BOROUGH OF ALLENHURST

COUNTY OF MONMOUTH

BOND ORDINANCE NO. 2010-02

BOND ORDINANCE PROVIDING FOR ALLENHURST BEACH CLUB IMPROVEMENTS, AND APPROPRIATING $350,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF $332,500 BONDS AND NOTES TO FINANCE A PORTION OF THE COSTS THEREOF, AUTHORIZED IN AND BY THE BOROUGH OF ALLENHURST, IN THE COUNTY OF MONMOUTH, NEW JERSEY

BE IT ORDAINED by the BOROUGH BOARD OF COMMISSIONERS OF THE BOROUGH OF ALLENHURST, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring), AS FOLLOWS:

Section 1.The improvements described in Section 3 of this bond ordinance are hereby authorized as general improvements to be undertaken in and by the Borough of Allenhurst, in the County of Monmouth, New Jersey (the ABorough@). For the improvements or purposes described in Section 3, there is hereby appropriated the sum of $350,000, said sum being inclusive of all appropriations heretofore made therefor and including the sum of $17,500 as the down payment for said purposes as required by the Local Bond Law, N.J.S.A. 40A:2-1, et seq. The down payment is now available by virtue of provision for down payment or for capital improvement purposes in the Capital Improvement Fund of one or more previously adopted budgets.

Section 2.In order to finance the costs of said improvements or purposes not provided for by the application of the down payment, negotiable bonds are hereby authorized to be issued in the principal amount not to exceed $332,500, pursuant to the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3.

a. The improvements hereby authorized and the purposes for which the obligations are to be issued consist of Allenhurst Beach Club improvements, together with all work and materials necessary therefor or incidental thereto, as more fully described in plans and specifications on file with the Borough Clerk, as finally approved by the governing body of the Borough.

b. The estimated maximum amount of bonds or notes to be issued for the improvements or purposes described in Section 3(a) hereof is $332,500, as stated in Section 2 hereof.

c. The estimated cost of the improvements or purposes described in Section 3(a) hereof is $350,000, which is equal to the amount of the appropriation herein made therefor. The excess of the appropriation of $350,000 over the estimated maximum amount of bonds or notes to be issued therefor being the $17,500 down payment for said purposes.

Section 4.All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer of the Borough, provided that no note shall mature later than one (1) year from its date. All notes issued hereunder may be renewed from time to time subject to the provisions of N.J.S.A. 40A:2-8. The notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer, who shall determine all matters in

connection with notes issued pursuant to this ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. The chief financial officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The chief financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of such notes occurs, such report shall include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5.The following additional matters are hereby determined, declared, recited and stated:

a. The improvements or purposes described in Section 3 of this bond ordinance are not a current expense and are improvements or purposes that the Borough may lawfully undertake as a general improvement, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

b. The average period of usefulness of the improvements or purposes, within the limitations of the Local Bond Law and taking into consideration the amount of the obligations authorized for said purposes, according to the reasonable life thereof computed from the date of the bonds authorized by this bond ordinance, is fifteen (15) years.

c. The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Borough Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such Statement shows that the gross debt of the Borough as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by $332,500 and the obligations authorized herein will be within all debt limitations prescribed by that Law.

d. An aggregate amount not exceeding $35,000 for interest on said obligations, costs of issuing said obligations, engineering costs, legal fees and other items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included as part of the cost of said improvements and is included in the estimated cost indicated herein for said improvements.

e. To the extent that moneys of the Borough are used to finance, on an interim basis, costs of said improvements or purposes, the Borough reasonably expects such costs to be paid or reimbursed with the proceeds of obligations issued pursuant hereto.

Section 6.The capital budget of the Borough is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency herewith. The resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director of the Division of Local Government Services is on file with the Borough Clerk and is available there for public inspection.

Section 7.Any grant or similar moneys from time to time received by the Borough for the improvements or purposes described in Section 3 hereof, shall be applied either to direct payment of the cost of the improvements within the appropriation herein authorized or to payment of the obligations issued pursuant to this ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are received and so used.

Section 8.The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the

Borough, and, unless paid from other sources, the Borough shall be obligated to levy ad valorem taxes upon all the taxable property within the Borough for the payment of the obligations and the interest thereon without limitation as to rate or amount.

Section 9.This bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption, as provided by the Local Bond Law.

APPROVED: February 9, 2010
ADOPTED: February 23, 2010