

THE CITY OF MARGATE CITY
IN THE COUNTY OF ATLANTIC COUNTY, NEW JERSEY
#41 OF 2013

**RESOLUTION DETERMINING THE FORM AND OTHER
DETAILS OF \$11,500,000 AGGREGATE PRINCIPAL AMOUNT
OF GENERAL OBLIGATION REFUNDING BONDS, SERIES
2013, OF THE CITY OF MARGATE CITY IN THE COUNTY OF
ATLANTIC, NEW JERSEY, AND PROVIDING FOR THE SALE
AND DELIVERY OF SUCH BONDS.**

**BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF
MARGATE CITY, IN THE COUNTY OF ATLANTIC, NEW JERSEY AS FOLLOWS:**

Section 1. Amount of Refunding Bonds. The \$11,500,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2013, of the City of Margate City in the County of Atlantic, New Jersey (the “**City**”) referred to and described in **Ordinance No. 2012-10**, adopted on July 19, 2012, and entitled “*Refunding Bond Ordinance Authorizing the Issuance of up to \$11,500,000 Aggregate Principal Amount of General Obligation Refunding Bonds of the City of Margate City, County of Atlantic, New Jersey*”, shall be issued as Refunding Bonds (the “**Refunding Bonds**”). The proceeds of the Refunding Bonds will be issued to prepay and defease \$9,595,000 in aggregate principal amount of the City’s General Obligation Bonds, Series 2006, constituting the bonds of such series maturing on and after June 1, 2016 (the “**Refunded Bonds**”).

Section 2. Private Sale of Refunding Bonds. The Refunding Bonds are hereby authorized to be sold to RBC Capital Markets, LLC as underwriter (the “**Underwriter**”), in accordance with a bond purchase contract to be entered into by and between the Underwriter and the City (the “**Purchase Contract**”). The purchase price for the Refunding Bonds shall be as set forth in the Purchase Contract, plus unpaid accrued interest from the dated date of the Refunding Bonds to, but not including, the delivery date of the Refunding Bonds. The Mayor and Chief Financial Officer are hereby authorized to enter into the Purchase Contract on behalf of the City with the Underwriter in the form satisfactory to Fleishman-Daniels Law Offices, LLC, bond counsel for the City (“**Bond Counsel**”) for the sale of the Refunding Bonds to the Underwriter in accordance with the provisions of this resolution. The signature of the Mayor and/or Chief Financial Officer on the Purchase Contract shall be conclusively presumed to evidence any necessary approvals.

Section 3. Purpose of Refunding Bonds. The Refunding Bonds are being issued to incur debt service savings by prepaying all, or a portion, of the City’s outstanding callable Refunded Bonds.

Section 4. Terms of Refunding Bonds. The Refunding Bonds shall be issued in accordance with the terms and conditions set forth in the Purchase Contract within the parameters set forth herein;

(A) The Refunding Bonds shall be issued in a par amount determined to be necessary to pay costs of issuance and to provide for the payments required for refunding the Refunded Bonds on or after their first available optional redemption date, and in accordance with applicable regulations of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey;

(B) The Refunding Bonds shall be dated as set forth in the Purchase Contract;

(C) The Refunding Bonds shall mature on June 1 of each year, commencing on or about June 1, 2013, and thereafter as set forth in the Purchase Contract and shall bear interest at interest rates per annum on the unpaid principal balance on each June 1 and December 1 until maturity commencing on or about June 1, 2013;

(D) The Refunding Bonds issued to refund the Refunded Bonds shall be numbered consecutively from RB-1 upward and shall mature in such principal amounts with such mandatory call features and with such mandatory sinking fund payments as set forth below and as determined in the Purchase Contract; and

(E) The Refunding Bonds shall not be subject to redemption prior to their stated maturities.

Section 5. Form of Refunding Bonds. The Refunding Bonds shall be substantially in the following forms with such additions, deletions and omissions as may be necessary for the City to market the Refunding Bonds in accordance with this Resolution and the requirements of the Purchase Contract and the Depository Trust Company.

NUMBER RB-_____

\$_____

**UNITED STATES OF AMERICA
STATE OF NEW JERSEY
COUNTY OF ATLANTIC
CITY OF MARGATE CITY
GENERAL OBLIGATION REFUNDING BOND, SERIES 2013**

<u>Dated Date</u>	<u>Date of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest Per Annum</u>	<u>CUSIP</u>
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June 1, 20__

THE CITY OF MARGATE CITY IN THE COUNTY OF ATLANTIC, NEW JERSEY (the "City"), a municipal corporation of the State of New Jersey, hereby acknowledges itself indebted and for value received promises to pay to Cede & Co., or its registered assigns, on the Maturity Date specified above, upon presentation and surrender of this bond, the principal sum of _____ Dollars (\$_____), and to pay interest on such sum from the Date of Original Issue stated above until the Maturity Date specified above at the Rate of Interest Per Annum specified above, payable initially on **June 1, 2013**, and semiannually thereafter on the **first** (1st) day of **June** and **December** in each year. As long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the registered owner of this bond, payments of the principal of and interest on this bond will be made by the City directly, or by a paying agent selected by the Chief Financial Officer (the "Paying Agent"), to DTC or its nominee, Cede & Co., which will credit payments of principal of and interest on this bond to the participants of DTC. The record dates for payment of interest on this bond shall be May 15th and November 15th next preceding the interest payment dates (the "Record Dates"). Both the principal of and the interest on this bond are payable in lawful money of the United States of America.

No transfer of this bond shall be valid unless made on the registration books of the City kept for that purpose by the Chief Financial Officer and by surrender of this bond (together with a written instrument of transfer satisfactory to the Chief Financial Officer 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 denominations 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 Chief Financial Officer 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. Notwithstanding the foregoing, as long as this bond remains in book entry form,

transfer of ownership interest in this bond shall be made by DTC and its participants by book entries which are made on the records of DTC and its participants.

The Bonds of this issue are not subject to redemption prior to their stated maturities.

This bond is one of an authorized issue of bonds issued pursuant to the Local Bond Law of the State of New Jersey; and a refunding bond ordinance of the City adopted on July 19, 2012, and entitled *“Refunding Bond Ordinance Authorizing the Issuance of up to \$11,500,000 Aggregate Principal Amount of General Obligation Refunding Bonds of the City of Margate City, County of Atlantic, New Jersey”*.

The full faith and credit of the City are hereby irrevocably pledged for the punctual payment of the principal of and the interest on 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 the issue of bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by such Constitution or statutes.

IN WITNESS WHEREFORE, the City of Margate City in the County of Atlantic, 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 by the manual signature of its City Clerk, and this bond to be dated the Date of Original Issue as specified above.

[SEAL]

ATTEST:

Michael Becker, Mayor

Thomas D. Hiltner, RMC, City Clerk
[SEAL]

Lisa McLaughlin, Chief Financial Officer

ASSIGNMENT

FOR VALUE RECEIVED _____

hereby assigns to _____

(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 City, with full power of substitution and revocation.

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

Dated:

Signature Guarantee:

Section 6. Report of Sale Terms. Pursuant to N.J.S.A. 40A:2-59, the Chief Financial Officer shall report in writing to the City at the next meeting thereof following the award as to the principal amounts, interest rates, and maturities of the Refunding Bonds sold.

Section 7. Printing of Bonds. The law firm of Fleishman-Daniels Law Offices, LLC, as Bond Counsel, is authorized to arrange for the printing of the Refunding Bonds. The proper officials of the City are hereby authorized and directed to execute the Refunding Bonds and to deliver them to the Underwriter upon receipt of payment therefore, including accrued interest from their date to the date of delivery, if any.

Section 8. Authentication of Refunding Bonds. The Refunding Bonds shall have printed thereon a copy of the written opinion with respect to the Refunding Bonds that is to be rendered by the law firm of Fleishman-Daniels Law Offices, LLC, Northfield, New Jersey, complete except for the omission of its date. The City Clerk or the Paying Agent is hereby authorized and directed to certify the truth and the correctness of the copy of such opinion in a certificate in form satisfactory to that law firm and to file a signed duplicate of such written opinion in the City Clerk's Office.

Section 9. Official Statement. The City hereby approves the preparation and the distribution of the Preliminary Official Statement in the form to be approved by the Chief Financial Officer. Such Official Statement may be distributed in preliminary form and deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission on behalf of the City by the Chief Financial Officer. The Preliminary Official Statement shall be prepared in final form in connection with the issuance of the Refunding Bonds and the Chief Financial Officer is authorized to execute any certificates necessary in connection with the distribution of the Official Statement. Final Official Statements shall be delivered to the Underwriter within the earlier of seven (7) business days following the sale of the Refunding Bonds or to accompany the Underwriter's confirmations that request payment for the Refunding Bonds.

Section 10. Bond Insurance. The Chief Financial Officer with the advice of Phoenix Advisors, LLC, the City's Financial Advisor, and Bond Counsel shall arrange for bond insurance to be provided at a premium not to exceed fifty (50) basis points of the amount of principal and interest payable, if necessary, in order to obtain the best possible rates and the most cost effective financing and is authorized to take all steps on behalf of the City necessary to do so.

Section 11. Ratification of Prior Actions; Authorization to Execute and Distribute Documents. All actions taken by the City, the Mayor, City Commission, City Manager, the Chief Financial Officer and the City Clerk prior to adoption of this Resolution in connection with the issuance of the Refunding Bonds are hereby ratified and affirmed. The City's auditors, Ford, Scott & Associates, LLC, bond counsel, Fleishman-Daniels Law Offices, LLC, and financial advisor, Phoenix Advisors, LLC, are each hereby authorized to prepare the preliminary Official Statement, the final Official Statement, and the Refunding Bonds, and to arrange for the printing or reproduction of the Refunding Bonds and the printing of the preliminary Official Statement and the final Official Statement. The Mayor, the Chief Financial Officer, and the City Clerk are authorized to execute any certificates necessary in connection with the distribution of the Official

Statements and the issuance of and sale of the Refunding Bonds.

Section 12. Tax Covenant. The City Commission hereby covenants on behalf of the City to take any action necessary or refrain from taking such action in order to preserve the tax-exempt status of the Refunding Bonds as is or may be required under the Internal Revenue Code of 1986, as amended and supplemented, and the regulations promulgated thereunder (the “**Code**”), including compliance with the Code with regard to the use, expenditure, investment, timely reporting and rebate of investment earnings as may be required thereunder.

Section 13. Agreement with DTC. The Chief Financial Officer is hereby authorized to enter into an agreement with DTC in customary form setting forth the respective obligations of DTC and the City with respect to the payment and transfer of the Refunding Bonds. The City agrees to comply with all obligations set forth in such agreement.

Section 14. Discontinuance of Service of Securities Depository; Termination of DTC Services.

(a) In the event that DTC shall determine to discontinue providing its services as securities depository with respect to the Refunding Bonds, the City may enter into an agreement with a substitute securities depository, if available. Alternatively, the City may cause the Refunding Bonds to thereafter be registered in the names of, and delivered to, each beneficial owner of the Refunding Bonds.

(b) The City may terminate the services of DTC as securities depository with respect to the Refunding Bonds if the City determines that (i) DTC is unable to discharge its responsibilities with respect to the Refunding Bonds, or (ii) continued use of the book-entry system is not in the best interests of the beneficial owners of the Refunding Bonds. In such event, the City shall either contract with a substitute securities depository or cause the Refunding Bonds to be registered in the names of the beneficial owners thereof, as provided in Section 14(a) hereof.

Section 15. Continuing Disclosure Agreement. It is hereby determined that it is necessary and appropriate for the City to execute and deliver a Continuing Disclosure Agreement (the “**Disclosure Agreement**”) for the benefit of the holders and Beneficial Owners of the Refunding Bonds to enable the successful bidder for the Refunding Bonds to comply with the requirements of SEC Rule 15c2-12. The Disclosure Agreement shall be in form and substance acceptable to the City Solicitor and Bond Counsel. The Mayor and the Chief Financial Officer are hereby severally authorized and directed to execute and deliver the Disclosure Agreement in accordance with the requirements of Rule 15c2-12.

Section 16. Appointment of Escrow Agent. The City hereby appoints Deutsche Bank National Trust Company as the escrow agent (the “**Escrow Agent**”) for the purpose of investing and managing a portion of the proceeds of the Refunding Bonds. A portion of the Refunding Bonds proceeds will be used to purchase United States governmental obligations, State and Local Governmental Series securities (“**SLGS**”), or such other similar investment vehicles should SLGS not be available, for the purpose of creating an irrevocable escrow account

established by the Escrow Agent to pay, when due, the principal of, interest on, and prepayment premium, if any, on the Refunded Bonds to be paid through the applicable call date. Phoenix Advisors, LLC will arrange for the purchase of such investment securities.

Section 17. Appointment of Verification Agent. John J. Maley & Co., CPA is hereby authorized to verify the mathematical accuracy of the interest costs savings and the sufficiency of the amount in the escrow account to pay, when due, the principal of, interest on, and prepayment premium, if any, on the Refunded Bonds, to be paid through, but excluding, the applicable call date.

Section 18. Notice of Redemption. The City hereby authorizes and directs the Escrow Agent to prepare, mail and publish such Notice of Redemption as may be required to prepare and defease that portion of the Refunded Bonds maturing on or after June 1, 2016, in accordance with the terms of the Refunded Bonds.

Section 20. Effective Date. This Resolution shall take effect immediately.

Recorded Vote

AYE

NO

ABSTAIN

ABSENT

The foregoing is a true copy of a Resolution adopted by the governing body of the City of Margate City on February 7, 2013.

Thomas D. Hiltner, RMC, City Clerk

CERTIFICATE

I, Thomas D. Hiltner, City Clerk of the City of Margate City, in the County of Atlantic, New Jersey, HEREBY CERTIFY, that the foregoing copy of the Resolution of the City Committee duly adopted on February 7, 2013, has been compared by me with the original Resolution as officially recorded in my office in the Minutes Book of the governing body and is a true, complete and correct copy thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City this ____ day of February, 2013.

Thomas D. Hiltner, RMC, City Clerk

[SEAL]

Certified to be a true copy of a
Resolution adopted by City
Commission on February 7, 2013.

Thomas D. Hiltner, RMC, City Clerk