



UNION COUNTY IMPROVEMENT AUTHORITY

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Resolution No. 103-2016

Date: December 7, 2016

**SUPPLEMENTAL BOND RESOLUTION AUTHORIZING THE
ISSUANCE OF NOT TO EXCEED \$35,000,000 COUNTY GUARANTEED
LEASE REVENUE BONDS, SERIES 2016 (BOROUGH OF ROSELLE
COMMUNITY CENTER AND LIBRARY PROJECT) OF THE UNION
COUNTY IMPROVEMENT AUTHORITY AND DETERMINING
VARIOUS OTHER MATTERS IN CONNECTION THEREWITH**

APPROVED AS TO FORM:

Lisa M. da Silva, RMC
Clerk of the Authority

Lisa M. da Silva

APPROVED AS TO SUFFICIENCY OF FUNDS

☐ YES ☐ NO ☒ NONE REQUIRED
UNION COUNTY IMPROVEMENT AUTHORITY

Andrew B. ...

	PRESENT	ABSENT	AYE	NAY	ABSTAIN	MOTION	SECOND
<i>Bornstad</i>	✓		✓			✓	
<i>D'Elia</i>	✓		✓				
<i>Hockaday</i>	✓		✓				
<i>Lattimore</i>	✓		✓				✓
<i>Salerno, Secretary</i>	✓		✓				
<i>Szpond</i>		✓					
<i>Tomko, Treasurer</i>	✓		✓				
<i>Rountree, Vice Chair</i>	✓		✓				
<i>Scutari, Chairman</i>	✓		✓				

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COMMUNITY CENTER AND LIBRARY PROJECT) OF THE UNION
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VARIOUS OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the Union County Improvement Authority (the "Authority") has been duly created by a resolution duly adopted on June 5, 1986 by the Board of Chosen Freeholders (the "Board of Freeholders") of the County of Union (the "County") in the State of New Jersey (the "State") as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the Borough of Roselle, New Jersey (the "Borough") has acquired from the Board of Education of the Borough a long-term ground leasehold interest in a parcel of land located at Block 1105, Lots 10 and 22 (the "Land") on the official tax map of the Borough for the express purpose of, among other things, implementing the design, development, finance, construction, maintenance and operation of a community center and public library complex (the "Facilities"); and

WHEREAS, the Authority is authorized by law, specifically Section 11 of the Act (N.J.S.A. 40:37A-54(a)), to provide public facilities for the use of the Borough, including without limitation, the provision of the Facilities; and

WHEREAS, in order to finance the Facilities, the Authority will issue bonds or project notes in one or more series, including renewals, if any, in an aggregate principal amount not to exceed \$35,000,000, to be designated as "County Guaranteed Lease Revenue Bonds, Series 2016 (Borough of Roselle Community Center and Library Project)" (the "Bonds") with such further designation and in accordance with the terms of a resolution of the Authority entitled "Resolution Authorizing the Issuance of County Guaranteed Lease Revenue Bonds, Series 2016 (Borough of Roselle Community Center and Library Project) of the Union County Improvement Authority and Determining Other Matters Related Thereto" (together with any amendments thereof or supplements thereto in accordance with the terms thereof, the "General Bond Resolution") to assist the Borough with the financing of such costs; and

WHEREAS, in connection with the issuance of such Bonds, the Borough will lease to the Authority the Land pursuant to the terms of a Lease Agreement to be dated as of the first day of the month of issuance of the Bonds, between the Borough and the Authority (together with any amendments thereof or supplements thereto in accordance with its terms, the "Lease Agreement"); and

WHEREAS, pursuant to the Act, specifically Section 34 thereof (N.J.S.A. 40:37A-77), the Authority is authorized, without any referendum or public or competitive bidding, to enter into and perform any lease, including the Lease Agreement, with the Borough for the use, maintenance or operation by the Authority as part of any public facility, any real or personal property which may be necessary or useful and convenient for the purposes of the Authority and accepted by the Borough; and

WHEREAS, the Facilities constitute a “public facility” as such term is defined in the Act; and

WHEREAS, in connection with the issuance of the Bonds, it will also be necessary for the Authority to lease the Facilities, once constructed, to the Borough pursuant to the Lease Agreement (the transactions contemplated by the Lease Agreement shall sometimes be herein referred to as the “Project”); and

WHEREAS, pursuant to the Act, specifically Section 35 thereof (N.J.S.A. 40:37A-78), the Authority is authorized to enter into and perform any lease or other agreement, including the Lease Agreement, with the Borough for the lease to or use by the Borough of all or any part of any public facility on any terms and conditions which may be agreed upon by the Borough and the Authority; and

WHEREAS, the Bonds shall be secured by valid and binding lease payments of the Borough under the Lease Agreement in scheduled lease payment amounts sufficient to pay in a timely manner the principal and redemption premium, if any, of and interest on the Bonds; and

WHEREAS, in accordance with Section 13 (“Section 13”) of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Bonds, the Authority will have made a detailed report of the Board of Chosen Freeholders of the County, which report will include, without limitation, the Bond Resolution, the Initial Bonds and the Lease Agreement (collectively, the “Financing Documents”); and

WHEREAS, the Authority desires, under and pursuant to this Supplemental Bond Resolution (the “Supplemental Bond Resolution”) to issue not to exceed \$35,000,000 aggregate principal amount of the Bonds, to appoint the Trustee, Registrar and Paying Agent therefor, to authorize the execution of necessary documentation, to delegate the sale and award of the Bonds to the Authorized Authority Representative, to determine other matters in connection with such Bonds and to adopt this Supplemental Bond Resolution to effectuate the purposes herein stated.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE UNION COUNTY IMPROVEMENT AUTHORITY, AS FOLLOWS:

ARTICLE I

Definitions

Section 101. This resolution may hereinafter be cited as the “Supplemental Bond Resolution”.

Section 102. Terms Defined in Resolution. Whenever used or referred to in this Supplemental Bond Resolution all capitalized terms herein shall, unless specifically defined herein or unless the context clearly requires otherwise, have the same meanings which are assigned to such terms in the General Bond Resolution.

Section 103. Definitions. As used or referred to in this Supplemental Bond Resolution, unless a different meaning clearly appears from the context:

(A) “Authorized Authority Representative” means the Chairperson, Vice Chairperson or the Executive Director of the Authority and any other person or persons who are authorized to act on behalf of the Authority by virtue of a written certificate, duly executed on behalf of the Authority.

(B) “Certificate of Authority Officer” means a certificate which is executed by the Authorized Authority Representative determining any of the details relating to the issuance, sale, security for any other internal matters as provided in this Supplemental Bond Resolution.

(C) “Paying Agent” means the paying agent appointed for the Bonds in accordance with Section 301 hereof;

(D) “Registrar” means the registrar appointed for the Bonds in accordance with Section 301 hereof;

(E) “Securities Depository” means the securities depository appointed for the Bonds in accordance with Section 301 hereof;

(F) “Trustee” means the trustee appointed for the Bonds in accordance with Section 301 hereof; and

(G) “Underwriters” means such underwriter or underwriters as determined by the Certificate of Authority Officer.

ARTICLE II

Authorization, Amount and Description of the Bonds

Section 201. Authorization and Purpose of the Bonds. The proceeds of the Bonds will be used to:

- (A) implement the design, development, finance, and construction of the Facilities;
- (B) if necessary, fund the Bond Reserve Fund;
- (C) if necessary, fund capitalized interest on the Bonds;
- (D) provide for the costs of issuance associated with the Bonds; and
- (E) any other matters set forth in a Certificate of Authority Officer necessary in order to effectuate the Project

Section 202. Amount and Title of the Bonds. Not to exceed \$35,000,000 of the Bonds are hereby authorized to be issued and sold in accordance with the provisions of the General Bond Resolution, this Supplemental Bond Resolution and a Certificate of Authority Officer authorized pursuant to Section 203 of this Supplemental Bond Resolution. Each of such Bonds shall be designated "County Guaranteed Lease Revenue Bonds, Series 2016 (Borough of Roselle Community Center and Library Project)" as set forth below. Such Bonds may be issued and sold in one or more series, including renewals, if any, and as taxable or non-taxable obligations as determined by the Authorized Authority Representative in consultation with the Authority's Bond Counsel and Municipal Advisor and set forth in Certificate of Authority Officer.

Section 203. Description of the Bonds.

(A) Description of the Bonds; Delegation to Authority Officer. Pursuant to and in accordance with the provisions of *N.J.S.A. 40:37A-60* and the terms of the General Bond Resolution, the Authority hereby determines that the Authorized Authority Representative is hereby designated as the individual who shall have the power to sell and to award the Bonds on behalf of the Authority to the Underwriters, in accordance with the terms of the Certificate of Authority Officer and subject to the parameters set forth herein, including the power to determine, among other things (a) the amount of Bonds to be issued, in an amount not to exceed the amount set forth in Section 202 hereof, which are authorized to be issued pursuant to the terms of Section 301 of the General Bond Resolution, (b) the time and the manner of sale of the Bonds, (c) the maturity or maturities of such Bonds and the provisions pertaining to redemptions thereof and/or sinking funds established therefor, (d) the rate or rates of interest for such Bonds, and (e) such other terms and conditions as may be necessary or related to the sale of the Bonds.

The Authorized Authority Representative is hereby authorized to award such Bonds to the Underwriters. Such award shall be evidenced by the execution of a Certificate of Authority Officer. Such Certificate of Authorized Authority Representative shall determine the terms and conditions relating to the sale of the Bonds, including the rate of interest to be borne by the Bonds and the Underwriters' discount, if any, which is payable to the Underwriters in connection with the sale of the Bonds; provided however, that no individual maturity or sinking fund installment shall be in excess of two and one-half million dollars and the maximum maturity of the Bonds will not exceed 40 years; provided however, that without the further authorization of the Authority, the rate or rates of interest (or the net interest rate in the event that the Bonds are issued as fixed interest rate obligations) or the initial rate of interest (in the event that the Bonds bear interest at a variable rate of interest), as the case may be, to be borne by the Bonds shall not exceed six per centum (6.00%) per annum for such Bonds issued as Tax-Exempt Obligations and seven and one-half per centum (7.50%) per annum for such Bonds issued as taxable obligations; provided however, that the Underwriters' discount for the Bonds shall not exceed \$6.00 per \$1,000 principal amount of such Bonds; and provided however, that the rate of interest (or net interest rate, if applicable) or the initial rate of interest on the Bonds and the Underwriters' discount for such Bonds may exceed the amounts which are set forth herein if such greater rate of interest or such greater Underwriters' discount is approved, prior to the award and sale of such Bonds, by a resolution duly adopted by the Authority. Such Certificate shall contain such other terms and conditions as shall be deemed to be necessary in connection with the sale of the Bonds.

(B) Execution of Bond Purchase Agreement Evidencing Award of the Bonds.

The sale and award of the Bonds by the Authorized Authority Representative shall be evidenced by the execution of the Certificate of Authority Officer as of the date of the sale and the award of the Bonds and a bond purchase agreement executed by the Underwriters, and such Certificate and bond purchase agreement shall be presented to the members of the Authority at the next regular meeting of the Authority following such sale and award as evidence of the terms and details of the sale of such Bonds. The Authorized Authority Representative is hereby authorized and directed to execute the bond purchase agreement and to deliver same to the Underwriters on terms deemed advisable by the Authorized Authority Representative in consultation with the Authority's Bond Counsel and Municipal Advisor, and the signature upon the same shall be determinative evidence thereof. The Bonds will be sold to the Underwriter for the purchase price set forth in the Bond Purchase Contract, plus accrued interest, if any, and giving effect to an Underwriter's discount, all as set forth therein. Settlement of the purchase price for the Bonds will be made as provided in the Bond Purchase Contract.

(C) Denomination and Place of Payment. The Bonds shall be issued in book-entry form only and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). The Bonds shall be issued in the form of one certificate for each maturity for each series, in the aggregate principal amount of such maturity. As long as DTC or its nominee, Cede & Co., is the Registered Owner of the Bonds, payments of the principal of, redemption premiums, if any, and interest on the Bonds will be made by the Paying Agent directly to Cede & Co., as Registered

Owner, which will remit such payments to DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds. All other terms and conditions with respect to the payment of the principal of, redemption premium, if any, and interest on the Bonds shall be as provided in the General Bond Resolution.

(D) Transfer and Exchange of Bonds. As long as the Bonds remain in book-entry form, such Bonds shall be transferable only upon the records of DTC. All other provisions governing the transfer and exchange of the Bonds shall be as provided in the General Bond Resolution.

(E) Form of the Bonds. The Bonds shall be in substantially the form set forth in Section 1207 of the General Bond Resolution, which form is by this reference incorporated in full as if set forth herein, with such omissions, insertions and variations as are properly required and which are not contrary to any of the provisions of the General Bond Resolution or any of the provisions of this Supplemental Bond Resolution.

ARTICLE III

Trustee, Registrar, Paying Agent, Securities Depository, Official Statement, and other Required Actions

Section 301. Appointment of Trustee, Registrar, Paying Agent, Securities Depository and Municipal Advisor.

(A) DTC is hereby appointed to serve as Securities Depository for the Bonds, pursuant to and under the provisions of the General Bond Resolution

(B) The appointment of the (i) Paying Agent, Registrar and Trustee, (ii) Underwriter and (iii) the Printer in connection with the issuance and sale of the Bonds shall be designated by the Authorized Authority Representative pursuant to the Certificate of Authority Officer.

(C) NW Financial Group is hereby appointed to serve as Municipal Advisor in connection with the issuance and sale of the Bonds.

Section 302. Authorization of Official Statement. The Authority's Bond Counsel and the Underwriters are hereby authorized to prepare and to distribute a Preliminary Official Statement on behalf of the Authority in connection with the sale of the Bonds. The form and content of such Preliminary Official Statement shall, prior to the distribution thereof, be approved by the Authority, or by the Authorized Authority Representative, as the case may be, acting on behalf of the Authority. Subsequent to obtaining such approval, the Preliminary Official Statement may be revised, if necessary, and may contain additional terms and information relating to the sale of the Bonds; provided however, that the form and content of such revised Preliminary Official Statement shall have been previously approved by the

Authority, or by the Authorized Authority Representative, as the case may be, acting on behalf of the Authority, prior to the distribution thereof. The Authorized Authority Representative is hereby authorized to execute the final Official Statement and shall execute any closing or other documents which are required to be executed in connection with the delivery of the Bonds. Any actions which are not determined by this Supplemental Bond Resolution or any other resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds shall be determined by the execution of a Certificate of Authority Officer.

Section 303. Approval of Lease Agreement and Other Actions. The Authorized Authority Representative shall also take all other actions and execute the Lease Agreement and any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by the Authorized Authority Representative to consummate the transactions contemplated by the General Bond Resolution, this Supplemental Bond Resolution or the Lease Agreement.

Section 304. Intentionally Left Blank.

Section 305. Certificate of Authority Officer. In accordance with the General Bond Resolution and in addition to matters set forth in Section 203 of this Supplemental Bond Resolution, the Authorized Authority Representative, and after consultation with Authority Bond Counsel and the Authority Municipal Advisor, as applicable, is hereby:

- (i) authorized to execute the Certificate of Authority Officer;
- (ii) authorized to execute the Bond Purchase Contract;
- (iii) authorized to take all actions necessary to provide any Credit Facility for the Bonds in accordance with Section 502(c) of the General Bond Resolution, including the qualification and commitment for a Municipal Bond Insurance Policy and including additional covenants that may be required by purchasers of the Bonds on behalf of the holders of the Bonds;
- (iv) authorized to negotiate the final terms and conditions of the Lease Agreement and execute the same; and
- (v) authorized to amend or modify the provisions of the General Bond Resolution or this Supplemental Bond Resolution in the Certificate of Authority Officer, provided that any such amendment or modification occurs prior to the issuance of the Bonds.

ARTICLE IV

Proceeds of the Bonds

Section 401. Application of Proceeds of the Bonds. At the time of delivery of the Bonds, the proceeds of the Bonds shall be irrevocably deposited with the Trustee and applied in accordance with the letter of instruction of an Authorized Authority Representative provided at the closing of the Bonds.

Section 402. Bond Reserve Fund. The Bond Reserve Requirement for the Bonds is an amount equal to the lesser of (i) Maximum Annual Bond Service, (ii) one hundred twenty-five percent (125%) of the average annual bond service, or (iii) ten percent (10%) of the stated principal amount (substituting the “issue price” for the “stated principal amount” if the Bonds have more than a “de minimis” amount of original issue discount or premium, as such terms are defined for the purposes of Section 148 of the Code) of the Bonds issued, as shall be determined by the Certificate of Authority Officer upon initial issuance of the Bonds; provided however, that, to the extent that any Bonds are issued as tax-exempt obligations, the amount of proceeds derived from the sale of such Bonds, if any, which are deposited into the Bond Reserve Fund in satisfaction or partial satisfaction of the “Bond Reserve Requirement” shall be limited to the amount of the proceeds of such Bonds in order to maintain the exclusion from gross income of interest on such Bonds. The Bond Reserve Requirement may be modified by a Certificate of an Authority Officer in connection with the Chairman to the extent that such modification facilitates and/or does not impede the marketing and sale of the Bonds.

Section 403. Costs of Issuance of the Bonds. The Trustee is hereby authorized and directed to pay all of the costs of issuance in connection with the sale of the Bonds from the Construction Fund pursuant to the Certificate of Authority Officer or any other certificate of the Executive Director of the Authority to be delivered to the Trustee at or about the time of closing.

ARTICLE V

Continuing Disclosure Undertaking

Section 501. Material Events Disclosure. Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission as amended and interpreted from time to time (the “Rule”), the Authorized Authority Representative is hereby authorized to execute a Continuing Disclosure Agreement on behalf of the Authority in connection with the delivery and issuance of the Bonds.

Section 502. Damages. In the event that the Authority fails to comply with the requirements of the Continuing Disclosure Agreement, the Authority shall not be liable for monetary damages, remedy being hereby specifically limited to specific performance. If any part of the Rule ceases to be in effect for any reason, then the information required to be provided in the Continuing Disclosure Agreement, insofar as the provisions of the Rule no longer require such information, shall no longer be required pursuant to this Supplemental Bond Resolution.

Section 503. Amendments. Article V of this Supplemental Bond Resolution and the Continuing Disclosure Agreement may be amended from time to time without notice to the Bondholders if the Authority determines that an amendment is necessary to comply with the Rule and such amendment, in the opinion of nationally recognized bond counsel, complies with the Rule.

ARTICLE VI

Miscellaneous

Section 601. Amendments. The Authorized Authority Representative of the Authority is hereby authorized, prior to the execution and delivery of the Bonds, through the execution of a Certificate of Authority Officer, to approve and to implement any amendments and/or supplements to any financing documents, including the General Bond Resolution and this Supplemental Bond Resolution, that may be required to amend, modify or clarify the terms and conditions of the General Bond Resolution or this Supplemental Bond Resolution relating to the authorization, issuance, sale, security, flow of funds or covenants of the Bonds or as may be required by any rating agency and/or bond insurer in connection with their delivery of ratings on the Bonds or issuance of financing guaranty insurance, respectively; provided however, that, the Authorized Authority Representative, in conjunction with the Authority's Bond Counsel and General Counsel, has determined that any such amendments and/or supplements will not have a material or adverse affect on the ability of the Authority to market, sell and deliver the Bonds or on any of the material terms, conditions and/or covenants set forth in the General Bond Resolution or this Supplemental Bond Resolution.

Section 602. Filing of the Supplemental Bond Resolution. The Secretary of the Authority is hereby authorized and directed to cause copies of the Supplemental Bond Resolution to be filed for public inspection at the offices of the Trustee and the Authority.

Section 603. Effective Date. This Supplemental Bond Resolution shall take effect immediately.