\_\_, New Jersey

**and**

\_\_\_\_\_,  
**as trustee for**

\$ \_\_\_\_\_  
**The Monmouth County Improvement Authority  
Governmental Loan Refunding Revenue Bonds, Series 2011  
(Monmouth County Guaranteed) (\_\_\_\_\_ Project)**

**THIS CONTINUING DISCLOSURE AGREEMENT** (the “Agreement”), dated as of \_\_\_\_\_ 1, 2011, by and between the \_\_\_\_\_, New Jersey (the “Municipality”) and \_\_\_\_\_, as trustee (the “Trustee”) for the Governmental Loan Refunding Revenue Bonds, Series 2011 (Monmouth County Guaranteed) (\_\_\_\_\_ Project) (the “Bonds”) issued by The Monmouth County Improvement Authority (the “Authority”).

**W I T N E S S E T H**

**WHEREAS**, the Authority will issue the Bonds on the date hereof under and pursuant to Chapter 37A of Title 40 of the New Jersey Statutes and the Authority’s 2010 Governmental Loan Refunding Revenue Bond Resolution (\_\_\_\_\_ Project) adopted on \_\_\_\_\_, 2010 (the “Bond Resolution”); and

**WHEREAS**, pursuant to the Bond Purchase Agreement, dated \_\_\_\_\_, 2011, between the Authority and the Municipality, the Authority will purchase the Municipality’s general obligation bonds (the “Municipal Bonds”) and pledge the Municipal Bonds pursuant to the Bond Resolution as security for the Bonds; and

**WHEREAS**, on November 10, 1994 the United States Securities and Exchange Commission (the “Commission”) adopted its Release Number 34-34961, which amended Rule 15c2-12 (as hereinafter defined) originally adopted by the Commission on June 28, 1989; and

**WHEREAS**, Rule 15c2-12 provides that it is unlawful for any broker, dealer or municipal securities dealer (hereinafter, a “Participating Underwriter”) to act as an underwriter for the Bonds unless the Participating Underwriter complies with the requirements of Rule 15c2-12 or is exempted from its provisions; and

**WHEREAS**, Rule 15c2-12 requires, among other things, that a Participating Underwriter shall not purchase or sell the Bonds unless the Participating Underwriter has reasonably determined that an “obligated person” (within the meaning of Rule 15c2-12) has undertaken, in a written agreement for the benefit of the Bondholders (as hereinafter defined), to provide certain information relating to such “obligated person”; and

**WHEREAS**, the Authority has determined that the Municipality is or will be an “obligated person” with respect to the Bonds within the meaning of Rule 15c2-12 and is therefore required to cause the delivery of the information described in this Agreement to the municipal securities marketplace for the period of time specified in this Agreement; and

**WHEREAS**, the Trustee and the Municipality are entering into this Agreement for the benefit of Bondholders;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the Municipality and the Trustee agree as follows:

## Section 1. Definitions.

Capitalized terms used herein and not otherwise defined in this Section 1 have the meanings given to such terms in the preambles to this Agreement. In addition, the following words shall have the following meanings for all purposes of this Agreement:

“**Annual Information**” shall mean the information specified in Section 3 hereof.

“**Bondholder**” shall mean any registered owner of Bonds and any beneficial owner of Bonds within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“**Event of Default**” shall have the meaning set forth in Section 801 of the Bond Resolution.

“**GAAS**” shall mean generally accepted auditing standards as in effect from time to time in the United States of America.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or the functions of the MSRB contemplated by this Agreement.

“**Official Statement**” shall mean the Official Statement of the Authority dated \_\_\_\_\_, 2011 relating to the Bonds.

“**Rule 15c2-12**” shall mean Rule 15c2-12 adopted by the Commission under the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

## Section 2. Obligation to Provide Continuing Disclosure.

(i) The Municipality hereby undertakes for the benefit of the Bondholders to provide or cause to be provided either directly (with a copy to the Trustee) or through the Trustee:

(a) to the MSRB, no later than 180 days after the end of each fiscal year commencing with the first fiscal year in which the payments scheduled to be made by the Municipality pursuant to its Municipal Bonds equal or exceed ten percent (10%) of the debt service scheduled to be paid with respect to the Bonds in such fiscal year, the Annual Information relating to such fiscal year, together with audited financial statements of the Municipality for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, such audited financial statements, if any, shall be delivered to the MSRB, when they become available; and



(b) to the MSRB, in a timely manner, notice of a failure to provide any Annual Information in accordance with the provisions of clause (a) above.

(ii) Nothing herein shall be deemed to prevent the Municipality from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Municipality disseminates any such additional information, the Municipality shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Agreement.

(iii) If the Trustee fails to receive a copy of the Annual Information by the date which is thirty days prior to the date required in clause (a) of subsection (i) above, the Trustee shall promptly send written notice to the Municipality advising of such failure. Whether or not such notice is given or received, if the Trustee fails to receive the Annual Information by the last business day of the month in which such Annual Information was due, the Trustee shall promptly send a notice to the MSRB, of the Trustee's failure to receive the Annual Information. If the Trustee receives the Annual Information accompanied by a written request from the Municipality that the Trustee file the Annual Information with the MSRB, the Trustee shall so file the Annual Information within five business days of the receipt thereof.

(iv) Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB

### Section 3. Annual Information.

(i) The required Annual Information shall consist of information pertaining to the finances and operating data of the Municipality substantially of the type captioned as follows in Appendix C to the Official Statement: "Tax Collection History," "Components of Tax Rate," "Assessed Valuations and Tax Rates," "Ten Largest Taxpayers," "Employment," "General Tax Rate and Total Net Debt," "Debt Summary," "Assessed Valuation of Real and Business Personal Property By Classification," "Comparative Aggregate Equalized Valuation" and "Comparative Population".

(ii) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been either (A) made available to the public on the MSRB internet website or (B) filed with the Commission.

(iii) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(v) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

### Section 4. Financial Statements.

The Municipality's annual financial statements for each fiscal year shall be audited in accordance with GAAS as in effect from time to time. The Municipality shall prepare its financial statements on a basis of accounting prescribed by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey pursuant to Chapter 5 of Title 40A of the New Jersey Statutes as in effect from time to time. Such financial statements shall be audited by a registered municipal accountant of the State of New Jersey or as otherwise may be permitted by then applicable law of the State of New Jersey.

#### Section 5. Remedies.

If the Municipality shall fail to comply with any provision of this Agreement, then the Trustee or any Bondholder may enforce, for the equal benefit and protection of all Bondholders similarly situated, by mandamus or other suit or proceeding at law or in equity, the provisions of this Agreement against the Municipality and any of the officers, agents and employees of the Municipality and may compel the Municipality or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of the Municipality hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Agreement shall not in any manner constitute an Event of Default.

#### Section 6. Parties in Interest.

This Agreement is executed and delivered solely for the benefit of the Bondholders. No other person, other than the Trustee, shall have any right to enforce the provisions hereof or any other rights hereunder.

#### Section 7. Amendments.

Without the consent of any Bondholders, the Municipality and the Trustee at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

- (i) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional) which are applicable to the Bonds;
- (ii) to add a dissemination agent for the information required to be provided by the Municipality hereunder and to make any necessary or desirable amendments or modifications in connection therewith;
- (iii) to evidence the succession of another entity to the Municipality and the assumption by any such successor of the covenants and agreements of the Municipality hereunder;
- (iv) to add to the covenants and agreements of the Municipality hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Municipality by this Agreement; or

(v) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Municipality; provided that (1) the Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the offering of the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and (2) the amendment or change does not materially impair the interests of Bondholders, as determined either by a party unaffiliated with the Municipality (such as the Trustee or bond counsel), or by the vote or consent of Bondholders of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment or change.

#### Section 8. Termination.

This Agreement shall remain in full force and effect until the earlier of (i) such time as the principal of and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased pursuant to the Bond Resolution or (ii) the Municipality's obligations under the Municipal Bonds have been satisfied in full.

#### Section 9. The Trustee.

The Municipality shall indemnify and hold harmless the Trustee in connection with this Agreement to the same extent provided in the Bond Resolution for matters arising thereunder.

#### Section 10. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to principles of conflict of laws.

#### Section 11. Counterparts.

This Agreement may be executed in one or more counterparts, and when the Municipality and the Trustee have each executed and delivered at least one counterpart, this Agreement shall become binding on the Municipality and the Trustee and such counterparts shall be deemed to be one and the same document.

#### Section 12. Severability.

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, (i) the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, and (ii) the Municipality and the Trustee shall engage in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid legal and enforceable provisions the effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 13. Headings.

The headings of the sections of this Agreement are for convenience of reference only and shall not affect the meaning or construction of any provision of this Agreement.

**IN WITNESS WHEREOF**, the undersigned have duly authorized, executed and delivered this Agreement as of the date first above written.

\_\_\_\_\_

\_\_\_\_\_

as Trustee

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title: