

I. RESOLUTION PRESCRIBING THE DETAILS AND BOND FOR THEREOF
FOR SCHOOL REFUNDING BONDS (SERIES 2010) DATED SEPTEMBER
15, 2010

Motion to approve the attached resolution School Refunding Bonds (Series
2010) dated September 15, 2010.

MOTION: Mr. Ambrose

SECOND: Mr. Allen

ROLL CALL
VOTE: 6-0

(A short recess was instituted for 15 minutes)

SUPERINTENDENT'S REPORT

- ANNUAL PUBLIC REPORT OF LOCAL DISTRICT PERFORMANCE
The NJ Department of Education, Office of Special Education Programs, has determined that South Bound Brook **Meets Requirements** in fulfillment of the requirements of IDEA in relation to the State Performance Plan/Annual Performance Report.
- Kevin Settembrino of BSA&A did a presentation on the installation of solar energy panels and alternatives available to finance these projects.
- Dr. Lorise Goeke discussed the Annual Public Report of Local District Performance.
- Dr. Goeke discussed the Global Education Summit.
- Dr. Goeke discussed QSAC monitoring and timetable (October 10).
- Dr. Goeke discussed a conference in California, PA.
- Dr. Goeke reported that she attended the last borough council meeting.
- Dr. Goeke advised that her calendar will be emailed to all board members on a weekly basis.

CONSENT ITEMS

- a. APPROVAL OF PAYROLLS AND PAYMENT OF BILLS
Motion to approve payment of bills per warrant listing dated June 30, 2010 in the amount of \$83,815.69, July 27, 2010 in the amount of \$278,342.47 and August 19, 2010 in the amount of \$211,407.44 as well as payrolls for the months of June (\$499,782.69) and July (\$66,148.20)
- b. BOARD SECRETARY'S REPORT
Motion to approve Board Secretary's Reports dated June 30, 2010 indicating a cash balance of \$842,804.08.
- c. TREASURER'S (CONSULTANT) REPORT
Motion to approve Treasurer's Reports dated June 30, 2010 indicating a cash balance of \$842,804.08.

Motion to approve the above consent items a-c.

MOTION: Mrs. Santora SECOND: Mr. Ambrose

ROLL CALL
VOTE: 6-0

CORRESPONDENCE

- a. Thank you note from Donna Wanzie.
- b. Letter from Maureen Heffernan regarding Young Audiences NJ.

ACTION ITEMS

- a. MOTION TO APPROVE APPLICATION FOR NJSBAIG SAFETY GRANT

The South Bound Brook Board of Education hereby approves the submission of a grant application for the 2010 Safety Grant Program through the New Jersey School Boards Association Insurance Group's ERIC North Subfund for the qualified purposes described in the application, in the amount of \$5,000 for the period July 1, 2010 through June 30, 2011.

- b. APPROVAL OF SUBSTITUTE TEACHERS FOR THE 2010-2011 SCHOOL YEAR

Motion to approve the following substitute teachers for the 2010-2011 school year (September 1, 2010 through June 30, 2011):

Jennifer Ali	Michelle LaFleur
Lynn Ballo	Brendan Lynch
Kathy Brown	Shirley Messinger
Mithu Chenji	Helene Murray
Carri Cruise	Laura Romano
Richard D'Alessandro	Ruthann Seyffart
Myrna Garbow	Dawn Shum
Maria Gonzalez	Kim Sperr
Thomas Harabin	Arthur Thomas
Pocahontas Harris	Patricia Tomazic
Jennifer Hatrak	Christian Tomona
Richard Jannuzzi	Lori Wagner

APPROPRIATION LINE(S) 11-120-100-101-001 AND 11-130-100-101-001

- c. TRANSFERS WITHIN THE 2009-2010 SCHOOL BUDGET

Motion to approve the following transfers, made to avoid over expenditure of accounts:

<u>FROM:</u>	<u>TO:</u>	<u>AMOUNT</u>
11-212-100-101 MD Teacher	11-204-100-106 LLD Aide	\$161.64
11-212-100-101 MD Teacher	11-215-100-101 PKH Salary	502.13
11-230-100-610 BSI Supp	11-213-100-101 Res Rm Salary	884.00
11-000-216-101 Speech Sal	11-213-100-101 Res Rm Salary	534.00
11-000-216-600 Speech Supp	11-213-100-101 Res Rm Salary	363.00
11-120-100-101 Gr 1-5 Sal	11-213-100-101 Res Rm Salary	2,580.23
11-120-100-101 Gr 1-5 Sal	11-240-100-101 Bilingual Sal	225.00
11-000-218-104 Guidance Sal	11-000-211-101 Attendance Sal	432.62
11-000-219-104 Sp Sal	11-000-213-101 Health Sal	40.00
11-000-219-580 Spec Travel	11-000-213-101 Health Sal	471.34
11-000-219-600 Spec Matls	11-000-213-101 Health Sal	660.36
11-000-219-800 Spec Other	11-000-213-101 Health Sal	343.95
11-120-100-101 Gr 1-5 Sal	11-000-219-104 Sp Sal	7,952.95
11-000-251-600 Bus Off Supp	11-000-240-105 Sal Sch Sec	561.06
11-120-100-101 Gr 1-5 Sal	11-190-100-800 Other Obj	2,492.54
11-120-100-101 Gr 1-5 Sal	11-190-100-640 Textbooks	199.55
11-120-100-101 Gr 1-5 Sal	11-190-100-610 Gen Supplies	374.44
11-120-100-101 Gr 1-5 Sal	11-190-100-500 Other Purch Svc	2,258.56
11-000-218-104 Sal Guidance	11-000-222-600 Lib Supplies	521.88
11-000-218-600 Guid Supp	11-000-222-600 Lib Supplies	775.00
11-000-262-610 Maint Supp	11-000-230-339 Other Purch Svc	6,500.00
11-000-211-101 Att Sal	11-000-213-101 Health Sal	400.00
11-212-100-101 MD Teacher	11-000-217-320 Purch Prof Svc	646.14
11-215-100-101 PKH Sal	11-000-217-320 Purch Prof Svc	119.11
11-215-100-101 PKH Sal	11-000-217-320 Purch Prof Svc	509.18
11-000-270-514 Spec Transp	11-000-217-320 Purch Prof Svc	702.10
11-000-211-101 Att Sal	11-000-213-800 Health Other	79.87
11-000-219-104 Sp Sal	11-000-217-320 Purch Prof Svc	302.00
11-000-219-800 Spec Other	11-000-217-320 Purch Prof Svc	380.30
11-000-223-320 Inst Staff Trn	11-000-217-320 Purch Prof Svc	528.92
11-000-221-110 Other Sal	11-000-222-600 Lib Supplies	7.50
11-000-221-110 Other Sal	11-000-217-320 Purch Prof Svc	0.06
11-000-219-320 Spec Pur Svc	11-000-217-320 Purch Prof Svc	3,179.98
11-000-219-320 Spec Pur Svc	11-000-217-320 Purch Prof Svc	807.52
11-000-100-566 Prv Sch	10-000-100-561 Tuition Charter	16,988.00

d. **CONTRACT WITH DOUGLASS DEVELOPMENTAL DISABILITIES CENTER FOR CONSULTATION TO MD CLASS**

Motion to approve contract with Rutgers Douglass Developmental Disabilities Center for consultation to school based Multiple Disabled classroom at \$150/hour, for a total cost not to exceed \$9,600 from September 1, 2010 through May 31, 2011.

APPROPRIATION LINE 20-252-200-300 (IDEA)

e. **CONTRACT WITH DOUGLASS DEVELOPMENTAL DISABILITIES CENTER FOR CONSULTATION TO PRESCHOOL DISABLED CLASS**

Motion to approve contract with Rutgers Douglass Developmental Disabilities

Center for consultation to school based Preschool Disabled classroom at \$150/hour, for a total cost not to exceed \$3,375 from September 1, 2010 through May 31, 2011.

APPROPRIATION LINE 20-254-200-300 (IDEA PK)

f. APPROVAL OF STIPENDS FOR SPECIAL EDUCATION SELF-ASSESSMENT

Motion, per recommendation of the superintendent, to approve payment of the following stipends in relation to the 2008-2009 Special Education Self-Assessment, for duties beyond regular contract responsibilities:

Helene Murray (11-000-213-101)	\$251.56
Patricia Turbowitz (11-000-221-104)	740.31
Therese (Sue) High (11-000-221-104)	826.56
TOTAL	\$1,818.43

g. SERVICE CONTRACT WITH SCHINDLER ELEVATOR CORPORATION
Motion to enter into service contract with Schindler Elevator Corporation for July 1, 2010 through June 30, 2011 at a cost of \$3,346.68.

APPROPRIATION LINE 11-000-261-420

h. MOTION TO AUTHORIZE NO CHILD LEFT BEHIND (NCLB) 09-10 APPLICATION AMENDMENT
Motion to authorize amendment to application for No Child Left Behind (NCLB) for fiscal year 2010, to reflect re-allocation of expenditures and \$4,186 from NCLB 08-09 Final Report.

i. SERVICE CONTRACT WITH EdNET TECHNOLOGIES, LLC
Motion to enter into service contract with EdNet Technologies, LLC for Software maintenance and support from July 1, 2010 through June 30, 2011 at a cost of \$1,665.00.

APPROPRIATION LINE 11-000-219-800

j. EXTENDED SCHOOL YEAR ADDITIONAL STAFFING (CORRECTION)
Motion, as recommended by the superintendent, to approve the following summer employee for the extended school year program (originally approved on May 27, 2010 not to exceed \$2300):

Peggy Doorly, Speech	\$70/hour not to exceed \$2520.00	13-422-100-101
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- k. TUITION FOR OUT-OF-DISTRICT PLACEMENTS FOR 2010-2011
A motion is necessary for inclusion in the minutes to accept the following costs for out-of-district placements for the 2010-2011 school year (July 1, 2010 through June 30, 2011):

<u>ID #</u>	<u>DESTINATION</u>	<u>COST</u>
5583470942	UMDNJ Univ. Behavioral Healthcare	\$63,600.00*
9981557548	CPC Healthcare, High Point School	69,700.00*
4253860803	New Road School of Somerset	38,485.80
3124568235	New Road School of Somerset	38,485.80
5975246278	New Road School of Somerset	38,485.80
2617929880	Lakeview School	82,345.20*
7593445775	Newmark School	44,953.20
8175332756	Newmark School	49,948.00*
1029790434	Newmark School	44,953.20
APPROPRIATION LINE 11-000-100-566		
8667370198	MRESC Center School	47,516.00
APPROPRIATION LINE 11-000-100-562		
	SCVTHS Health/Medical Sciences	2,500.00
	SCVTHS Health/Medical Sciences	2,500.00
APPROPRIATION LINE 11-000-100-561		

*Includes Extended School Year

- m. APPROVAL OF TOOLS OF THE MIND CONTRACT
Motion to approve contract with Metropolitan State College of Denver for Tools of the Mind program for the 2010-2011 school year at a cost of \$3,500.

APPROPRIATION LINE 20-270-200-500

- n. JOINT TRANSPORTATION AGREEMENT WITH GREEN BROOK RESOLVED, that the South Bound Brook Board of Education approves the Joint Transportation Agreement between the Green Brook Board of Education (host district) and the South Bound Brook Board of Education (joiner district) for the 2010-2011 school year from July 1, 2010 through June 30, 2011 as per the following:

<u>Route #</u>	<u>START</u>	<u>Description</u>	<u>Cost</u>
100LKS2	7/1/2010	Lakeview School	\$2,040.00 ESY
100LK2	9/7/2010	Lakeview School	12,240.00

- o. APPROVAL OF BOUND BROOK HIGH SCHOOL TUITION COSTS FOR 2010-2011
 Motion to accept the following costs for sending students to Bound Brook High School for the 2010-2011 school year (September 1, 2010 - June 30, 2011):

Regular students (109 @ \$14,252)	\$1,553,468.00
- Adjustment for 2007-2008	-292,324.00
Learning Disabilities (1 @ \$11,775)	11,775.00
Behavioral Disabilities (1 @ \$19,612)	19,612.00
TOTAL	\$1,292,531.00

APPROPRIATION LINE 11-000-100-561 & 11-000-100-562

- p. JOINT TRANSPORTATION AGREEMENT WITH BOUND BROOK FOR 2009-2010 SCHOOL YEAR
 RESOLVED, that the South Bound Brook Board of Education approves the Joint Transportation Agreement between the Bound Brook Board of Education (host district) and the South Bound Brook Board of Education (joiner district) for the 2009-2010 school year from June 2, 2010 through June 30, 2010:

<u>Route #</u>	<u>START</u>	<u>Description</u>	<u>Cost</u>
SCALT	6/2/2010	SCESC	\$185.70

- q. CONTRACT WITH PARENTWORX LLC FOR NUTRURED HEART TRAINING
 Motion to approve contract with ParentwoRx LLC for Nurtured Heart Training scheduled for September 1-2, 2010 at a cost of \$6,500.00.

APPROPRIATION LINES: 20-250-200-580	\$1,900.00
20-460-200-300	\$1,400.00
20-460-200-500	\$2,759.49
20-450-200-500	\$ 440.51

- r. SERVICES FOR STUDENTS WITH VISUAL IMPAIRMENT
 Motion that the board of education provide Level I services for two students through the Department of Human Services NJ Commission for the Blind and Visually Impaired. This agreement is in effect from September 1, 2010 through June 30, 2011. These services are provided by a certified teacher of blind or partially sighted. This cost (\$1,700 each) will be deducted from the district's state aid payments.

APPROPRIATION LINE 11-000-216-320

s. APPROVAL OF NURSING SERVICES

Motion to authorize contract with Maxim Healthcare to provide nursing services for an out-of-district placement at the rate of \$45 for an LPN or \$50.00 per hour for a registered nurse or for the 2010-2011 school year.

APPROPRIATION LINE 11-000-217-320

t. AMENDMENT TO THE 2005 LONG RANGE FACILITIES PLAN

BE IT RESOLVED to authorize Buck Simperts Architect & Associates to amend the approved 2005 Long Range Facilities Plan South Bound Brook School District in accordance with the New Jersey Department of Education five-year reporting requirements. Updates to the LRFP will include the following areas: enrollment projections, building capacities (room inventories), and health and safety conditions (capital maintenance needs).

u. INTER LOCAL TRANSPORTATION SERVICES AGREEMENT 2010/2011 WITH SOMERSET COUNTY EDUCATIONAL SERVICES COMMISSION

Motion to coordinate with SCESC to organize, optimize and establish routes to achieve the maximum cost effectiveness for transportation services for the 2010-2011 school year (July 1, 2010 through June 30, 2011).

v. AUTHORIZATION TO APPLY FOR IDEA FUNDING FOR FY2011 AND ACCEPTANCE OF FUNDS

Motion to approve submission of the proposed program plan and budget for the FY2011 IDEA application and to accept funds as approved in the amount of:

Basic	\$131,889
Preschool	\$5,797

w. AUTHORIZATION TO APPLY FOR FUNDING UNDER NCLB FOR FY2011 AND ACCEPTANCE OF FUNDS

Motion to approve submission of the proposed program plan and budget for the FY2011 NCLB application and to accept funds as approved in the amount of:

Title I Part A	\$107,084
Title II Part A	\$14,967
Title II Part D	\$245
Title III	\$5,489

- x. APPROVAL TO SIGN THE MEMORANDUM OF UNDERSTANDING TO PARTICIPATE IN THE PEARSON WORDS THEIR WAY: WORD STUDY IN ACTION DEVELOPMENTAL MODEL EFFICACY STUDY
Motion, as recommended by the superintendent, to sign the Memorandum of Understanding and to participate in the Pearson Words Their Way: Word Study in Action Developmental Model Efficacy Study.
- y. APPROVAL TO PARTICIPATE IN THE SCESC EDULOG SPECIAL EDUCATION TRANSPORTATION PROJECT
Motion, as recommended by the superintendent, to participate in the SCESC EduLog Special Education Transportation Project.
- z. TEMPORARY EMPLOYMENT OF SEAN REARDON AS SPECIAL EDUCATION TEACHER TO COVER MATERNITY LEAVE
Motion, as recommended by the superintendent, to employ Sean Reardon as a special education teacher from September 1, 2010 until Mrs. Parente returns from leave of absence, expected to be February 22, 2011. Mr. Reardon will be placed on the first step of the BA scale at a salary of \$47,325 (prorated).

APPROPRIATION LINE 11-213-100-101 (1/2) and 11-130-100-101 (1/2)

- aa. SOLAR POWER PURCHASE AGREEMENT (PPA) REQUEST FOR PROPOSAL (**TABLED**)
BE IT RESOLVED to authorize Buck Simperts Architect & Associates to prepare a request for proposal to provide a roof and main parking lot canopy mounted solar array at the Robert Morris School. The fee for this project is \$19,500 plus reimbursable expenses. Attached is a copy of the proposal.

Motion to approve above action items a-k and m-z. Item aa was tabled.

MOTION: Mrs. Sarboukh SECOND: Mrs. Santora ROLL CALL
VOTE: 6-0

ADJOURNMENT TO EXECUTIVE SESSION (9:25 p.m.)

RESOLVED by the South Bound Brook Board of Education as per Chapter 231, P.L. 1975:

- a. That it is hereby determined that it is necessary to meet in Executive Session on August 19, 2010 to discuss
--Personnel
- b. The matters discussed will be made public if and when confidentiality is no longer required and action pursuant to said discussion shall take place only at a public meeting.
- c. Length of meeting thought to be approximately 30 minutes.

d. Action will be taken upon return to Open Session.

MOTION: Mrs. Santora SECOND: Mrs. Lih-Thiessen VOTE: 6-0

RETURN TO OPEN SESSION

Motion to return to Open Session at 9:50 p.m.

MOTION: Mrs. Santora SECOND: Mrs. Sarboukh VOTE: 6-0

COMMITTEE REPORT

BOUND BROOK: Mr. Allen reported on preliminary discussions to re-institute interscholastic sports for 2010-2011.

SCESC: Mrs. Santora attended a meeting but had nothing to report.

OLD BUSINESS

Mrs. Lih-Thiessen asked if we budgeted for interscholastic sports in 2010-2011. Mr. Marra responded that it was not budgeted in 09-10 or 10-11.

RECOGNITION OF PUBLIC

No comments at this time.

ADJOURNMENT

Business concluded, motion to adjourn the meeting at 10:05 p.m.

MOTION: Mrs. Santora SECOND: Mr. Allen VOTE: 6-0

Respectfully submitted,

Joseph J. Marra
Board Secretary/Business Administrator

RESOLUTION PRESCRIBING
THE DETAILS AND BOND FORM THEREOF FOR
\$_____ SCHOOL REFUNDING BONDS (SERIES 2010)
DATED SEPTEMBER 15, 2010, AUTHORIZING THE
ACCEPTANCE OF AN OFFER TO PURCHASE SAID BONDS
AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the refunding bond ordinance hereinafter described has been duly adopted and it is necessary to provide for the issuance of the refunding bonds authorized by such bond ordinance;

NOW, THEREFORE, BE IT RESOLVED by The Board of Education of the Borough of South Bound Brook in the County of Somerset, New Jersey (the "Board" or "School District"), as follows:

Section 1. There shall be issued at this time \$_____ of the refunding bonds (the "Bonds") authorized pursuant to a refunding bond ordinance adopted by the Board on June 17, 2010 (the "Bond Ordinance"). The Bonds are being issued to refund \$2,837,000 aggregate principal amount of the Board's outstanding School Bonds, dated December 1, 2001, maturing in annual installments on December 1 of each year from 2012 to 2021, inclusive (the "Refunded Bonds"). The proceeds of the Bonds will be used to (A) pay all of the interest on the Refunded Bonds due on the interest payment dates from December 1, 2010 to December 1, 2011, inclusive, (B) redeem the Refunded Bonds on December 1, 2011 at the redemption price of 102% of the principal amount, plus accrued interest to the redemption date, and (C) pay costs of issuance of the Bonds. The Board specifically and irrevocably elects to redeem the Refunded Bonds on December 1, 2011 at a redemption price of 102%, plus accrued interest to the date of redemption.

Section 2. The Bonds shall be issued as a single issue of bonds, aggregating \$_____ consisting of an issue of bonds of the denomination of \$5,000 each or any integral multiple thereof, numbered in the order of their maturity. Said issue shall be payable in annual installments on December 1 in each year, and shall bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	
2012		\$	%
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			

The Bonds shall be designated "School Refunding Bonds (Series 2010)".

Section 3. The Bonds shall be dated September 15, 2010, and shall bear interest from their date until their respective maturities at the rates per annum set forth in Section 2 of this resolution. Such interest shall be payable on each June 1 and December 1, commencing December 1, 2010 (each, an "Interest Payment Date"), in each year until maturity. The Bonds shall not be subject to redemption prior to their stated maturities.

Section 4. The Bonds will be issued in fully registered form by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to the rules and procedures established by DTC. Interest on the Bonds will be payable at the times stated in Section 3 of this resolution, and principal of the Bonds will be paid annually on December 1 as set forth in the maturity schedule hereinbefore stated, in immediately available funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Interest will be payable to owners of Bonds shown on the records of DTC as of the fifteenth day of the month preceding the month in which such Interest Payment Date occurs. The Board will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Board determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Board will discontinue the book-entry system with DTC. If the Board fails to identify another qualified securities depository to replace DTC, the Board will authenticate and deliver replacement Bonds in the form of fully registered certificates.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

Section 5. The Bonds shall be signed by the President or Vice President of the Board by manual or facsimile signature, and the corporate seal of said Board shall be imprinted, affixed or reproduced thereon and such seal shall be attested by the Business Administrator/Board Secretary or Acting Board Secretary by manual or facsimile signature. The Bonds will be authenticated by the manual signature of the Bond Registrar/Paying Agent.

Section 6. Each of the Bonds shall be issued in substantially the following form:

[Form of Bond]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-__

\$_____

UNITED STATES OF AMERICA
STATE OF NEW JERSEY
THE BOARD OF EDUCATION OF
THE BOROUGH OF SOUTH BOUND BROOK
IN THE COUNTY OF SOMERSET
SCHOOL REFUNDING BOND (SERIES 2010)

INTEREST
RATE PER
ANNUM

MATURITY DATE

DATED DATE

CUSIP

_____%

DECEMBER 1, 20__

SEPTEMBER 15, 2010

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: -----DOLLARS

The Board of Education of the Borough of South Bound Brook in the County of Somerset, a school district of the State of New Jersey (hereinafter referred to as the "Board" or "School District"), for value received, hereby acknowledges itself indebted and promises to pay to the REGISTERED OWNER named above, on the MATURITY DATE specified above, upon surrender hereof, the PRINCIPAL SUM stated above and to pay to the REGISTERED OWNER hereof interest thereon from the DATED DATE of this Bond until it shall mature at the INTEREST RATE PER ANNUM specified above, payable on each June 1 and December 1, commencing December 1, 2010 (each, an "Interest Payment Date"), of each year until maturity. This Bond is not subject to redemption prior to its stated maturity. The principal hereof is payable at the office of the Business Administrator/Board Secretary, South Bound Brook Board of Education Office, 122 Elizabeth Street, South Bound Brook, New Jersey 08880 (the "Bond Registrar/ Paying Agent"). The interest so payable on any such Interest Payment Date will be paid to the person in whose name this Bond is registered on the record date for such interest, which shall be the fifteenth day of the month preceding the month in which such Interest Payment Date occurs. Both the principal of and interest on this Bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This Bond is one of an issue of Bonds of like date and tenor, except as to number, denomination and maturity, issued pursuant to Chapter 24 of Title 18A, Education, of the New Jersey Statutes, as amended, and pursuant to a refunding bond ordinance adopted by the Board on June 17, 2010 and a resolution adopted by the Board on August 19, 2010.

The Bond Registrar/Paying Agent shall keep at its office the books of the Board for the registration of transfer of Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the hereinabove mentioned resolution upon the surrender hereof to the Bond Registrar/Paying Agent together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar/Paying Agent. Upon any such registration of transfer, the Bond Registrar/Paying Agent shall deliver in exchange for this Bond a new bond or bonds, registered in the name of the transferee, of authorized denomination, in an aggregate principal amount equal to the unredeemed principal amount of this Bond, of the same maturity and bearing interest at the same rate.

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 this Bond, together with all other indebtedness of the School

District, is within every debt and other limit prescribed by the Constitution or statutes of said State.

The full faith and credit of the School District are hereby pledged irrevocably to the punctual payment of the principal of and interest on this Bond in accordance with its terms.

Payment of this obligation is secured under the provisions of the "New Jersey School Bond Reserve Act" in accordance with which an amount equal to 1% of the aggregate outstanding bonded indebtedness (but not to exceed the moneys available in the fund), of New Jersey counties, municipalities and school districts for school purposes as of September 15 of each year, is held within the State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payments of principal and interest due on such bonds in the event of the inability of the issuer to make payment.

This Bond shall not be valid or become obligatory for any purpose until the Certification of Authentication hereon shall have been signed by the Bond Registrar/Paying Agent.

IN WITNESS WHEREOF, the Board has caused this Bond to be signed by its President or Vice President by manual or facsimile signature and its seal to be impressed, affixed or reproduced hereon, and said seal to be attested by its Business Administrator/Board Secretary or Assistant Board Secretary by manual or facsimile signature, and this Bond to be dated September 15, 2010.

AUTHENTICATION DATE: SEPTEMBER 15, 2010

CERTIFICATION OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned resolution, and is one of the School Refunding Bonds (Series 2010) dated September 15, 2010 of The Board of Education of the Borough of South Bound Brook in the County of Somerset, State of New Jersey.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, the within Bond, and irrevocably appoints

_____, attorney-in-fact, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without any alteration whatsoever.

Signature Guaranteed:

Section 7. Bonds may, upon surrender thereof at the office of the Bond Registrar/Paying Agent together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar/Paying Agent and, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Board upon the surrender thereof to the Bond Registrar/Paying Agent together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar/Paying Agent. Upon any such registration of transfer, the Bond Registrar/Paying Agent shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar/Paying Agent shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar/Paying Agent. The Board or the Bond

Registrar/ Paying Agent may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made for exchanging or registering the transfer of Bonds under this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including interest thereon, to the extent of the sum or sums so paid.

The Board shall appoint such registrars, transfer agents, depositories or other agents and make such other arrangements as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to the then commercial standards and for the timely payment of principal and interest with respect to the Bonds. The Business Administrator/Board Secretary is hereby appointed registrar and paying agent for the Bonds (the "Bond Registrar/Paying Agent") subject to the right of the Board to appoint another Bond Registrar/Paying Agent, and, as such, shall keep at the South Bound Brook Board of Education Office, 122 Elizabeth Street, South Bound Brook, New Jersey 08880, the books of the Board for the registration, registration of transfer, exchange and payment of the Bonds.

Section 8. The President, Vice President, Business Administrator/Board Secretary or Acting Board Secretary are hereby authorized and directed to cause the Bonds to be prepared and to execute and deliver the Bonds upon payment of the purchase price therefor.

Section 9. The Contract of Purchase dated August 19, 2010 (the "Contract of Purchase"), by and between the Board and RBC Capital Markets Corporation, Florham Park, New Jersey (the "Underwriter"), in substantially the form submitted to the Board, is hereby approved. The Bonds shall be sold and delivered to the Underwriter in the manner, at the purchase price, and on the terms and conditions set forth in the Contract of Purchase. The sale of the Bonds at private sale at such purchase price is hereby determined to be in the best interests of the Board.

Section 10. The preparation of and distribution to potential purchasers of the Bonds of the Preliminary Official Statement dated August __, 2010 (the "Preliminary Official Statement") is hereby ratified and approved. The execution of a certificate by the Business Administrator/Board Secretary stating that the Preliminary Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") is hereby ratified and approved.

The Board hereby states that the Preliminary Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12.

Section 11. The preparation of the Official Statement to be dated August 19, 2010 (the "Official Statement") in connection with the sale of the Bonds is hereby approved. The Official Statement is hereby deemed to be a "final official statement", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. The execution of the Official Statement by the Business Administrator/Board Secretary on behalf of the Board and the distribution of same to the Underwriter and the Underwriter's subsequent distribution of the Official Statement to purchasers or prospective purchasers of the Bonds are hereby authorized.

Section 12. The Escrow Deposit Agreement to be dated September 15, 2010 (the "Escrow Deposit Agreement") between the Board and The Bank of New York Mellon, Woodland Park, New Jersey, as escrow agent with respect to the Refunded Bonds, in substantially the form submitted to the Board, is hereby approved.

Section 13. The President or Vice President of the Board are hereby authorized to execute the Contract of Purchase and the Escrow Deposit Agreement, in substantially the forms thereof presented to the Board, with such changes, variations, omissions and insertions as the President or Vice President approve. The execution thereof by the President or Vice President shall constitute conclusive evidence of such approval. The President, Vice President, Business Administrator/Board Secretary or Acting Board Secretary are hereby authorized and directed to execute and deliver such documents and to take such action as they determine to be necessary or appropriate in order to effectuate the issuance and sale of the Bonds and the refunding of the Refunded Bonds including, without limitation, the execution and delivery of all closing documents and certificates and any agreements concerning the investment of funds to be used to redeem the Refunded Bonds.

Section 14. The Board hereby agrees to undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12. Specifically, the Board will do the following for the benefit of the holders of the Bonds and the beneficial owners thereof:

(A) Not later than six months after the end of the Board's fiscal year (presently June 30), commencing with the report for the fiscal year ending June 30, 2010, provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, as prescribed by the MSRB, annual financial information with respect to the Board consisting of (i) audited financial statements (or unaudited financial statements if audited financial statements are not then available by the date of filing, which audited financial statements will be delivered when and if available) of the Board and (ii) certain financial information and operating data consisting of (a) the Board's debt and overlapping indebtedness, including a schedule of outstanding debt issued by the Board, (b) the Board's most recent adopted budget, (c) property valuation information, and (d) tax rate, levy and collection data. The audited financial statements will be

prepared in accordance with generally accepted accounting principles, as modified by governmental accounting standards as may be required by New Jersey law in effect from time to time. Audited financial statements if not available by the filing date will be submitted separately when available.

(B) Provide or cause to be provided to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) Modifications to the rights of Bondholders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution or sale of property which secures the repayment of the Bonds; and
- (11) Rating changes.

(C) Provide or cause to be provided, in a timely manner, to the MSRB notice of a failure of the Board to provide required annual financial information on or before the date specified above.

Section 15. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 16. If the Board fails to comply with the undertaking described above, any Bondholder or beneficial owner of the Bonds may pursue an action for specific performance to enforce the rights of all Bondholders and beneficial owners with respect to such undertaking; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds or any liability by the Board for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Bondholders and beneficial owners of the Bonds.

Section 17. The Board reserves the right to terminate its obligation to provide annual financial information and notice of material events, as set forth above, if and when the Board no longer remains an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

Section 18. The undertaking may be amended by the Board from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements

or change in law, or change in the identity, nature, type of operation, or status of the Board, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interest of the Bondholders and the beneficial owners of the Bonds.

Section 19. The Board hereby covenants, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

Section 20. The Board hereby designates the Bonds as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3) of the Code. It is hereby determined and stated that the Bonds (1) are not "private activity bonds" as defined in the Code and (2) the Board and its subordinate entities, if any, do not reasonably anticipate issuing in excess of \$30 million of tax-exempt obligations (other than private activity bonds) during the calendar year 2010. The Board will, to the best of its ability, attempt to comply with respect to the limitations on issuance of tax-exempt obligations pursuant to Section 265(b)(3) of the Code; however, the Board does not covenant to do so, and expressly states that a covenant is not made hereby.

Section 21. This resolution shall take effect immediately upon its adoption.