

**RESOLUTION OF THE BOARD OF EDUCATION OF
THE BOROUGH OF FAIR HAVEN IN THE COUNTY
OF MONMOUTH, NEW JERSEY DIRECTING THE
UNDERTAKING OF A CONTINUING DISCLOSURE
REVIEW AND AUTHORIZING PARTICIPATION IN
THE "MUNICIPALITIES CONTINUING
DISCLOSURE COOPERATION" INITIATIVE OF
THE DIVISION OF ENFORCEMENT OF THE U.S.
SECURITIES EXCHANGE COMMISSION**

WHEREAS, the Board of Education of the Borough of Fair Haven in the County of Monmouth, New Jersey (the "Issuer") has previously issued one or more series of bonds and or notes, including in the past five (5) years pursuant to one or more preliminary and final official statements (collectively, the "Bonds"); and

WHEREAS, in connection with the issuance of such Bonds, the Issuer covenanted with Bondholders to provide certain secondary market information on an annual basis to the Nationally Recognized Municipal Securities Information Repositories (pre-2009) and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access Data Port (2009 to present) ("EMMA"), including, but not limited to, audited financial statements, budgets, other financial and operating data and ratings changes; and

WHEREAS, the Securities and Exchange Commission (the "SEC") has recently focused attention on what it alleges is widespread failure of local government issuers across the nation to meet their continuing disclosure obligations and misrepresentation through material misstatements in an official statement (innocently, inadvertently or otherwise) of past compliance with continuing disclosure obligations; and

WHEREAS, in an effort to remedy these perceived issues, the SEC has implemented the Municipalities Continuing Disclosure Cooperation Initiative (the "MCDC"), a limited-time program ending at 12:00 a.m. on December 1, 2014, that encourages issuers of municipal bonds, including the Issuer, to self-report possible material misstatements or omissions, made in the past five (5) years in an official statement regarding compliance with prior continuing disclosure obligations; and

WHEREAS, by participating in the MCDC, issuers agree to accept certain non-monetary penalties, in lieu of unknown, and, potentially significant monetary and non-monetary penalties the SEC has threatened on issuers that do not participate in the MCDC, should the SEC determine that an issuer has made material misstatements in an official statement regarding compliance with prior continuing disclosure obligations; and

WHEREAS, by participating in the MCDC, issuers agree to accept the following penalties, if imposed by the SEC (i) compliance with a cease and desist order in which the issuer neither admits nor denies the findings of the SEC, (ii) implementation of policies, procedures and training regarding continuing disclosure obligations, (iii) compliance with all existing continuing

disclosure undertakings, (iv) cooperation with any further SEC investigation, (v) disclosure of settlement terms in any final official statement issued within five years of the date of institution of the proceedings, and (vi) production to the SEC of a compliance certificate regarding the applicable undertakings on the one year anniversary of the proceedings; and

WHEREAS, the Issuer desires to conduct a disclosure review which will (i) summarize the results of the Issuer's prior compliance with its secondary market disclosure obligations and (ii) compare those results to the statements made by the Issuer in its official statements regarding past compliance (the "Disclosure Review"); and

WHEREAS, the Issuer further desires to retain the services of disclosure specialist to conduct the Disclosure Review; and

WHEREAS, based on the results of the Disclosure Review, and weighing the known, non-monetary penalties that may come through the Issuer's participation in the MCDC versus the unknown, and, by all accounts, potentially significant monetary and non-monetary penalties the SEC has threatened on issuers that do not self-report, the Issuer further desires to delegate to the Chief Financial Officer, in consultation with the Issuer's general counsel, bond counsel, auditor and other finance professionals, the power to prepare and submit all documentation required to enter the Issuer's Bond issues into the MCDC, as necessary;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ISSUER, AS FOLLOWS:

Section 1. The Issuer hereby authorizes completion of the Disclosure Review.

Section 2. The Issuer hereby authorizes the Chief Financial Officer to engage the services of a disclosure specialist to complete the Disclosure Review; provided that the award of any contract in connection therewith meets the requirements of Issuer's applicable public contracting laws.

Section 3. In the event the Disclosure Review reveals that the Issuer **may** have made a material misstatement regarding the Issuer's compliance with prior continuing disclosure undertakings, the Issuer hereby authorizes and directs the Chief Financial Officer to prepare and submit all documentation necessary to enter the Issuer's applicable Bond issues into the MCDC.

Section 4. Any action taken by the Chief Financial Officer, or any other officer of the Issuer, with respect to the Disclosure Review, the engagement of a disclosure specialist and participation in the MCDC is hereby ratified and confirmed.

Section 5. This resolution shall take effect immediately.