

MOODY'S ASSIGNS A Aa2 RATING TO THE BOROUGH OF MONTVALE'S (NJ) \$7.4 MILLION
GENERAL IMPROVEMENT BONDS

AFFIRMS Aa2 RATING ON \$17.3 MILLION IN PARITY DEBT, INCLUDING CURRENT ISSUE

Montvale (Borough of) NJ
Municipality
New Jersey

Moody's Rating

Issue	Rating
General Improvement Bonds, Series 2003	Aa2
Sale Amount	\$7,413,000
Expected Sale Date	09/25/03
Rating Description	General Obligation Unlimited Tax Pledge

NEW YORK, September 22, 2003 -- Moody's Investors Service has assigned a Aa2 rating to the Borough of Montvale's (NJ) \$7.4 million General Improvement Bonds. Moody's has also affirmed the Aa2 rating on the borough's \$17.3 million in parity debt, including the current issue. The bonds are secured by the borough's unlimited tax pledge and will finance various capital projects. The Aa2 rating reflects the expectation of growth in the borough's affluent tax base, strong financial operations with ample reserves, and a manageable debt position.

INCREASED GROWTH EXPECTED IN AFFLUENT TAX BASE; STRONG CORPORATE PRESENCE

Moody's expects the borough's affluent, \$1.6 billion tax base will exhibit increased growth in the medium term, given several planned residential developments. Located in Bergen County (rated Aaa), the borough is primarily residential (63% of tax base) with a strong commercial presence (35% of tax base) adding diversity to the tax base. The borough's largest taxpayers include corporate offices for a variety of notable commercial entities, including Mercedes Benz, KPMG Peat Marwick, Volvo and Toys R Us. The borough's residents benefit from easy access to employment centers in northern New Jersey and the nearby New York City metropolitan area. Driven by modest residential and commercial development, assessed valuation has grown an average of 1% annually since 1999. Full value has increased an average of 7.1% annually in the same time period, indicative of housing value appreciation. Going forward, management expects increased growth in the medium term, driven by three planned residential projects and the availability of land for future development. An affluent resident demographic profile is reflected by per capita and median family incomes of 159% and 169% (respectively) of New Jersey State averages. Full value per capita is a very high \$224,916, partially bolstered by the strong presence of commercial entities.

STRONG FINANCIAL OPERATIONS EXPECTED TO CONTINUE

Moody's expects the borough's financial operations to remain sound, given a track record of conservative budgeting, strong fiscal management, and ample reserve levels. The borough has maintained consistently healthy reserve levels for the last several years, ending fiscal 2002 with a Current Fund balance of \$3.7 million (an ample 34.0% of Current Fund revenues). The borough derives further financial flexibility from additional reserves, ending fiscal 2002 with \$557,000 in reserves for tax appeals and \$544,000 in reserves for debt