



UNION COUNTY BOARD OF CHOSEN FREEHOLDERS

ORDINANCE NUMBER: *794-2018*
 DATE OF INTRODUCTION: *6/21/2018*
 DATE OF ADOPTION: *7/12/2018*

6/21/2018

ORDINANCE AUTHORIZING THE GUARANTY BY THE COUNTY OF UNION, STATE OF NEW JERSEY OF PAYMENT OF PRINCIPAL OF AND INTEREST ON THE COUNTY GUARANTEED REVENUE REFUNDING BONDS, SERIES 2018 (OAKWOOD PLAZA-ELIZABETH PROJECT) OF THE UNION COUNTY IMPROVEMENT AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$22,000,000 FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY IN CONNECTION WITH THE AUTHORITY'S ISSUANCE OF SUCH REFUNDING BONDS, CONSENTING TO SUCH FINANCING AND DETERMINING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Union County Improvement Authority (the "Authority") has been duly created by an ordinance of the Board of Chosen Freeholders (the "Board of Chosen Freeholders") of the County of Union, State of New Jersey (the "County"), as a public body corporate and politic of the State of New Jersey (the "State") pursuant to and in accordance with the County Improvement Authorities Law, constituting chapter 183 of the Laws of New Jersey of 1960, as amended and supplemented from time to time (the "Act"); and


WHEREAS, the Authority provided financing for the acquisition and renovation of an affordable residential rental development located at 380 Irvington Avenue, City of Elizabeth, Union County, New Jersey, and commonly known as Oakwood Plaza (the "Project"); and

WHEREAS, the Project was completed and provides dwelling accommodations for occupancy by persons and families of low and moderate income; and

**NO SUFFICIENCY
OF FUNDS REQUIRED**

Ernie Morici 06/21/18

INTRODUCTION				RECORD OF VOTE				FINAL ADOPTION							
FREEHOLDER	Aye	Nay	Abs	Pass	Ord.	Sec	NP	FREEHOLDER	Aye	Nay	Abs	Pass	Ord.	Sec	NP
BERGEN	✓				✓			BERGEN	✗				✗		
ESTRADA	✓							ESTRADA	✗						
GARRETSON	✓							GARRETSON	✗						
HUDAK	✓							HUDAK	✗						
JALLOH							✓	JALLOH							✗
MIRABELLA	✓					✓		MIRABELLA							✗
WILLIAMS							✓	WILLIAMS	✗					✗	
KOWALSKI VICE CHAIRMAN	✓							KOWALSKI VICE CHAIRMAN							✗
GRANADOS CHAIRMAN	✓							GRANADOS CHAIRMAN	✗						✗

APPROVED AS TO FORM  COUNTY ATTORNEY	I hereby certify the above is an original ordinance adopted by the Board of Chosen Freeholders of the County of Union on the aforementioned date. <div style="text-align: right;">_____ CLERK</div>
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	I hereby certify this is a true copy of a ordinance adopted by the Board of Chosen Freeholders of the County of Union on the aforementioned date. <div style="text-align: right;">_____ CLERK</div>
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WHEREAS, the Authority sold \$16,870,000 aggregate principal amount of County Guaranteed Revenue Bonds, Series 2009 (Oakwood Plaza-Elizabeth Project) (Federally Taxable) dated June 24, 2009 (the "2009 Bonds") to finance the Project; and

WHEREAS, the City of Elizabeth (the "City") had arranged a public private effort for this housing development in combination with the New Jersey Department of Community Affairs ("NJDCA"), where NJDCA was to provide payments in the amount of \$20 million, in \$4 million increments annually, but as a result of subsequent events, NJDCA was unable to provide said payments, and the Project could not support the debt service schedule, which was predicated upon the receipt of same; and

WHEREAS, the County, the City and CIS Oakwood, LLC (the "Developer"), requested that the Authority restructure the debt service for a longer term to allow the Project to be self-supporting; and

WHEREAS, the Authority was desirous of assisting in the refinancing of the Project, to the extent permitted by law, as such assistance would assure the continued availability of dwelling accommodations for occupancy by persons and families of low and moderate income; and

WHEREAS, the Authority issued \$18,695,000 County Guaranteed Revenue Refunding Bonds, Series 2010 (Oakwood Plaza-Elizabeth Project) (Federally Taxable) dated December 28, 2010 (the "Refunded 2010 Bonds") to refund the 2009 Bonds, which Refunded 2010 Bonds mature, subject to mandatory sinking fund redemption on December 1, 2025, 2030 and 2040; and

WHEREAS, the County, the City and the Developer requested that the Authority refinance the Refunded 2010 Bonds for debt service savings; and

WHEREAS, the Authority is desirous to assist in the refinancing of the Refunded 2010 Bonds, to the extent permitted by law, as such assistance will assure the continued availability of dwelling accommodations for occupancy by persons and families of low and moderate income; and

WHEREAS, the Authority expects to obtain funds to assist the refinancing of the Refunded 2010 Bonds through the issuance of its bonds in an amount not to exceed \$22,000,000 County Guaranteed Revenue Refunding Bonds, Series 2018 (Oakwood Plaza-Elizabeth Project) (the "Bonds") issued pursuant to a Bond Resolution to be adopted by the Authority and entitled "RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF COUNTY GUARANTEED REVENUE REFUNDING BONDS, SERIES 2018 (OAKWOOD PLAZA-ELIZABETH PROJECT) (FEDERALLY TAXABLE) OF THE UNION COUNTY IMPROVEMENT AUTHORITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$22,000,000 IN CONNECTION WITH THE AUTHORITY'S REFINANCING OF A LOW AND MODERATE INCOME HOUSING PROJECT IN THE CITY OF ELIZABETH, COUNTY OF UNION AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, A TRUST INDENTURE AND RELATED INSTRUMENTS ANNEXED THERETO, A PURCHASE AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH" (the "Bond Resolution") and a Trust Indenture between the Authority and a trustee to be named (the "Trust Indenture"). Capitalized terms used in this ordinance and not otherwise defined shall have the meanings set forth in the Bond Resolution and the Trust Indenture; and

WHEREAS, in accordance with the terms of Section 37 of the Act (N.J.S.A. 40:37A-80) and the County Guaranty, the County shall be obligated, if necessary, to levy *ad valorem* taxes upon all the taxable property within the County without limitation as to rate or amount to make the timely payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Bonds; and

WHEREAS, in order to induce the prospective purchasers of the Bonds to purchase same, the Bonds shall otherwise be secured by this guarantee ordinance adopted by the County unconditionally and irrevocably guaranteeing the principal of (including mandatory sinking fund installments, if any) and interest on the Bonds, all pursuant to Section 37 of the Act (N.J.S.A. 40:37A-80); and

WHEREAS, the City will also enter into a City Deficiency Agreement under which the City is obligated to make payments to the County of up to \$10,000,000 as partial repayment to the County of any funds extended by the County under this County Guaranty. To the extent of payments made under this County Guaranty and the City Deficiency Agreement, the City and the County shall have a lien on the Project Facilities and Revenues, subject to the rights of the holders of outstanding bonds to receive

payment of principal and interest. However, the City Deficiency Agreement, and any payments made thereunder to the County, do not secure the Bonds or the payment of debt service thereon.

WHEREAS, the agreement of the Authority to make a loan to the Developer of the proceeds of the Bonds is set forth in the Loan Agreement between the Authority and the Developer; and

WHEREAS, the Loan Agreement requires the Developer to make payments thereunder in amounts and at times sufficient to pay the principal of, premium (if any) and interest on the Bonds when due; and

WHEREAS, pursuant to N.J.S.A. 40:37A-56 *et seq.*, the County also desires to consent to refinancing of the Refunded 2010 Bonds for debt service savings, the refinancing of the same through the Authority and the Guaranty of the Bonds of the Authority issued to refinance the Refunded 2010 Bonds.

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

Section 1. This guaranty is hereby adopted by the governing body of the County in the manner provided for adoption of a bond ordinance as provided in the Local Bond Law, constituting chapter 169 of the Laws of New Jersey of 1960, as amended and supplemented (the "Local Bond Law").

Section 2. Pursuant to and in accordance with the terms of the Act, specifically Section 37 of the Act (N.J.S.A. 40:37A-80), the County is hereby authorized to and hereby shall fully, unconditionally and irrevocably guaranty the punctual payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Bonds in an aggregate principal amount not exceeding at any time \$22,000,000, which Bonds are to be issued to refund the Refunded 2010 Bonds as described in the preamble hereof, on such terms and conditions as may be agreed to by and between the County and the Authority and as are reflected in this guaranty and in the guaranty certificate attached to each Bond. Upon the execution of a guaranty certificate attached to each of the Bonds referred to in Section 3 below, the County shall be fully, unconditionally and irrevocably obligated to pay the principal of and interest on the Bonds in the same manner and to the same extent as in the case of Bonds issued by the County, and, accordingly, the County shall be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all the taxable property within the County for the payment thereof, without limitation as to rate or amount, when required under the provisions of applicable law. This full, unconditional and irrevocable guaranty of the County effected hereby to pay the principal of and interest on the Bonds when due, in accordance with the terms hereof, shall not be abrogated for any reason. Any Bonds which are no longer considered outstanding under the Trust Indenture shall not be counted for the purpose of \$22,000,000 limitation contained in this guaranty.

Section 3. The Chairman or Vice Chairman of the Board of Chosen Freeholders, the County Manager, the Finance Director of the County, or the County Treasurer (each an "Authorized Officer") shall, by manual or facsimile signature, execute a guaranty certificate that shall be attached to each of the Bonds evidencing this guaranty by the County as to the punctual payment of the principal thereof and interest thereon. The guaranty certificate attached to each Bond shall be in substantially the following form, and absent the fully executed guaranty certificate in such form attached to such Bond, such Bond shall not be entitled to the benefits of this guaranty:

GUARANTY BY THE COUNTY OF UNION, STATE OF NEW JERSEY

The payment of the principal of (including mandatory sinking fund installments, if any) and interest on the within Bond is hereby fully, unconditionally and irrevocably guaranteed by the County of Union, State of New Jersey for as long as such bond is outstanding under the Trust Indenture and the County shall be unconditionally and irrevocably obligated to pay the principal of (including mandatory sinking fund installments, if any) and interest on this Bond, when due, in the same manner and to the same extent as in the case of bonds issued by the County and, accordingly, the County shall be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all the taxable property within the County for the payment hereof without limitation as to rate or amount when required under the provisions of applicable law.

IN WITNESS WHEREOF, the County of Union, State of New Jersey, has caused this guaranty to be executed by the signature of an Authorized Officer.

COUNTY OF UNION, STATE OF NEW JERSEY

By: _____
Name
Title

The Chairman or Vice Chairman of the Board of Chosen Freeholders, the County Manager, the Finance Director of the County, or the County Treasurer are each hereby further authorized to execute such other certificates or agreements relating to this guaranty that may be required by the Authority to comply with the terms of the financing documents relating to the Bonds, including, without limitation, (i) any agreements or certificates detailing the time and method that payment under this guaranty shall be made by the County, (ii) any letters of representations or similar undertakings to be executed in connection with the sale of the Bonds, setting forth certain representations, warranties and covenants of the County as an inducement to the purchase of the Bonds, (iii) any certificates deeming "final" (for the purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission) any Preliminary or final Official Statements of the Authority in connection with the Bonds, and (iv) any bond purchase agreement or continuing disclosure agreement executed in connection with the sale of the Bonds. Such further agreements or certificates shall not abrogate the County's responsibilities hereunder.

The Chairman or Vice Chairman of the Board of Chosen Freeholders, the County Manager, the Finance Director of the County, or the County Treasurer are each hereby further authorized to execute one or more continuing disclosure agreement(s) or other instrument(s) undertaking the secondary disclosure obligations of the County required by Rule 15c2-12 of the United States Securities and Exchange Commission in connection with the issuance of any Bonds by the Authority.

Section 4. It is hereby found, determined and declared by the governing body of the County that:

(a) This guaranty may be adopted notwithstanding any statutory debt or other limitations, including particularly any limitation or requirement under or pursuant to the Local Bond Law, but the aggregate principal amount of the Bonds that shall be entitled to the benefits of this guaranty, being an amount not to exceed \$22,000,000 outstanding at any time, shall after their issuance be included in the gross debt of the County for the purpose of determining the indebtedness of the County under or pursuant to the Local Bond Law.

(b) The principal amount of Bonds entitled to the benefits of this guaranty and included in the gross debt of the County shall be deducted, and is hereby declared to be and to constitute a deduction, from such gross debt under and for all the purposes of the Local Bond Law (i) from and after the time of issuance of the Bonds until the end of the fiscal year beginning next after the completion of the acquisition or construction of the project to be financed from the proceeds of the Bonds, and (ii) in any annual debt statement filed pursuant to the Local Bond Law as of the end of said fiscal year or any subsequent fiscal year, if the revenues or other receipts or moneys of the Authority in such fiscal year are sufficient to pay its expenses of operation and maintenance in such fiscal year and all amounts payable in such fiscal year on account of the principal of and interest on all such guaranteed Bonds, all Bonds of the County issued as provided in Section 36 of the Act (N.J.S.A. 40:37A-79), and all Bonds of the Authority issued under the Act.

Section 5. The following matters are hereby determined, declared, recited and stated:

(a) The maximum outstanding principal amount of Bonds of the Authority that are hereby and hereunder guaranteed as to the punctual payment of the principal thereof and interest thereon at any time is \$22,000,000.

(b) The purpose described in this guaranty is not a current expense of the County, and no part of the cost thereof has been or shall be assessed on property specially benefited thereby.

(c) A supplemental debt statement of the County has been duly made and filed in the office of the Clerk of the Board, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of

the State, and such debt statement shows that while the gross debt of the County, as defined in the Local Bond Law, is increased by this guaranty by \$22,000,000, in accordance with the provisions of the Act, the net debt of the County is not increased, and the obligation of the County authorized by or incurred pursuant to the terms of this guaranty is permitted by an exception to the debt limitations of the Local Bond Law, which exception is contained in the Act.

(d) All other items to be contained in a bond ordinance adopted pursuant to the Local Bond Law are hereby determined to be inapplicable to the County's guaranty of the Bonds hereby.

Section 6. Pursuant to and in accordance with the terms of the Act, specifically N.J.S.A. 40:37A-56, the County does hereby consent to: (i) the refinancing of the Refunded 2010 Bonds for debt service savings and the refinancing of the same through the Authority with such Bonds in an aggregate principal amount not to exceed \$22,000,000, (ii) the execution of any and all agreements and/or amendments thereto in connection therewith, and (iii) the guaranty of the Bonds of the Authority issued to refinance the Refunded 2010 Bonds.

Section 7. This guaranty shall take effect at the time and in the manner provided by law.

BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF UNION
PUBLIC NOTICE
NOTICE OF PENDING GUARANTY ORDINANCE AND SUMMARY

The guaranty ordinance, the summary terms of which are included herein, was introduced and adopted upon first reading at a meeting of the Board of Chosen Freeholders of the County of Union, State of New Jersey, held on June 21, 2018, and will be further considered for final passage, after public hearing thereon, at a meeting of said Board of Chosen Freeholders to be held at the County Administration Building, on 10 Elizabethtown Plaza, in the City of Elizabeth, in said County, on July 19, 2018 at 7:00 p.m. During the week prior to and up to and including the date of such meeting copies of the full guaranty ordinance will be available at no cost and during regular business hours, at the Office of the Clerk of the Board of Chosen Freeholders for the members of the general public who shall request the same. The summary of the terms of such guaranty ordinance follows:

- Title:** ORDINANCE AUTHORIZING THE GUARANTY BY THE COUNTY OF UNION, STATE OF NEW JERSEY OF PAYMENT OF PRINCIPAL OF AND INTEREST ON THE COUNTY GUARANTEED REVENUE REFUNDING BONDS, SERIES 2018 (OAKWOOD PLAZA-ELIZABETH PROJECT) OF THE UNION COUNTY IMPROVEMENT AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$22,000,000 FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY IN CONNECTION WITH THE AUTHORITY'S ISSUANCE OF SUCH REFUNDING BONDS, CONSENTING TO SUCH FINANCING AND DETERMINING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH
- Purpose(s):** To Guaranty The Payment Of The Principal Of And Interest On Not To Exceed \$22,000,000 Aggregate Principal Amount of County Guaranteed Revenue Refunding Bonds, Series 2018 (Oakwood Plaza-Elizabeth Project) Of The Union County Improvement Authority And Consenting To Such Financing And The Execution Of Any And All Agreements In Connection Therewith
- Appropriation:** None (in the event there are insufficient monies from the Union County Improvement Authority to pay principal of and interest on the Bonds, the County of Union will appropriate monies, pursuant to the guaranty, sufficient to pay such deficiency)
- Bonds/Notes Authorized:** None (in the event there are insufficient monies from the Union County Improvement Authority to pay principal of and interest on the Bonds Notes, the County of Union will appropriate monies, pursuant to the guaranty, sufficient to pay such deficiency)
- Grants (if any) Appropriated:** None
- Section 20 Costs:** None
- Useful Life:** None (the guaranty will remain in effect so long as any Bonds remain unpaid)

JAMES E. PELLETTIERE,
Clerk of the Board of Chosen Freeholders

BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF UNION
PUBLIC NOTICE
GUARANTY ORDINANCE STATEMENT AND SUMMARY

The guaranty ordinance, the summary terms of which are included herein, has been finally adopted by the Board of Chosen Freeholders of the County of Union, State of New Jersey, on July 19, 2018, and the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this Statement. Copies of the full guaranty ordinance are available at no cost and during regular business hours, at the Office of the Clerk of the Board of Chosen Freeholders for members of the general public who request the same. The summary of the terms of such guaranty ordinance follows:

- Title:** ORDINANCE AUTHORIZING THE GUARANTY BY THE COUNTY OF UNION, STATE OF NEW JERSEY OF PAYMENT OF PRINCIPAL OF AND INTEREST ON THE COUNTY GUARANTEED REVENUE REFUNDING BONDS, SERIES 2018 (OAKWOOD PLAZA-ELIZABETH PROJECT) OF THE UNION COUNTY IMPROVEMENT AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$22,000,000 FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY IN CONNECTION WITH THE AUTHORITY'S ISSUANCE OF SUCH REFUNDING BONDS, CONSENTING TO SUCH FINANCING AND DETERMINING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH
- Purpose(s):** To Guaranty The Payment Of The Principal Of And Interest On Not To Exceed \$22,000,000 Aggregate Principal Amount of County Guaranteed Revenue Refunding Bonds, Series 2018 (Oakwood Plaza-Elizabeth Project) Of The Union County Improvement Authority And Consenting To Such Financing And The Execution Of Any And All Agreements In Connection Therewith
- Appropriation:** None (in the event there are insufficient monies from the Union County Improvement Authority to pay principal of and interest on the Bonds, the County of Union will appropriate monies, pursuant to the guaranty, sufficient to pay such deficiency)
- Bonds/Notes Authorized:** None (in the event there are insufficient monies from the Union County Improvement Authority to pay principal of and interest on the Bonds Notes, the County of Union will appropriate monies, pursuant to the guaranty, sufficient to pay such deficiency)
- Grants (if any) Appropriated:** None
- Section 20 Costs:** None
- Useful Life:** None (the guaranty will remain in effect so long as any Bonds remain unpaid)

JAMES E. PELLETTIERE,
Clerk of the Board of Chosen Freeholders

CERTIFICATE OF INTRODUCTION

I, the undersigned Clerk of the Board of Chosen Freeholders of the County of Union, State of New Jersey, DO HEREBY CERTIFY that the foregoing is an extract from the Minutes of a regular meeting of said Board of Chosen Freeholders duly called and held on June 21, 2018 at 7:00 p.m. at the County Administration Building, on 10 Elizabethtown Plaza, in the City of Elizabeth, New Jersey and that the following was the roll call:

Present:

Absent:

I FURTHER CERTIFY that the foregoing extract has been compared by me with the original minutes as officially recorded in my office in the Minute Book of the Board of Chosen Freeholders and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to in the extract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the County as of this ____ day of _____, 2018.

(SEAL)

JAMES E. PELLETTIERE,
Clerk of the Board of Chosen Freeholders

CERTIFICATE OF PUBLIC HEARING/FINAL ADOPTION

I, the undersigned Clerk of the Board of Chosen Freeholders of the County of Union, State of New Jersey, DO HEREBY CERTIFY that the foregoing is an extract from the Minutes of a regular meeting of said Board of Chosen Freeholders duly called and held on July 19, 2018 at 7:00 p.m. at the County Administration Building, on 10 Elizabethtown Plaza, in the City of Elizabeth, New Jersey and that the following was the roll call:

Present:

Absent:

I FURTHER CERTIFY that the foregoing extract has been compared by me with the original minutes as officially recorded in my office in the Minute Book of the Board of Chosen Freeholders and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to in the extract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the County as of this ____ day of _____, 2018.

(SEAL)

JAMES E. PELLETTIERE,
Clerk of the Board of Chosen Freeholders