

RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF NOT TO EXCEED \$4,500,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, OF THE BOROUGH OF MT. ARLINGTON, IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT, AUTHORIZING THE SALE AND DELIVERY OF SUCH GENERAL OBLIGATION REFUNDING BONDS TO JANNEY MONTGOMERY SCOTT, LLC AND AUTHORIZING CERTAIN OFFICERS OF THE BOROUGH TO MAKE DISBURSEMENTS FOR COSTS OF ISSUANCE INCURRED BY THE BOROUGH RELATING TO THE SALE AND DELIVERY OF SAID BONDS AND TO MAKE DISBURSEMENTS FOR THE PURCHASE OF OBLIGATIONS OF THE UNITED STATES OF AMERICA

BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE BOROUGH OF MT. ARLINGTON, IN THE COUNTY OF MORRIS, NEW JERSEY (not less than two-thirds of the members thereof affirmatively concurring) **AS FOLLOWS:**

Section 1. The Refunding Bonds of the Borough of Mt. Arlington, in the County of Morris, State of New Jersey (the "Borough") described in a Bond Ordinance of the Borough finally adopted on September 2, 2014 entitled: **"BOND ORDINANCE AUTHORIZING THE APPROPRIATION OF A SUM NOT TO EXCEED \$4,500,000 AND AUTHORIZING THE ISSUANCE OF REFUNDING BONDS AND/OR NOTES OF THE BOROUGH OF MOUNT ARLINGTON, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000, TO REFUND, IN FULL OR IN PART, THE OUTSTANDING BALANCE OF GENERAL IMPROVEMENT BONDS, SERIES 2003 AND SERIES 2007A OF THE BOROUGH AND TO FINANCE THE COSTS OF ISSUANCE OF SUCH REFUNDING BONDS ON BEHALF OF THE BOROUGH AND TO PROVIDE FOR THE ISSUANCE OF SUCH REFUNDING BONDS"** (the "Bonds"). The Bonds shall be numbered consecutively from 1 upwards in each year of maturity with such prefix or prefixes as determined necessary by the Bond Registrar hereinafter designated.

Section 2. The Bonds are hereby authorized to be sold to Janney Montgomery Scott, LLC, as Underwriter (the "Underwriters") described in the Contract of Purchase (the "Purchase Contract") at the purchase price stated therein, which shall not exceed \$4,500,000 plus accrued interest, and at an interest rate not to exceed 7.00%, which is hereby approved and which the Chief Financial Officer of the Borough is hereby authorized to execute on the behalf of the Borough.

Section 3. The Chief Financial Officer of the Borough is authorized to determine, in accordance with the Local Bond Law and pursuant to the terms and conditions hereof, the following items with respect to the Bonds:

- (a) The aggregate principal amount of the Bonds which shall not exceed the aggregate principal amount of \$4,500,000; and
- (b) The date of the Bonds; and

- (c) The interest rates of the Bonds which shall not to exceed 7.00% per year; and
- (d) The purchase price for the Bonds; and
- (e) The maturity and annual principal installation of the Bonds, which maturity shall not exceed eight (8) years; and
- (f) The Bonds shall mature, as provided in the form of the Bonds stated herein on January 15 in each year, in accordance with the following maturity schedule, subject to such modification as necessary on the day of sale provided the total amount of bonds do not exceeds \$4,500,000 and bear interest at the preliminary rates set forth below, which maturity schedule and interest rates may vary in accordance with the limitations set forth hereinabove:

Year (<u>August 1</u>)	Principal <u>Amount*</u>	Interest <u>Rate*</u>
2015	\$295,000	2.000%
2016	\$260,000	3.000%
2017	\$775,000	4.000%
2018	\$790,000	4.000%
2019	\$540,000	4.000%
2020	\$565,000	4.000%
2021	\$590,000	4.000%
2022	\$605,000	4.000%

*Preliminary subject to change (total maximum amount is \$4,500,000 and maximum interest rate is 7.00%)

The Bonds, as to principal when due, shall be payable at the office of the Chief Financial Officer, who is hereby appointed Paying Agent and Registrar for the Bonds (the “Bond Registrar”). The Bonds shall be issued in the amount of \$5,000 or any whole multiple thereof. All the Bonds shall be issued in fully registered form and shall be payable as to principal and interest in lawful money of the United States of America. The Bonds shall be executed by the manual or facsimile signatures of the Mayor and Chief Financial Officer under the official seal or facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual or facsimile signatures of the Clerk to the Borough. The Bonds Shall be authenticated by the manual signature of an authorized employee of the Bond Registrar. The Bond Registrar shall act as agent for the Borough for the transfer and the reissuance of any of the Bonds.

The following matters are hereby determined with respect to the Bonds:

Dated of Bonds:	Date of Issue
Interest Payable:	August 1 and February 1
Principal Maturity Date:	August 1 of each year as set for the above
Bond Registrar/ Paying Agent:	Chief Financial Officer

Section 4. The Bonds will be substantially in the following form, and the Borough hereby adopts all the terms of the Bonds set forth herein and not previously described.

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UNITED STATES OF AMERICA
STATE OF NEW JERSEY
COUNTY OF MORRIS
BOROUGH OF MT. ARLINGTON

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014

<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>CUSIP No.</u>
_____, 2014	August 1, ____	

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

THE BOROUGH OF MT. ARLINGTON, COUNTY OF MORRIS (hereinafter referred to as the "Borough"), a municipal corporation of the State of New Jersey, hereby acknowledges itself indebted and for value received promises to pay to the registered owner indicated above of its registered assigns, on the Maturity Date specified, upon presentation and surrender of this bond, the Principal Amount shown payable at the principal office of the Chief Financial Officer of the Borough, which shall act as Bond Registrar and Paying Agent.

This bond is fully registered as to principal and interest by the owner in his or her name on the books of the Borough maintained by the Bond Registrar, and such registration shall be noted hereon, after which no valid transfer hereof shall be made except on said books.

No transfer of this bond shall be valid unless made on the registration books of the Borough kept for that purpose at the corporate trust office of the Bond Registrar and by surrender of this bond (together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his or her duly authorized attorney) and the issuance of a new bond or bonds in the same form and tenor as the original bond except for the differences in the name of its registered owner the Principal Amount and the Date of Authentication. The owner of any bond or bonds may surrender same (together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his or her duly authorized attorney), in exchange for an equal aggregate principal amount of bonds of any authorized denominations. The Bond Registrar shall not be required to transfer or to exchange any Bond after notice calling such bond for redemption has been mailed nor during the period of fifteen (15) days next preceding mailing of a Notice of Redemption of any Bonds.

The person in whose name this bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal or the redemption price of or the interest on the bond shall be made only to or upon the order of such registered owner or his legal representative. Any such payments shall be valid and effectual to satisfy and to discharge the liability upon this bond to the extent of the sum or sums to paid.

This bond is one of an issue of bonds of like date and tenor, except as to number, rate of interest, denomination and maturity issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to a resolution adopted by the Municipal Council of the Borough on October 7, 2014 and a bond ordinance adopted by the Municipal Council of the Borough on September 9, 2014

THIS BOND SHALL NOT BE VALID UNLESS THE CERTIFICATE OF AUTHENTICATION HEREIN HAS BEEN DULY EXECUTED BY THE MANUAL SIGNATURE OF THE BOND REGISTRAR.

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, be performed or happen precedent to or in the issuance of this bond, exist, have been performed and have happened, and that his bond, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by said Constitution or statutes.

The faith and credit of the Borough are hereby pledged to the punctual payment of the principal of an interest on this bond in accordance with its terms.

IN WITNESS WHEREOF, the Borough has caused this bond to be signed by the facsimile signature of its Mayor and by the facsimile signature of its Chief Financial Officer and caused a facsimile of the seal of the Borough to be imprinted, impressed or reproduced hereon, and this bond and said seal to be attested by the facsimile signature of its Clerk and this bond to be dated the Date of Original Issue as specified above.

(facsimile signature)

Mayor

Chief Financial Officer

ATTEST:

(facsimile signature)

Borough Clerk

ASSIGNMENT

FOR VALUE RECEIVED _____ hereby assigns to

(Please Print or Type Name and Address of Assignee)

t h e w i t h i n b o n d a n d i r r e v o c a b l y a p p o i n t s
_____, as Attorney, to transfer this bond on the
registration books of the Borough of Mt. Arlington, with full power of substitution and
revocation.

NOTICE: The signature of this assignment must
correspond with the name of the registered owner as
it appears on the face of the within bond in every
particular.

Dated:
Signature Guarantee:

This signature guarantee must be made by a member organization of the New York Stock
Exchange, member of another stock exchange having signatures on file with the Bond Registrar
or by a commercial bank or trust company having its principal office or a correspondent in New
York,, New York or Newark, New Jersey.

Section 5. The Bonds shall have printed thereon a copy of the written opinion with
respect to the Bonds that is to be rendered by the law firm of Law Office of John G. Hudak, Esq.,
LLC, Bond Counsel, complete except for the omission of its date. The Clerk of the Borough is
hereby authorized and directed to certify the truth and the correctness of the copy of such
opinion by executing one each of the Bonds by facsimile signature in form satisfactory to that
law firm and to file a signed duplicate of such written opinion in the Clerk's office.

Section 6. Such law firm is authorized to arrange for the printing of the Bonds, and
to arrange for the printing of the Official Statement, and the proper officials of the Borough are
hereby authorized and directed to execute the Bonds, deliver them to the purchaser upon receipt
of payment thereof, including accrued interest from their date to the date of delivery, to disburse
Borough funds to pay for the costs related to the issuance of the Bonds (said costs are hereby
authorized to be paid out of the proceeds from the sale of the Bonds but only in accordance with
applicable law) and to disburse Borough funds to purchase obligations of the United States of
America.

Section 7. The proper officials of the Borough are hereby authorized to execute and deliver an Escrow Deposit Agreement with The Bank of New York Mellon, Corporate Trust - 385 Rifle Camp Road 3rd Floor, Woodland Park, NJ 07424 (the "Escrow Agent") to provide for the payment of the Prior Bonds as that term is defined in the Escrow Deposit Agreement. The Escrow Deposit Agreement shall be in the form approved by the Mayor or the Chief Financial Officer, as the case may be, as demonstrated by his or her signature thereon. The Borough hereby determines that the Bonds are being issued to refund the presently outstanding bonds maturing from September 15, 2015 through August 1, 2022 (the "Refunded Bonds") of the Borough's principal amount of issued \$3,387,000 General Obligation Bonds, Series 2003A dated September 15, 2003 ("Series 2003 Bonds") and \$7,145,000 General Obligation Bonds, Series 2007A dated August 1, 2007.

Section 8. The form of the Preliminary Official Statement prepared in connection with the Bonds is hereby approved and the distribution of the Preliminary Official statement in connection with the pricing of the Bonds is hereby authorized and ratified. The appropriate representatives and officials of the Borough are hereby authorized to prepare the final Official Statement in connection with the issuance of the Bonds in substantially the form in conjunction herewith or with such other changes as approved by Bond Counsel and the proper officials of the Borough, to be used by the Underwriters in connection with the sale of the bonds. The proper officials of the Borough are authorized to execute any certificates necessary in connection with the distribution of the Official Statement.

Section 9. The proper officers and agents of the Borough are hereby authorized and directed to do any and all acts, and to make, execute and deliver any and all certificates, documents and instruments, deemed necessary or useful and convenient by the, subject to the advice of Borough Attorney and/or Bond Counsel to the Borough, in furtherance of the issuance of the Bonds and the uses of the proceeds thereof and other related transactions.

Section 10. Pursuant to N.J.S.A. 40A:2-53(c) the Mayor or Chief Financial Officer, are hereby authorized to make any determinations necessary in connection with the sale of the delivery of the Bonds not otherwise determined or not substantially inconsistent with this resolution, including modifications to documents, the forms of bonds or agreements or other terms or conditions of the sale of the bonds as in the best interests of the Borough. As used in this resolution, the titles of any officers of the Borough shall be deemed to include any persons acting in such capacities from time to time.

Section 11. The Full Faith and Credit of the Borough are hereby irrevocably pledged for the payment of principal of and interest on the Bonds, and the Bonds shall be legal, and valid and binding general obligation of the Borough, payable as to principal and interest from *ad valorem* taxes to be levied upon all taxable property in the Borough without limitations as to rate or amount.

Section 12. The Borough covenants and agrees that it will comply with and carry out the provisions of the Continuing Disclosure Certificate to be provided at the closing of the sale of the Bonds to assist the purchaser in their compliance with Rule 15C2-12 of the Securities and Exchange Commission. The appropriate Borough officials are hereby authorized to execute the Continuing Disclosure Certificate.

Notwithstanding any other provisions of this Resolution, failure of the Borough to comply with the Continuing Disclosure Certificate shall not be considered an event of default, however, any Bondholder may, at the Bondholder's own cost and expense, take such action as may be necessary and appropriate, including seeking mandate or specific performance by Court Order, to cause the Borough to comply with its obligations under this Section.

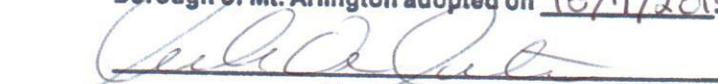
“Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by an authorized official of the Borough, and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereunder.

Nothing herein shall be deemed to create an obligation or duty upon any member of the governing body or any official of the Borough, individually, and failure of the Borough to comply with the covenant herein shall not result in any liability to any such person under this Resolution. In addition, the Borough’s failure to comply with this covenant shall not give rise to any claim for damages under this Resolution, and any Bondholders sole and exclusive remedy shall be to seek specific performance of this provision.

Section 13. To the extent that any previous resolution is inconsistent with or contradictory hereto, said resolution is hereby repealed or amended to the extent necessary to make it consistent herewith.

Section 14. This resolution shall take effect immediately.

**I hereby certify this to be a true and correct
resolution/ordinance of the Mayor and Council of the
Borough of Mt. Arlington adopted on 10/7/2014**



Municipal Clerk