REFUNDING BOND ORDINANCE PROVIDING FOR
THE REFUNDING OF CERTAIN GENERAL
OBLIGATION BONDS OF THE COUNTY OF
SOMERSET, NEW JERSEY, APPROPRIATING
$26,000,000 THEREFOR AND AUTHORIZING THE
ISSUANCE OF $26,000,000 BONDS OR NOTES OF THE
COUNTY FOR FINANCING THE COST THEREOF.

BE IT ORDAINED BY THE BOARD OF CHOSEN FREEHOLDERS
OF THE COUNTY OF SOMERSET, NEW JERSEY (not less than two-thirds of all members
thereof affirmatively concurring) AS FOLLOWS:

Section 1. The County of Somerset, New Jersey (the “County”) is hereby authorized to
pay an aggregate amount not exceeding $26,000,000 for the redemption, including redemption
premium, of $23,000,000 principal amount of the County’s General Obligation Bonds, Series
2009, issued in the original aggregate principal amount of $57,353,000, dated September 29,
2009, which consist of $25,000,000 General Improvement Bonds, Series 2009A which bonds are
subject to redemption (on or after August 1, 2019) prior to their dates of maturity, and which
mature on August 1, in each of the years 2020 to 2024 in an aggregate amount of $8,000,000
inclusive and $30,000,000 Open Space/Farmland Preservation Bonds, Series 2009B, which
bonds are subject to redemption (on or after August 1, 2019) prior to their stated dates of
maturity, and which mature on August 1, in each of the years 2020 to 2029 in an aggregate
amount of $15,000,000 inclusive (collectively, the “Refunded Bonds”), and in accordance with
the provisions of the resolution of the Board of Chosen Freeholders of the County, duly adopted
July 21, 2009 and a copy of which is on file in the office of the Clerk of the County Board of
Chosen Freeholders.

Section 2. An aggregate amount not exceeding $225,000 for items of expense listed in
and permitted under N.J.S.A. 40A:2-51(b) has been included in the aggregate principal amount
of refunding bonds authorized herein.

Section 3. In order to finance the cost of the project described in Section 1 hereof,
negotiable refunding bonds are hereby authorized to be issued in the principal amount not
exceeding $26,000,000 pursuant to the Local Bond Law.

Section 4. In anticipation of the issuance of the refunding bonds, negotiable bond
anticipation notes are hereby authorized to be issued pursuant to and within the limitations
prescribed by the Local Bond Law. All refunding bond anticipation notes issued hereunder shall
mature at such times as may be determined by the Chief Financial Officer, provided that no note
shall mature later than one year from its date. The notes shall bear interest at such rate or rates
and be in such form as may be determined by the Chief Financial Officer. The Chief Financial
Officer 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.

All notes issued hereunder may be renewed from time to time, but all such notes
including renewals shall mature and be paid no later than the tenth anniversary of the date of the
original notes; provided, however, that no notes shall be renewed beyond the first or any
succeeding anniversary date of the original notes unless an amount of such notes, at least equal
to the first legally payable installment of the bonds in anticipation of which the notes are issued,
determined in accordance with the maturity schedule for the bonds approved by the Local
Finance Board, is paid and retired on or before such anniversary date; and provided, further, that
the period during which the bond anticipation notes and any renewals thereof and any permanent
bonds are outstanding, shall not exceed the period set for the maturity of the bonds by the Local
Finance Board.

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 the notes pursuant to this
ordinance is made. Such report must 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 Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk of the Board of Chosen Freeholders and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services. Such statement shows that the gross debt of the County as defined in the Local Bond Law is increased by the authorization of the debt provided in this refunding bond ordinance by an amount not to exceed $26,000,000 with a maximum deduction from the debt due to the refunding of the Refunded Bonds (i.e. $23,000,000). The obligations authorized herein will be within all debt limitations prescribed by the Local Bond Law. Upon issuance of the Refunding Bonds and determination of the final amount thereof, if less than the $26,000,000 authorized hereby, an amended Supplemental Debt Statement shall be made and filed, along with any other required filings, and this Board of Chosen Freeholders shall, by resolution, approve the cancellation of such amount authorized hereby, which has not been issued.

Section 6. A certified copy of this refunding bond ordinance as adopted on first reading has been filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey prior to final adoption, together with a complete statement in the form prescribed by the Director of the Division of Local Government Services and signed by the Chief Financial Officer of the County as to the indebtedness to be financed by the issuance of the refunding bonds authorized herein.

Section 7. The full faith and credit of the County are hereby pledged to the punctual payment of the principal of and interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the County, and the County shall be obligated to levy ad valorem taxes upon all the taxable property within the County for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 8. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law, provided that the consent of the Local Finance Board has been endorsed upon a certified copy of this ordinance as finally adopted or the requirements set forth in N.J.A.C. 5:30-2.5 have been satisfied.

APPROVED:

IN THE AFFIRMATIVE:

IN THE NEGATIVE:

ABSTAIN: