

RESOLUTION NO. 58-2012

Member Vollero introduced and moved the adoption of the following resolution and Member Brought seconded the motion:

RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE SUBORDINATED LEASE PAYMENT AGREEMENT (JUVENILE DETENTION CENTER FACILITY PROJECT) BY AND BETWEEN THE UNION COUNTY IMPROVEMENT AUTHORITY AND THE COUNTY OF UNION

WHEREAS, The Union County Improvement Authority (together with any successor thereto, the "Authority") has been duly created by an Ordinance of the Board of Chosen Freeholders together with any successor legislative body, the ("Board of Freeholders") of the County of Union, State of New Jersey (together with any successor thereto, the "County") duly adopted 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 Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); 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 County, including, without limitation, the provision for the acquisition of land (the "Property") for and the construction of a juvenile detention center facility (the "Juvenile Detention Center Facility") located in the City of Linden, New Jersey; 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 with the County for the lease to or use by the County of all or any part of any public facility or facilities as determined in Section 11 of the Act (N.J.S.A. 40:37A-54); and

WHEREAS, the County and the Authority entered into that certain Interlocal Services Agreement dated December 22, 2003 (the "Interlocal Services Agreement") which sets forth certain duties of the County and the Authority with respect to, among other things, the development, financing and implementation of the Initial Project (hereinafter defined); and

WHEREAS, the Authority acquired the Property from the owners thereof (the "Initial Project"); and

WHEREAS, on December 29, 2004, the Authority issued \$8,900,000 aggregate principal amount of its County of Union General Obligation Lease Revenue Bonds, Series 2004 (Juvenile Detention Center Facility Project) (the "Series 2004 Bonds") pursuant to the terms of the Act, other applicable law and the Authority's "Resolution Authorizing the Issuance of County of Union General Obligation Lease Revenue Bonds (Juvenile Detention Center Facility Project) and Additional Bonds of The Union County Improvement Authority" adopted by the Authority on August 4, 2004 (the "Initial Bond Resolution"); and

WHEREAS, the proceeds of the Series 2004 Bonds were applied to, inter alia, the payment of the (a) costs of the acquisition of the Property, including reimbursing the County for any amount previously loaned to the Authority in connection therewith, (b) costs of the demolition of existing structures on the Property, (c) costs of the construction of the Juvenile Detention Center Facility, (d) costs of issuing the Series 2004 Bonds, (e) capitalized interest on the Series 2004 Bonds and (f) any other costs set forth in this Bond Resolution; and

WHEREAS, in accordance with N.J.S.A. 40:37A-78, the Authority leased the Initial Project to the County pursuant to the terms of that certain "Lease Purchase Agreement (Juvenile Detention Center Facility Project)" dated as of the first day of the month of issuance of the Series 2004 Bonds between the Authority, as lessor, and the County, as lessee (the "Original Lease Agreement"); and

WHEREAS, during the term of the Lease Agreement (as hereinafter defined), title to the Initial Project resides with the Authority; and

WHEREAS, immediately prior to the expiration of the terms of the Lease Agreement, the County will purchase all of the Authority's right, title and interest in and to the Initial Project and any additional project for a nominal fee; and

WHEREAS, the Authority financed the remaining portion of the Project, consisting of construction of a facility, through the issuance of its County of Union General Obligation Lease Revenue Bonds, Series 2005 (Juvenile Detention Center Facility Project) (the "Series 2005 Bonds"); and

WHEREAS, the Series 2005 Bonds were issued pursuant to the terms of the Act, other applicable law, the Initial Bond Resolution and a supplemental resolution of the Authority entitled "Supplemental Bond Resolution of the Union County Improvement Authority Authorizing the Issuance of its not to exceed \$30,100,000 County of Union General Obligation Lease Revenue Bonds, Series 2005 (Juvenile Detention Center Facility Project)" adopted by the Authority prior to the issuance of the Series 2005 Bonds (the "Series 2005 Supplemental Bond Resolution"; the Initial Bond Resolution, together with the Series 2005 Supplemental Bond Resolution and any further amendments or supplements thereto in accordance with the terms thereof may be collectively referred to as the "Bond Resolution"); and

WHEREAS, the Authority, as lessor and the County, as lessee entered into amendment to Amendment No. 1 to the Original Lease Agreement pursuant to the terms ("Amendment No1" and with the Original Lease Agreement, the "Lease Agreement"); and

WHEREAS, the principal of, redemption premium, if any, and the interest on the Series 2005 Bonds are secured by general obligation lease payments of the County 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 the interest on the Series 2005 Bonds, pursuant to the terms of which Lease Agreement the County shall be obligated, if necessary, to make such lease payments from the levy of ad valorem taxes upon all of the taxable property within the County, without limitation as to rate or amount; and

WHEREAS, in accordance with Section 13 of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Series 2005 Bonds the Authority made a detailed report of the Initial Project and the financing to the Board of Freeholders, which report included, without limitation, the Bond Resolution, the Series 2005 Bonds, the Lease Agreement, and the Continuing Disclosure Agreement (collectively, the "Financing Documents"); and

WHEREAS, in view of certain market conditions, the County has request that the Authority restructure and refinance the debt service of the Series 2005 Bonds to provide for certain savings; and

WHEREAS, the Authority is desirous of assisting in the refinancing of the Series 2005 Bonds, to the extent permitted by law; and

WHEREAS, the Authority expects to obtain funds to assist in the refunding of the Series 2005 Bonds (the "Refunded Bonds") through the issuance of not to exceed \$24,690,000 of **GENERAL OBLIGATION LEASE REVENUE REFUNDING BONDS, SERIES 20_A (JUVENILE DETENTION CENTER FACILITY PROJECT)** (the "Refunding Bonds") issued pursuant to a Bond Resolution adopted by the Authority entitled "**SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF UNION GENERAL OBLIGATION LEASE REVENUE REFUNDING BONDS, SERIES 2012 (JUVENILE DETENTION CENTER FACILITY PROJECT) AND ADDITIONAL BONDS OF THE UNION COUNTY IMPROVEMENT AUTHORITY**" (the "Supplemental Bond Resolution"); 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 shall make a detailed report with respect to such financing to the Board of Chosen Freeholders of the County, which report shall include copies or a description of, without limitation, the various financing documents; and

WHEREAS, the Authority has further determined that it is in the best interest of the Authority and the County to enter into a Forward Purchase Contract dated June 7, 2012 ("Forward Purchase Contract") providing for the refunding of the Refunded Bonds pursuant to which the Authority will receive for the benefit of the County, an upfront payment for the option to elect to purchase all or a portion of the Refunded Bonds on a future date (the "Refunding"); and

WHEREAS, under the provisions of, and to secure the payment of sums that may come due under the Forward Purchase Contract (the "Forward Purchase Contract Obligations"), the County and the Authority have determined to enter into this Subordinated Lease Payment Agreement, to provide for the payments of such Subordinated Lease Payments (as hereinafter defined), the obligation for the payment of which shall be subordinate to the obligation of the County to make lease payments under the Lease Agreement; and

WHEREAS, the Forward Purchase Contract Obligations will be secured by general obligation subordinated lease payments of the County under the Subordinated Lease Payment Agreement in amounts sufficient to pay the Forward Purchase Contract Obligations if and when same become due and payable, and the County shall be obligated, if necessary, to make such payments from the levy of *ad valorem* taxes upon all of the taxable property within the County, without limitation as to rate or amount; and

WHEREAS, the Authority believes: (a) it is in the public interest to accomplish such purpose; (b) said purpose is for the health, welfare, convenience or betterment of the inhabitants of the County; (c) the amounts to be expended for said purpose are not unreasonable or exorbitant; and (d) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the County and will not create an undue financial burden to be placed upon the Authority or the County.

NOW THEREFORE, BE IT RESOLVED by the Union County Improvement Authority as follows:

ARTICLE I DEFINITIONS

Section 101. Definitions. All terms defined in Section 1.01 of the Bond Resolution of the Union County Improvement Authority authorizing the issuance of its General Obligation Lease Revenue Bonds, Series 2004 (Juvenile Detention Center Facility Project) and Additional Bonds of the Union County Improvement Authority adopted by the members of the Authority on August 4, 2004, as amended by a certificate of the Executive Director of the Authority dated December 29, 2004; a supplemental bond resolution of the Authority adopted July 20, 2005, as amended by a certificate of the Executive Director of the Authority dated September 20, 2005, as further amended and supplemented by the Supplemental Bond Resolution adopted April 26, 2012 (collectively, the "General Resolution"), shall have the same meanings in this Supplemental Resolution as such terms are given in the General Resolution, unless the context shall otherwise require, the following terms shall have the following meaning in this Supplemental Resolution:

Terms used in this Resolution and not otherwise defined herein or in the General Resolution shall have the meaning assigned to them in the Lease Agreement, as amended and supplemented.

1. The following terms set forth in this Resolution shall have the meanings specified in the recitals hereto:

Act
Authority
Board of Freeholders
Bond Resolution
County
Financing Documents
Initial Bonds
Initial Project
Interlocal Services Agreement
Juvenile Detention Center Facility
Lease Agreement
Local Finance Board
Project
Property
Refunded Bonds

Refunding Bonds
Section 13
Series 2005 Bonds
Series 20_ Bonds
State
Supplemental Bond Resolution
Subordinated Lease Payment Agreement

2. In addition, as used in this Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

"Lessee" shall mean the County.

"Lessor" shall mean the Authority.

"Subordinated Lease Payments " shall mean Forward Purchase Contract Obligations, Administrative Expenses and the Annual Trustee's Fee, where applicable, allocated to the Forward Purchase Contract Obligations.

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act, in particular N.J.S.A. 40A:37A-78.

Section 1.03. Ratification of Prior Acts. The Authority hereby ratifies and reaffirms the authorization, execution and delivery of the Forward Purchase Contract, on the terms as set forth therein, a copy of which is attached hereto. The Authority further hereby authorizes the Chairperson and/or Executive Director to execute and deliver those agreements, documents, instruments and certificates as set forth in the Forward Purchase Contract and as necessary for the consummation of the transaction contemplated therein, including without limitation, the Continuing Disclosure Agreement, the Escrow Deposit Agreement and any amendment to the Lease Agreement as may be necessary.

ARTICLE II AUTHORIZATION OF THE SUBORDINATED LEASE PAYMENT AGREEMENT (JUVENILE DETENTION CENTER FACILITY PROJECT)

Section 2.01 Authorization of the Subordinated Lease Payment Agreement (Juvenile Detention Center Facility Project). The Subordinated Lease Payment Agreement (Juvenile Detention Center Facility Project) substantially with such changes, additions and modifications as necessary, in the form attached hereto is hereby authorized, and shall be executed in the name of the Authority by the manual signature of the Chairperson or Vice Chairperson and the corporate seal of the Authority or a facsimile thereof shall be impressed or imprinted thereon and attested by the manual signature of the Secretary.

Section 2.02 Severability of Invalid Provisions. If any one or more of the provisions contained in this Resolution shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Resolution and such invalidity, illegality or enforce ability shall not

affect any other provision of this Resolution, and this Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Resolution and each and every section, paragraph, sentence, clause or phrase hereof and authorized the Subordinated Lease Agreement (Juvenile Detention Center Facility Project) pursuant thereto irrespective of the fact that any one of more sections, paragraphs, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

Section 2.03 Effective Date. This Resolution shall take effect immediately upon adoption.

The foregoing resolution was adopted by the following roll call vote:

Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE SUBORDINATED LEASE PAYMENT AGREEMENT (JUVENILE DETENTION CENTER FACILITY PROJECT) BY AND BETWEEN THE UNION COUNTY IMPROVEMENT AUTHORITY AND THE COUNTY OF UNION** is a true copy of a resolution adopted by the governing body of the Authority on June 19, 2012.

UNION COUNTY IMPROVEMENT AUTHORITY

By:  _____
JOHN SALERNO, Secretary

Dated: June 19, 2012

[SEAL]

**SUBORDINATED LEASE PAYMENT AGREEMENT
(JUVENILE DETENTION CENTER FACILITY PROJECT)**

THIS SUBORDINATED LEASE PAYMENT AGREEMENT (JUVENILE DETENTION CENTER FACILITY PROJECT) dated as of June 20, 2012 (this "Subordinated Lease Payment Agreement"), by and between the Union County Improvement Authority, as Lessor and the County of Union, New Jersey, as Lessee.

WITNESSETH:

WHEREAS, the UNION COUNTY IMPROVEMENT AUTHORITY (together with any successor thereto, the "Authority"), has been duly created by an ordinance of the Board of Chosen Freeholders (together with any successor legislative body, the "Board of Freeholders") of the County of Union, State of New Jersey (together with any successor thereto, the "County") duly adopted 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 Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act");

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 County, including, without limitation, the provision for the acquisition of land (the "Property") for and the construction of a juvenile detention center facility (the "Juvenile Detention Center Facility") located in the City of Linden, New Jersey;

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 with the County for the lease to or use by the County of all or any part of any public facility or facilities as determined in Section 11 of the Act (N.J.S.A. 40:37A-54);

WHEREAS, the County and the Authority entered into that certain Interlocal Services Agreement dated December 22, 2003 (the "Interlocal Services Agreement") which sets forth certain duties of the County and the Authority with respect to, among other things, the development, financing and implementation of the Initial Project (hereinafter defined);

WHEREAS, the Authority acquired the Property from the owners thereof (the "Initial Project");

WHEREAS, on December 29, 2004, the Authority issued \$8,900,000 aggregate principal amount of its County of Union General Obligation Lease Revenue Bonds, Series 2004 (Juvenile Detention Center Facility Project) (the "Series 2004 Bonds") pursuant to the terms of the Act, other applicable law and the Authority's "Resolution Authorizing the Issuance of County of Union General Obligation Lease Revenue Bonds (Juvenile Detention Center Facility Project) and Additional Bonds of The Union County Improvement Authority" adopted by the Authority on August 4, 2004 (the "Initial Bond Resolution");

WHEREAS, the proceeds of the Series 2004 Bonds were applied to, inter alia, the payment of the (a) costs of the acquisition of the Property, including reimbursing the County for any amount previously loaned to the Authority in connection therewith, (b) costs of the demolition of existing structures on the Property, (c) costs of the construction of the Juvenile Detention Center Facility, (d) costs of issuing the Series 2004 Bonds, (e) capitalized interest on the Series 2004 Bonds and (f) any other costs set forth in this Bond Resolution;

WHEREAS, in accordance with N.J.S.A. 40:37A-78, the Authority leased the Initial Project to the County pursuant to the terms of that certain "Lease Purchase Agreement (Juvenile Detention Center Facility Project)" dated as of the first day of the month of issuance of the Series 2004 Bonds between the Authority, as lessor, and the County, as lessee (the "Original Lease Agreement");

WHEREAS, during the term of the Lease Agreement (as hereinafter defined), title to the Initial Project resides with the Authority;

WHEREAS, immediately prior to the expiration of the terms of the Lease Agreement, the County will purchase all of the Authority's right, title and interest in and to the Initial Project and any additional project for a nominal fee;

WHEREAS, the Authority financed the remaining portion of the Project, consisting of construction of a facility, through the issuance of its County of Union General Obligation Lease Revenue Bonds, Series 2005 (Juvenile Detention Center Facility Project) (the "Series 2005 Bonds");

WHEREAS, the Series 2005 Bonds were issued pursuant to the terms of the Act, other applicable law, the Initial Bond Resolution and a supplemental resolution of the Authority entitled "Supplemental Bond Resolution of the Union County Improvement Authority Authorizing the Issuance of its not to exceed \$30,100,000 County of Union General Obligation Lease Revenue Bonds, Series 2005 (Juvenile Detention Center Facility Project)" adopted by the Authority prior to the issuance of the Series 2005 Bonds (the "Series 2005 Supplemental Bond Resolution"; the Initial Bond Resolution, together with the Series 2005 Supplemental Bond Resolution and any further amendments or supplements thereto in accordance with the terms thereof may be collectively referred to as the "Bond Resolution");

WHEREAS, the Authority, as lessor and the County, as lessee entered into amendment to Amendment No. 1 to the Original Lease Agreement pursuant to the terms ("Amendment No1" and with the Original Lease Agreement, the "Lease Agreement");

WHEREAS, the principal of, redemption premium, if any, and the interest on the Series 2005 Bonds are secured by general obligation lease payments of the County 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 the interest on the Series 2005 Bonds, pursuant to the terms of which Lease Agreement the County shall be obligated, if necessary, to make such lease payments from the levy of ad valorem taxes upon all of the taxable property within the County, without limitation as to rate or amount;

WHEREAS, in accordance with Section 13 of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Series 2005 Bonds the Authority made a detailed report of the Initial Project and the financing to the Board of Freeholders, which report included, without limitation, the Bond Resolution, the Series 2005 Bonds, the Lease Agreement, and the Continuing Disclosure Agreement (collectively, the "Financing Documents");

WHEREAS, in view of certain market conditions, the County has request that the Authority restructure and refinance the debt service of the Series 2005 Bonds to provide for certain savings;

WHEREAS, the Authority is desirous of assisting in the refinancing of the Series 2005 Bonds, to the extent permitted by law;

WHEREAS, the Authority expects to obtain funds to assist in the refunding of the Series 2005 Bonds (the "Refunded Bonds") through the issuance of not to exceed \$24,690,000 **GENERAL OBLIGATION LEASE REVENUE REFUNDING BONDS, SERIES 20_A (JUVENILE DETENTION CENTER FACILITY PROJECT)** (the "Refunding Bonds") issued pursuant to a Bond Resolution adopted by the Authority entitled "**SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF UNION GENERAL OBLIGATION LEASE REVENUE REFUNDING BONDS, SERIES 2012 (JUVENILE DETENTION CENTER FACILITY PROJECT) AND ADDITIONAL BONDS OF THE UNION COUNTY IMPROVEMENT AUTHORITY**" (the "Supplemental Bond Resolution");

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 shall make a detailed report with respect to such financing to the Board of Chosen Freeholders of the County, which report shall include copies or a description of, without limitation, the various financing documents;

WHEREAS, the Authority has further determined that it is in the best interest of the Authority and the County to enter into a Forward Purchase Contract dated June 7, 2012 ("Forward Purchase Contract") providing for the refunding of the Refunded Bonds pursuant to which the Authority will receive for the benefit of the County, an upfront payment for the option to elect to purchase all or a portion of the Refunded Bonds on a future date (the "Refunding"); and

WHEREAS, under the provisions of, and to secure the payment of sums that may come due under the Forward Purchase Contract (the "Forward Purchase Contract Obligations"), the County and the Authority have determined to enter into this Subordinated Lease Payment Agreement, to provide for the payments of such Subordinated Lease Payments (as hereinafter defined), the obligation for the payment of which shall be subordinate to the obligation of the County to make lease payments under the Lease Agreement; and

WHEREAS, the Forward Purchase Contract Obligations will be secured by general obligation subordinated lease payments of the County under the Subordinated Lease Payment Agreement in amounts sufficient to pay the Forward Purchase Contract Obligations if and when same become due and payable, and the County shall be obligated, if necessary, to make such payments from the levy of *ad valorem* taxes upon all of the taxable property within the County, without limitation as to rate or amount;

WHEREAS, the Authority believes: (a) it is in the public interest to accomplish such purpose; (b) said purpose is for the health, welfare, convenience or betterment of the inhabitants of the County; (c) the amounts to be expended for said purpose are not unreasonable or exorbitant; and (d) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the County and will not create an undue financial burden to be placed upon the Authority or the County.

NOW, THEREFORE, for the consideration set forth in the preambles hereof and certain other consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 101. Definitions. Unless the context otherwise specifically requires or indicates to the contrary, the following terms as used in this Lease shall have the respective meanings set forth below. All terms defined in Section 1.01 of the Bond Resolution of the Union County Improvement Authority authorizing the issuance of its General Obligation Lease Revenue Bonds, Series 2004 (Juvenile Detention Center Facility Project) adopted by the members of the Authority on August 4, 2004, as amended by a certificate of the Executive Director of the Authority dated December 29, 2004; a supplemental bond resolution of the Authority adopted July 20, 2005, as amended by a certificate of the Executive Director of the Authority dated September 20, 2005, as further amended and supplemented by the Supplemental Bond Resolution adopted April 26, 2012 (the "General Resolution"), shall have the same meanings in this Lease Agreement as such terms are given in the General Resolution, unless the context shall otherwise require, the following terms shall have the following meaning in this Lease Agreement, as amended and supplemente

1. The following terms set forth in this Lease shall have the meanings specified in the Bond Resolution or in recitals hereto:

Act
Authority
Board of Freeholders
Bond Resolution
County
Financing Documents
Initial Bonds
Initial Project
Interlocal Services Agreement
Juvenile Detention Center Facility
Lease Agreement
Local Finance Board
Project
Property
Refunded Bonds

Refunding Bonds
Section 13
Series 2005 Bonds
Series 20_ Bonds
State
Supplemental Bond Resolution
Subordinated Lease Payment Agreement

2. In addition, as used in this Subordinated Lease Payment Agreement, unless the context requires otherwise, the following terms shall have the following meanings:

"Lessee" shall mean the County.

"Lessor" shall mean the Authority.

"Subordinated Lease Payment" shall mean the Forward Bond Purchase Agreement Obligations, Administrative Expenses and the Annual Trustee's Fee, where applicable, allocated to the Forward Bond Purchase Agreement Obligations.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES; DISCLAIMERS

Section 201. Representations, Covenants and Warranties of the Lessee. The Lessee represents, covenants and warrants as follows:

(a) The Lessee is a political subdivision of the State governed by the Constitution and laws of the State.

(b) The Constitution and the laws of the State authorize the Lessee to enter into or adopt, as the case may be, this Subordinated Lease Payment Agreement, and to consummate the transactions and perform the obligations contemplated herein.

(c) The execution and delivery, adoption or acknowledgment and consent, as the case may be, by the Lessee of this Subordinated Lease Payment Agreement and the compliance with the provisions hereof and thereof, will not conflict with or constitute on the part of the Lessee a violation of, breach of or default under its Administrative Code or any ordinance, resolution, statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Lessee is bound, or, to the knowledge of the Lessee, any order, rule, or regulation of any court or governmental agency or body having jurisdiction over the Lessee or any of its activities or properties; and all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated hereby and thereby have been obtained.

(d) The officers of the Lessee executing and delivering this Subordinated Lease Payment Agreement have been duly authorized to execute and deliver same under the laws of the State and the terms and provisions of ordinances and/or resolutions of the Lessee, and upon the execution and

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delivery or adoption, as the case may be, thereof, and assuming the valid execution and delivery thereof by the other parties thereto, this Subordinated Lease Payment Agreement shall be valid and binding obligations of the Lessee enforceable against the Lessee in accordance with its terms.

(e) The Lessee has complied with all open meeting laws and all other State and Federal Laws applicable to the Lessee, the satisfaction of which is a condition precedent to the entering into this Subordinated Lease Payment Agreement.

(f) The Lessee currently intends to continue this Subordinated Lease Payment Agreement for its entire Term and to pay all Subordinated Lease Payment required hereunder. The Lessee's Authorized Representative hereby covenants to include in his or her budget request for each Fiscal Year the Subordinated Lease Payment to become due in such Fiscal Year, and further covenants to secure the appropriation of moneys for such Fiscal Year sufficient to pay the Subordinated Lease Payment coming due therein.

(g) There are no lawsuits or administrative or other proceedings pending or to the best of the Lessee's knowledge threatened, which contest the Lessee's authority for, its authorization or performance of, or its expenditure of funds pursuant to this Subordinated Lease Payment Agreement.

(h) Information supplied and statements made by the Lessee in any financial statement or current budget delivered prior to or contemporaneously with this Subordinated Lease Payment Agreement present such information fairly and accurately, in accordance with generally accepted accounting principles, or such similar accounting method as the Lessee is required to comply with under state law.

(i) The Lessee agrees that it shall not authorize any action or act in any way that would cause any lien, charge or claim to exist on the Trust Estate other than Permitted Encumbrances.

(j) There is no action, suit, proceeding or investigation at law or in equity against the Lessee or to the best of the Lessee's knowledge threatened against the Lessee by or before any court or public agency, or, to the best of the knowledge of the Lessee, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by this Subordinated Lease Payment Agreement or which in any way would adversely affect the validity of said documents, or any agreement or instrument to which the Lessee is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby.

(k) No legislation has been enacted which in any way adversely affects the execution and delivery or adoption, of this Subordinated Lease Payment Agreement or the existence of the Lessee or the titles to office of any officers thereof, or the powers of the Lessee to carry out their respective obligations under this Subordinated Lease Payment Agreement.

Section 202. Representations, Covenants and Warranties of Lessor. The Lessor represents, covenants and warrants as follows:

(a) The Lessor (i) is a public body corporate and politic duly organized, existing and in good standing under the Act and other applicable laws of the State; (ii) has full and complete power

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to enter into or adopt, as the case may be, this Subordinated Lease Payment Agreement and to carry out the transactions contemplated hereby and thereby; (iii) is possessed with full power to own and hold real and personal property, including the Project, and to lease the same subject to the terms of the Act and any other applicable law; and (iv) has duly authorized the execution and delivery of, or duly adopted, this Subordinated Lease Payment Agreement.

(b) Neither the execution and delivery or adoption, as the case may be, of this Subordinated Lease Payment Agreement, nor the fulfillment of or compliance with the terms and conditions hereof and thereof, nor the consummation of the transactions contemplated hereby and thereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction, any agreement or any instrument to which the Lessor is now a party or by which the Lessor or its property are bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessor, or upon the Project, except Permitted Encumbrances.

Section 203. Incorporation and Continuation of Lease Agreement. This Subordinated Lease Payment Agreement supplements and amends the Lease Agreement and is not intended by the parties to terminate or supersede the Lease Agreement. The Lease Agreement is incorporated herein by reference and the obligation to pay Subordinated Lease Payment required by the Forward Bond Purchase Agreement pursuant to this Subordinated Lease Payment Agreement shall not in any way prevent or limit the rights and obligations of the Lessor and Lessee under the Lease Agreement, with any such obligations of the Lessee to pay Basic Lease Payments and Additional Lease Payments under the Lease Agreement being senior in priority to the Subordinated Lease Payment required under this Subordinated Lease Payment Agreement.

ARTICLE III

LEASE AND OTHER PAYMENTS

Section 301. Lease Payments. The Lessee agrees to pay to the Trustee in immediately available funds delivered to the principal corporate trust office of the Trustee for deposit in the Administrative Expense Account of the Administrative Fund, as subordinated rent for the Office Project, Subordinated Lease Payment as set forth below and in Sections 304 and 305 hereof at the time, and if required under the Forward Bond Purchase Agreement at the times set forth in invoices to be received by the Lessee from the Lessor.

Section 302. Lease Payments to be Unconditional, No Abatement or Setoff. The obligation of the Lessee to make Subordinated Lease Payment when due or any other payments required hereunder shall be absolute and unconditional in all events and the Lessee hereby acknowledges that the terms of this Subordinated Lease Payment Agreement create a valid and binding obligation of the Lessee to make Subordinated Lease Payment and to pay all other amounts which are required to be paid under the terms of this Subordinated Lease Payment Agreement. If not available from other sources, the Lessee is obligated to levy or cause to be levied *ad valorem* taxes upon all the taxable real property in the Lessee without limitation as to rate or amount for the payment of such Subordinated Lease Payment. Notwithstanding any dispute between the Lessee and the Lessor or any other person, the Lessee shall make all Subordinated Lease Payment and

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other payments required hereunder when due and shall not withhold any Subordinated Lease Payment or other payment pending final resolution of such dispute nor shall the Lessee assert against the Lessor, the Trustee or any other person any right of set-off, recoupment or counterclaim against its obligation to make such Subordinated Lease Payment or other payments required under this Subordinated Lease Payment Agreement whether or not the Office Project is used or occupied by the Lessee or is available for use or occupancy by the Lessee. The Lessee's obligation to make Subordinated Lease Payment or other payments during the Lease Term shall not be abated through accident or unforeseen circumstances. However, nothing herein shall be construed to release the Lessor from the performance of its obligations hereunder; and if the Lessor should fail to perform any such obligation, the Lessee may institute such legal action against the Lessor as the Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor if and only if the Lessee is not in default under the terms of this Lease and if the Lessee shall have paid all amounts which are required to be paid pursuant to the terms of this Lease, and if the Lessee shall have performed all of its obligations under the terms of this Lease, and if the Lessee continues to pay and perform as provided herein, it shall not be precluded from bringing any action it may otherwise have against the Lessor.

Section 303. Termination of Lease Term/Lease Payment Obligation. The Lessee will not terminate this Subordinated Lease Payment Agreement (other than such termination as is provided for herein) or be excused from its obligation FOR ANY REASON including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Office Project, or the taking by eminent domain of title or the right of temporary use of all or any part of the Office Project, or the failure of the Lessor to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation which arises out of or which is related to this Lease.

Section 304. Budgeting Procedure for Subordinated Lease Payment. The Lessee hereby covenants to make all Subordinated Lease Payment hereunder during the entire Subordinated Lease Payment Agreement Term. The officials of the Lessee responsible for preparing and presenting to the Lessee's governing body the Lessee's budget request for each Fiscal Year shall include in each such budget request for each Fiscal Year during the Lease Term the Subordinated Lease Payment to become due in such Fiscal Year, and shall thereby secure the appropriation of moneys for such Fiscal Year sufficient to pay the Lease Payments coming due therein. Upon adoption of the Lessee's temporary budget and final budget, the Lessee shall immediately notify the Lessor and the Trustee if such budgets do not contain sufficient appropriation to pay the Subordinated Lease Payment coming due in the Fiscal Year covered by such budget. The Lessee hereby agrees that notwithstanding the possibility that either such budget may not contain an appropriation for such amount of Subordinated Lease Payment, the Lessee's obligations to make Subordinated Lease Payment when due are absolute and unconditional to the extent set forth herein, particularly Section 302 hereof. The Lessee further covenants that if such appropriation is not in any such budget, the Lessee will immediately take whatever measures are necessary to ensure that timely payment of all Subordinated Lease Payment will be made when due, and the Lessee will notify the Lessor and the Trustee of same, which measures include, without limitation, the levy of advalorem taxes upon all the property in the Lessee's jurisdiction without limitation as to rate or amount

ARTICLE IV

EVENTS OF DEFAULT, REMEDIES

Section 401. Events of Default. An Event of Default hereunder means the occurrence of any one or more of the following events:

- (a) The Lessee fails to make any Subordinated Lease Payment as it becomes due; or
- (b) The Lessee fails to perform or observe, any other covenant, condition or agreement to be performed or observed by it hereunder and such failure is not cured within thirty (30) days after written notice thereof has been given to the Lessee by the Lessor or the Trustee; provided, however, that if such failure cannot be cured within said thirty (30) day period, the Lessee will not be in default if it has commenced to cure within such thirty (30) day period if such action to cure the default is acceptable to the Lessor and the Lessor indicates the same in writing; provided further that such period to cure shall not extend beyond ninety (90) days from the date the Lessee initially fails to perform or observe any other covenant, condition or agreement giving rise to the Event of Default; or
- (c) The discovery by the Lessor or the Trustee that any material statement, representation or warranty made by the Lessee in this Subordinated Lease Payment Agreement, or in any writing delivered by the Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; or
- (d) The Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or custodian for the Lessee or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for the Lessee or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or, if permitted by law, against the Lessee and, if instituted against the Lessee, is consented to or acquiesced in by the Lessee or is not dismissed within sixty (60) days; or
- (e) The entering of an order or decree appointing a receiver for the Office Project or for any part thereof or for the revenues thereof with the consent or acquiescence of the Lessee or the entering of such order or decree without the acquiescence or consent of the Lessee and such order or decree shall not be vacated, discharged or stayed within ninety (90) days after the date of such entry.

Upon the occurrence of an Event of Default, all obligations of the Lessee under this Lease shall remain in full force and effect.

Section 402. Remedies. Lessor may (a) declare all Lease Payments and Subordinated Lease Payment due or to become due to be immediately due and payable by the Lessee, whereupon such Lease Payments shall be immediately due and payable; or

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the Subordinated Lease Payment then due and thereafter to become due, or enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Subordinated Lease Payment Agreement.

Section 403. Election of Remedies; No Waiver of Elected Remedies. No failure on the part of either party to exercise, and no delay in exercising any right or remedy so provided for herein, shall operate as a waiver thereof, nor shall any single or partial exercise by either party of any right or remedy so provided hereunder preclude any other or further exercise of any other right or remedy provided hereunder.

Section 404. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Subordinated Lease Payment Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder, and shall not be construed to be an implied term hereof or a course of dealing between the parties hereto.

Section 405. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Subordinated Lease Payment Agreement should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fee of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 406. Delay; Notice. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient, and any one exercise thereof shall not be deemed an exclusive exercise. To entitle any party to exercise any remedy reserved to it in this Subordinated Lease Payment Agreement, it shall not be necessary to give any notice other than as may be specifically required in this Subordinated Lease Payment Agreement.

ARTICLE V

ADMINISTRATIVE PROVISIONS

Section 501. Notices. Unless otherwise provided in writing, any notices to be given or to be served upon any party hereto, in connection with this Subordinated Lease Payment Agreement, must be in writing and may be delivered personally or by certified or registered mail, and, if so mailed shall be deemed to have been given and received forty-eight (48) hours after a registered or certified letter containing such notice, postage prepaid, is deposited in the United States mail, and if given otherwise shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Such notice shall be given to the parties at their following respective addresses or at such other address as either party may hereafter designate to the other party in writing:

If to Lessor:	Union County Improvement Authority Union County Administration Building 10 Elizabethtown Plaza Elizabeth, New Jersey 07207
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If to the Lessee: County of Union
Elizabethtown Plaza
Elizabeth, New Jersey 07207
Attn: County Manger

If to the Trustee: Corporate Trust Services
M&T Bank
34 Exchange Place
Plaza 3, Suite 803
Jersey City, NJ 07311
Attention: Brooks Von Arx]

Section 502. Financial Certificates. The Lessee covenants and agrees to provide annually to the Lessor, at the time of the adoption of the Lessee's budget, during the term of this Subordinated Lease Payment Agreement, a certificate stating to the effect that (i) sufficient funds are available in the Lessee's budget to pay all amounts due and payable as Subordinated Lease Payment under this Subordinated Lease Payment Agreement during the year for which such budget has been prepared and (ii) the Lessee has no reason to believe that there will not be sufficient funds available to make such Subordinated Lease Payment when due.

Section 503. Third Party Beneficiaries. The Lessee agrees that the covenants, representations and warranties set forth herein are for the sole benefit of the Lessor and the Trustee.

Section 504. Severability. In the event any provision of this Subordinated Lease Payment Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 503. Amendments, Changes and Modifications. This Subordinated Lease Payment Agreement may be amended by the Lessor and the Lessee.

Section 504. Further Assurances and Corrective Instruments. The Lessor and the Lessee agree that they will, if necessary, execute, acknowledge and deliver, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Subordinated Lease Payment Agreement.

Section 505. Applicable Law. This Subordinated Lease Payment Agreement shall be governed by and construed in accordance with the laws of the State.

Section 506. Lessor and Lessee Representatives. Whenever under the provisions of this Subordinated Lease Payment Agreement the approval of the Lessor or the Lessee is required or the Lessor or the Lessee is required to take some action at the request of the other, such approval of such request shall be given for the Lessor by an Authorized Representative of the Lessor and for the Lessee by an Authorized Representative of the Lessee, and any party hereto shall be authorized to rely upon any such approval or request.

Section 507. Captions. The captions or headings in this Subordinated Lease Payment Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Subordinated Lease Payment Agreement.

Section 508. Subordinated Lease Payment Agreement Is Original. For all purposes of filing, perfection or any other matter requiring identification or possession of the "original" copy of a lease, the executed original hereof identified as the "original" shall be the "original" to evidence this Subordinated Lease Payment Agreement.

Section 509. Binding; Counterparts. This Subordinated Lease Payment Agreement shall be binding upon the parties hereto only when duly executed on behalf of both the Lessee and the Lessor together; provided, however, that each set of counterparts taken together shall constitute an original.

Section 510. Time Is of the Essence. Time is of the essence with respect to this Subordinated Lease Payment Agreement and no covenant or obligation hereunder to be performed by the Lessee may be waived except by the written consent of the Lessor and the Lessee and waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a waiver of such covenant or obligation or any other covenant or obligation as to any other occasion and shall not preclude the Lessor from invoking such remedy at any later time prior to the Lessee's cure of the condition giving rise to such remedy. Each of the Lessor's rights hereunder are cumulative to its other rights hereunder and not alternate thereto.

Section 511. No Personal Liability or Accountability. No covenant or agreement contained in this Lease shall be deemed to be the covenant or agreement of any present, past or future officer, agent or employee of the Lessor or the Lessee, in his or her individual capacity, and neither the officers, agents or employees of the Lessor or the Lessee nor any official executing this Subordinated Lease Payment Agreement shall be liable personally on this Subordinated Lease Payment Agreement or be subject to any personal liability or accountability by reason of any transaction or activity relating to this Subordinated Lease Payment Agreement.

Section 512. Gender. Use of the masculine, feminine or neuter gender herein is for purposes of convenience only and shall be deemed to mean and include the other genders whenever and wherever appropriate.

Section 513. Receipt of Lease. The parties hereto each acknowledge receipt of a signed, true and exact copy of this Subordinated Lease Payment Agreement.

IN WITNESS WHEREOF, the Lessor has caused this Amendment to the Lease Agreement to be executed in its name by its duly authorized officer; and Lessee has caused this Lease to be executed in its name by its duly authorized officer, as of the date first above written.

ATTEST:

**THE UNION COUNTY IMPROVEMENT
AUTHORITY, as Lessor**

[SEAL]



JOHN SALERNO, Secretary

By: 

ANTHONY R. SCUTARI, Chairman

ATTEST:

COUNTY OF UNION, as Lessee

[SEAL]

JAMES E. PELLETTIERE
Clerk of the Board of Chosen Freeholders

By: _____
ALFRED FAELLA, County Manager

STATE OF NEW JERSEY)

:SS.

COUNTY OF UNION)

On this _____ day of _____, 20____, before me, a Notary Public in and for said County, personally appeared Anthony R. Scutari, the Chairman and, _____ the Secretary, respectively, of The Union County Improvement Authority, known to me to be the persons whose names are subscribed to the within Lease Agreement and acknowledged to me that they executed the same as the voluntary act of said Authority.

STATE OF NEW JERSEY)

:SS.

COUNTY OF UNION)

On this _____ day of _____, 20__, before me, a Notary Public in and for said County, personally appeared _____, County Manager and _____, the Clerk of the Board, respectively, of the County of Union, known to me to be the persons whose names are subscribed to the within Lease Agreement and acknowledged to me that they executed the same as the voluntary act of _____, County Manager, and _____, said Clerk.

RESOLUTION NO. 59 -2012

Member Muskiewicz introduced and moved the adoption of the following resolution and Member Brought seconded the motion:

RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE SUBORDINATED LEASE PAYMENT AGREEMENT (CITY OF PLAINFIELD-PARK MADISON REDEVELOPMENT PROJECT) BY AND BETWEEN THE UNION COUNTY IMPROVEMENT AUTHORITY AND THE COUNTY OF UNION

WHEREAS, the Union County Improvement Authority (together with any successor thereto, the "Authority") has been duly created by an Ordinance of the Board of Chosen Freeholders together with any successor legislative body, the ("Board of Freeholders") of the County of Union, State of New Jersey (together with any successor thereto, the "County") duly adopted 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 Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the City of Plainfield, New Jersey (the "City") undertook the redevelopment of an area of the City known as "The Park-Madison Redevelopment Area" (the "Redevelopment Area") as a Redevelopment Project (the "Redevelopment Project"); and

WHEREAS, the City designated the Authority as the Redevelopment Entity pursuant to the Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., for said Redevelopment Area (the "Redevelopment Entity"); and

WHEREAS, the Authority agreed to act as said Redevelopment Entity, and in accordance with a Redevelopment Plan approved by an Ordinance of the City adopted on July 10, 2000, developed certain office space, lower level commercial/retail space and parking facilities for use of the County, other public agencies and retail/commercial users (the "Office Project"), and developed separate commercial space, parking and other uses on a portion of the Redevelopment Area (the "Retail Project" and together with the Office Project, the "Project") and

WHEREAS, the Authority solicited requests for proposals for a developer to undertake said Project for the Authority, and upon receipt and review of said proposals, the Authority selected AST Development Corporation (the "Redeveloper") as the developer for the Project; and

WHEREAS, the Authority and the Redeveloper entered into a Redevelopment Agreement, as amended and supplemented, relating to the Project (the "Redevelopment Agreement"); and

WHEREAS, the Authority financed the acquisition of the Redevelopment site (hereinafter defined) and Office Project (collectively hereinafter the "Initial Project") through the issuance of its Lease Revenue Bonds, Series 2003A (Tax-Exempt) and 2003B (Taxable) (collectively hereinafter the "Initial Bonds") in an aggregate principal amount of not to exceed \$28,000,000; and

WHEREAS, the City sold the land upon which the Project was constructed (the "Redevelopment Site") to the Authority; and

WHEREAS, N.J.S.A. 40:37A-78 permits the County to enter into a lease with the Authority for public facilities such as the Office Project and the County leased the Office Project from the Authority (the "Lease"); and

WHEREAS, the Authority ground leased all rights, title and interest it acquired from the City in a portion of the Redevelopment Site to a non-profit urban redevelopment corporation("Urban Renewal Entity") created and controlled by the Authority (the "Urban Renewal Ground Lease"), which Urban Renewal Entity, as lessee, ground leased all its title, rights and interest to the Authority (the "Authority Ground Lease"), which leased the Office Project to the County, pursuant to a lease between the Authority and the County in accordance with N.J.S.A. 40A:38-78 ("Lease Agreement"); and

WHEREAS, pursuant to the Redevelopment Agreement, the Authority ground leased certain portions of the Redevelopment Site to the Redeveloper (the "Redeveloper Ground Lease") for purposes of commercial development to be undertaken by the Redeveloper (the "Commercial Development"); and

WHEREAS, the Authority owns, leases and operates the Office Project, subject to the Urban Renewal Ground Lease, the Authority Ground Lease and the Lease Agreement; and

WHEREAS, the Redeveloper constructed the office building, parking lot and related portions of the Office Project for the Authority pursuant to a Construction Agreement (the "Construction Agreement"); and

WHEREAS, the County entered into a Management Services Agreement with the Authority (the "Management Services Agreement"), pursuant to which the Authority manages, operates and maintains the Office Project, and on behalf of the County, sub-lease all portions of the Office Project not utilized by the County; and

WHEREAS, the Initial Bonds have such other terms as set forth in a certain resolution authorizing the issuance of the Lease Revenue Bonds, Series 2003A (Tax Exempt) and 2003B (Taxable) (City of Plainfield-Park Madison Redevelopment Project) and Additional Bonds of

Union County Improvement Authority adopted by the Authority on March 21, 2001 (the "Initial Bond Resolution") as amended and supplemented by a First Supplemental and Amending Bond Resolution adopted on April 25, 2001 (the "First Supplemental And Amending Bond Resolution" and together with the Initial Bond Resolution, and as may be further supplemented and amended prior to the issuance of the Initial Bonds; the Initial Bond Resolution, the First Supplemental and Amending Bond Resolution, and any amendments or supplements thereto in accordance with the terms thereof may be collectively referred to as the "Bond Resolution"); and

WHEREAS, the payment of the principal and redemption premium, if any, of and interest on the Initial Bonds is secured by rental payments made under the Lease Agreement by the County; and

WHEREAS, the Initial Bonds designated as Series 2003A Bonds (the "Tax-Exempt Bonds") were issued as Tax-Exempt bonds under the Code, the interest on which shall be excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, The Initial Bonds designated as Series 2003B Bonds (the "Taxable Bonds") were issued as taxable bonds under the Code, the interest on which shall be includable in the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the proceeds of the Initial Bonds were applied to payment of the Acquisition of the Redevelopment Site, costs of the Office Project on a requisition basis in accordance with the terms of the Construction Agreement, the costs of issuing the Initial Bonds, capitalized interest on the Initial Bonds, a debt service reserve fund to secure the Initial Bonds, if necessary, and any other costs set forth in the Bond Resolution; and

WHEREAS, the Authority has determined that it is in the best interest of the Authority, the County to undertake a refunding of the Series 2003A Bonds (the "Refunded Bonds") which will result in a debt service savings to the County and Authority (the "Refunding"); and

WHEREAS, the Authority plans to issue not to exceed \$21,645,000 in Lease Revenue Refunding Bonds, Series 20__A (Tax Exempt) (City of Plainfield-Park Madison Redevelopment Project) to refund all or a portion of the Refunded Bonds (the "Refunding 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 Refunding Bonds, the Authority shall make a detailed report with respect to such financing to the Board of Freeholders, which report shall include copies or a description of, without limitation, the Financing Documents; and

WHEREAS, the Authority has further determined that it is in the best interest of the Authority, the County to enter into a Forward Bond Purchase Agreement dated June 7, 2012 ("Forward Bond Purchase Agreement") providing for the refunding of the Series 2003A Bonds (the "Refunded Bonds") which will result in payments to the Authority for the benefit of the County representing the debt service savings expected to be realized from a future refunding of the Refunded Bonds (the "Refunding"); and

WHEREAS, under the provisions of, and to secure the payment of sums that may come due under the Forward Bond Purchase Agreement (the "Forward Bond Purchase Agreement Obligations"), the County and the Authority have determined to enter into this Subordinated Lease Payment Agreement, to provide for the payments of such Subordinated Lease Payments (as hereinafter defined), the obligation for the payment of which shall be subordinate to the obligation of the County to make lease payments under the Lease Agreement; and

WHEREAS, the Forward Bond Purchase Agreement Obligations will be secured by general obligation subordinated lease payments of the County under the Subordinated Lease Payment Agreement in amounts sufficient to pay the Forward Bond Purchase Agreement Obligations if and when same become due and payable, and the County shall be obligated, if necessary, to make such payments from the levy of *ad valorem* taxes upon all of the taxable property within the County, without limitation as to rate or amount; and

WHEREAS, the Authority believes: (a) it is in the public interest to accomplish such purpose; (b) said purpose is for the health, welfare, convenience or betterment of the inhabitants of the County; (c) the amounts to be expended for said purpose are not unreasonable or exorbitant; and (d) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the County and will not create an undue financial burden to be placed upon the Authority or the County.

NOW THEREFORE, BE IT RESOLVED by the Union County Improvement Authority as follows:

ARTICLE I DEFINITIONS

Section 101. Definitions. All terms defined in Section 1.01 of the Bond Resolution of the Union County Improvement Authority authorizing the issuance of its Lease Revenue Bonds, Series 2003A (Tax-Exempt) and 2003B (Taxable) (City of Plainfield-Park Madison Redevelopment Project) adopted by the members of the Authority on March 21, 2001 as amended and supplemented by a First Supplemental and Amending Bond Resolution adopted on April 25, 2001 and a Second Supplemental and Amending Bond Resolution adopted December 18, 2002, as further amended by a Certificate of the Executive Director dated March 13, 2003 (the "General Resolution"), shall have the same meanings in this Resolution as such terms are given in the General Resolution, unless the context shall otherwise require, the following terms shall have the following meaning in this Resolution:

Terms used in this Resolution and not otherwise defined herein or in the General Resolution shall have the meaning assigned to them in the Lease Agreement, as amended and supplemented.

1. The following terms set forth in this Resolution shall have the meanings specified in the Bond Resolution or in recitals hereto:

Act
Amendment No. 1 to Lease Agreement
Authority
Authority Ground Lease
Board of Freeholders
Bond Resolution
City
Commercial Development
Construction Agreement
County
First Supplemental and Amending Bond Resolution
Forward Bond Purchase Agreement
Forward Bond Purchase Agreement Obligations
Initial Bonds
Initial Bond Resolution
Initial Project
Lease
Lease Agreement
Management Services Agreement
Office Project
Original Lease Agreement
Project
Redeveloper
Redevelopment Agreement
Redevelopment Area
Redevelopment Entity
Redeveloper Ground Lease
Redevelopment Project
Redevelopment Site
Refunded Bonds
Refunding
Refunding Bonds
Retail Project
Section 13
State
Subordinated Lease Agreement
Taxable
Tax-Exempt Bonds
Urban Renewal Entity
Urban Renewal Ground Lease

2. In addition, as used in this Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

"Lessee" shall mean the County.

"Lessor" shall mean the Authority.

"Subordinated Additional Lease Payments" shall mean Forward Bond Purchase Agreement Obligations, Administrative Expenses and the Annual Trustee's Fee, where applicable, allocated to the Forward Bond Purchase Agreement Obligations.

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act, in particular N.J.S.A. 40A:37A-78.

Section 1.03. Ratification of Prior Acts. The Authority hereby ratifies and reaffirms the authorization, execution and delivery of the Forward Bond Purchase Agreement, on the terms as set forth therein, a copy of which is attached hereto. The Authority further hereby authorizes the Chairperson and/or Executive Director to execute and deliver those agreements, documents, instruments and certificates as set forth in the Forward Bond Purchase Agreement and as necessary for the consummation of the transaction contemplated therein, including without limitation, the Continuing Disclosure Agreement, the Escrow Deposit Agreement and any amendment to the Lease Agreement as may be necessary.

ARTICLE II

AUTHORIZATION OF THE SUBORDINATED LEASE PAYMENT AGREEMENT (CITY OF PLAINFIELD-PARK MADISON REDEVELOPMENT PROJECT)

Section 2.01 Authorization of the Subordinated Lease Payment Agreement (City Of Plainfield-Park Madison Redevelopment Project). The Subordinated Lease Payment Agreement (City Of Plainfield-Park Madison Redevelopment Project) in the form attached hereto is hereby authorized, and shall be executed in the name of the Authority by the manual signature of the Chairperson or Vice Chairperson and the corporate seal of the Authority or a facsimile thereof shall be impressed or imprinted thereon and attested by the manual signature of the Secretary.

Section 2.02 Severability of Invalid Provisions. If any one or more of the provisions contained in this Resolution shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Resolution and such invalidity, illegality or enforceability shall not affect any other provision of this Resolution, and this Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Resolution and each and every section, paragraph, sentence, clause or phrase hereof and authorized the Subordinated Lease Payment Agreement (City Of Plainfield-Park Madison Redevelopment Project) pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

Section 2.03 Effective Date. This Resolution shall take effect immediately upon adoption.

The foregoing resolution was adopted by the following roll call vote:

Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE SUBORDINATED LEASE PAYMENT AGREEMENT (CITY OF PLAINFIELD-PARK MADISON REDEVELOPMENT PROJECT) BY AND BETWEEN THE UNION COUNTY IMPROVEMENT AUTHORITY AND THE COUNTY OF UNION** is a true copy of a resolution adopted by the governing body of the Authority on June 19, 2012.

UNION COUNTY IMPROVEMENT AUTHORITY

By: _____
JOHN SALERNO, Secretary

Dated: June 19, 2012

[SEAL]

SUBORDINATED LEASE PAYMENT AGREEMENT
(CITY OF PLAINFIELD-PARK MADISON REDEVELOPMENT PROJECT)

THIS SUBORDINATED LEASE PAYMENT AGREEMENT (CITY OF PLAINFIELD-PARK MADISON REDEVELOPMENT PROJECT) dated as of June 20, 2012 (this "Subordinated Lease Payment Agreement"), by and between the Union County Improvement Authority, as Lessor and the County of Union, New Jersey, as Lessee.

WITNESSETH:

WHEREAS, the UNION COUNTY IMPROVEMENT AUTHORITY (together with any successor thereto, the "Authority"), has been duly created by an ordinance of the Board of Chosen Freeholders (together with any successor legislative body, the "Board of Freeholders") of the County of Union, State of New Jersey (together with any successor thereto, the "County") duly adopted 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 Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act");

WHEREAS, the City of Plainfield, New Jersey (the "City") undertook the redevelopment of an area of the City known as "The Park-Madison Redevelopment Area" (the "Redevelopment Area") as a Redevelopment Project (the "Redevelopment Project"); and

WHEREAS, the City designated the Authority as the Redevelopment Entity pursuant to the Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., for said Redevelopment Area (the "Redevelopment Entity"); and

WHEREAS, the Authority agreed to act as said Redevelopment Entity, and in accordance with a Redevelopment Plan approved by an Ordinance of the City adopted on July 10, 2000, developed certain office space, lower level commercial/retail space and parking facilities for use of the County, other public agencies and retail/commercial users (the "Office Project"), and developed separate commercial space, parking and other uses on a portion of the Redevelopment Area (the "Retail Project" and together with the Office Project, the "Project") and

WHEREAS, the Authority solicited requests for proposals for a developer to undertake said Project for the Authority, and upon receipt and review of said proposals, the Authority selected AST Development Corporation (the "Redeveloper") as the developer for the Project; and

WHEREAS, the Authority and the Redeveloper entered into a Redevelopment Agreement, as amended and supplemented, relating to the Project (the "Redevelopment Agreement"); and

WHEREAS, the Authority financed the acquisition of the Redevelopment site (hereinafter defined) and Office Project (collectively hereinafter the "Initial Project") through the issuance of its Lease Revenue Bonds, Series 2003A (Tax-Exempt) and 2003B (Taxable) (collectively hereinafter the "Initial Bonds") in an aggregate principal amount of not to exceed \$28,000,000; and

WHEREAS, the City sold the land upon which the Project was constructed (the "Redevelopment Site") to the Authority; and

WHEREAS, N.J.S.A. 40:37A-78 permits the County to enter into a lease with the Authority for public facilities such as the Office Project and the County leased the Office Project from the Authority (the "Lease"); and

WHEREAS, the Authority ground leased all rights, title and interest it acquired from the City in a portion of the Redevelopment Site to a non-profit urban redevelopment corporation("Urban Renewal Entity") created and controlled by the Authority (the "Urban Renewal Ground Lease"), which Urban Renewal Entity, as lessee, ground leased all its title, rights and interest to the Authority (the "Authority Ground Lease"), which leased the Office Project to the County, pursuant to a lease between the Authority and the County in accordance with N.J.S.A. 40A:38-78 ("Original Lease Agreement"); and

WHEREAS, pursuant to the Redevelopment Agreement, the Authority ground leased certain portions of the Redevelopment Site to the Redeveloper (the "Redeveloper Ground Lease") for purposes of commercial development to be undertaken by the Redeveloper (the "Commercial Development"); and

WHEREAS, the Authority owns, leases and operates the Office Project, subject to the Urban Renewal Ground Lease, the Authority Ground Lease and the Original Lease Agreement; and

WHEREAS, the Redeveloper constructed the office building, parking lot and related portions of the Office Project for the Authority pursuant to a Construction Agreement (the "Construction Agreement"); and

WHEREAS, the County entered into a Management Services Agreement with the Authority (the "Management Services Agreement"), pursuant to which the Authority manages, operates and maintains the Office Project, and on behalf of the County, sub-lease all portions of the Office Project not utilized by the County; and

WHEREAS, the Initial Bonds have such other terms as set forth in a certain resolution authorizing the issuance of the Lease Revenue Bonds, Series 2003A (Tax Exempt) and 2003B (Taxable) (City of Plainfield-Park Madison Redevelopment Project) and Additional Bonds of Union County Improvement Authority adopted by the Authority on March 21, 2001 (the "Initial Bond Resolution") as amended and supplemented by a First Supplemental and Amending Bond Resolution adopted on April 25, 2001(the "First Supplemental And Amending Bond Resolution" and together with the Initial Bond Resolution, and as may be further supplemented and amended

prior to the issuance of the Initial Bonds; the Initial Bond Resolution, the First Supplemental and Amending Bond Resolution, and any amendments or supplements thereto in accordance with the terms thereof may be collectively referred to as the "Bond Resolution"); and

WHEREAS, the payment of the principal and redemption premium, if any, of and interest on the Initial Bonds will be secured by rental payments made under the Original Lease Agreement by the County; and

WHEREAS, the Initial Bonds designated as Series 2003A Bonds (the "Tax-Exempt Bonds") were issued as Tax-Exempt bonds under the Code, the interest on which shall be excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, The Initial Bonds designated as Series 2003B Bonds (the "Taxable Bonds") were issued as taxable bonds under the Code, the interest on which shall be includable in the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the proceeds of the Initial Bonds were applied to payment of the Acquisition of the Redevelopment Site, costs of the Office Project on a requisition basis in accordance with the terms of the Construction Agreement, the costs of issuing the Initial Bonds, capitalized interest on the Initial Bonds, a debt service reserve fund to secure the Initial Bonds, if necessary, and any other costs set forth in the Bond Resolution; and

WHEREAS, the Authority may issue not to exceed \$21,645,000 in Lease Revenue Refunding Bonds, Series 20__A (Tax Exempt) (City of Plainfield-Park Madison Redevelopment Project) in accordance with the Forward Bond Purchase Agreement (hereinafter defined) to refund all or a portion of the Refunded Bonds (the "Refunding Bonds"); and

WHEREAS, the Original Lease Agreement may be amended by the terms of a proposed Amendment No. 1 to Lease Agreement, (the Original Lease Agreement, as amended by Amendment No. 1 to Lease Agreement, the "Lease Agreement"); 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 shall make a detailed report with respect to such financing to the Board of Chosen Freeholders of the County, which report shall include copies or a description of, without limitation, the various financing documents; and

WHEREAS, the Authority has determined that it is in the best interest of the Authority and the County to enter into a Forward Bond Purchase Agreement dated June 7, 2012 ("Forward Bond Purchase Agreement") providing for the refunding of the Series 2003A Bonds (the "Refunded Bonds") which will result in payments to the Authority for the benefit representing the debt service savings expected to be realized from a future refunding of the Refunded Bonds (the "Refunding"); and

WHEREAS, under the provisions of, and to secure the payment of sums that may come due under the Forward Bond Purchase Agreement (the "Forward Bond Purchase Agreement Obligations"), the County and the Authority have determined to enter into this Subordinated

Lease Payment Agreement, to provide for the payments of such Subordinated Lease Payment (as hereinafter defined), the obligation for the payment of which shall be subordinate to the obligation of the County to make lease payments under the Lease Agreement; and

WHEREAS, the Forward Bond Purchase Agreement Obligations will be secured by general obligation subordinated lease payments of the County under this Subordinated Lease Payment Agreement in amounts sufficient to pay the Forward Bond Purchase Agreement Obligations if and when same become due and payable, and the County shall be obligated, if necessary, to make such payments from the levy of *ad valorem* taxes upon all of the taxable property within the County, without limitation as to rate or amount;

WHEREAS, the Authority believes: (a) it is in the public interest to accomplish such purpose; (b) said purpose is for the health, welfare, convenience or betterment of the inhabitants of the County; (c) the amounts to be expended for said purpose are not unreasonable or exorbitant; and (d) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the County and will not create an undue financial burden to be placed upon the Authority or the County.

NOW, THEREFORE, for the consideration set forth in the preambles hereof and certain other consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 101. Definitions. Unless the context otherwise specifically requires or indicates to the contrary, the following terms as used in this Lease shall have the respective meanings set forth below. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the preambles hereof or, if not defined therein, in the Original Lease Agreement. All new and revised definitions to terms of the Initial Bond Resolution set forth in the Series 2012 Supplemental Resolution shall be incorporated herein as if fully set forth herein, and accordingly, all such defined terms in the Original Lease Agreement shall be amended hereby.

1. The following terms set forth in this Lease shall have the meanings specified in the Bond Resolution or in recitals hereto:

Act
Amendment No. 1 to Lease Agreement
Authority
Authority Ground Lease
Board of Freeholders
Bond Resolution
City
Commercial Development
Construction Agreement
County
First Supplemental and Amending Bond Resolution
Forward Bond Purchase Agreement
Forward Bond Purchase Agreement Obligations
Initial Bonds
Initial Bond Resolution
Initial Project
Lease
Lease Agreement
Management Services Agreement
Office Project
Original Lease Agreement
Project
Redeveloper
Redevelopment Agreement
Redevelopment Area
Redevelopment Entity
Redeveloper Ground Lease
Redevelopment Project
Redevelopment Site
Refunded Bonds
Refunding

Refunding Bonds
Retail Project
Section 13
State
Subordinated Lease Payment Agreement
Taxable
Tax-Exempt Bonds
Urban Renewal Entity
Urban Renewal Ground Lease

2. In addition, as used in this Subordinated Lease Payment Agreement, unless the context requires otherwise, the following terms shall have the following meanings:

“Lessee” shall mean the County.

“Lessor” shall mean the Authority.

“Subordinated Lease Payment ” shall mean the Forward Bond Purchase Agreement Obligations, Administrative Expenses and the Annual Trustee’s Fee, where applicable, allocated to the Forward Bond Purchase Agreement Obligations.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES; DISCLAIMERS

Section 201. Representations, Covenants and Warranties of the Lessee. The Lessee represents, covenants and warrants as follows:

(a) The Lessee is a political subdivision of the State governed by the Constitution and laws of the State.

(b) The Constitution and the laws of the State authorize the Lessee to enter into or adopt, as the case may be, this Subordinated Lease Payment Agreement, and to consummate the transactions and perform the obligations contemplated herein.

(c) The execution and delivery, adoption or acknowledgment and consent, as the case may be, by the Lessee of this Subordinated Lease Payment Agreement and the compliance with the provisions hereof and thereof, will not conflict with or constitute on the part of the Lessee a violation of, breach of or default under its Administrative Code or any ordinance, resolution, statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Lessee is bound, or, to the knowledge of the Lessee, any order, rule, or regulation of any court or governmental agency or body having jurisdiction over the Lessee or any of its activities or properties; and all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated hereby and thereby have been obtained.

(d) The officers of the Lessee executing and delivering this Subordinated Lease Payment Agreement have been duly authorized to execute and deliver same under the laws of the State and the terms and provisions of ordinances and/or resolutions of the Lessee, and upon the execution and delivery or adoption, as the case may be, thereof, and assuming the valid execution and delivery thereof by the other parties thereto, this Subordinated Lease Payment Agreement shall be valid and binding obligations of the Lessee enforceable against the Lessee in accordance with its terms.

(e) The Lessee has complied with all open meeting laws and all other State and Federal Laws applicable to the Lessee, the satisfaction of which is a condition precedent to the entering into this Subordinated Lease Payment Agreement.

(f) The Lessee currently intends to continue this Subordinated Lease Payment Agreement for its entire Term and to pay all Subordinated Lease Payment required hereunder. The Lessee's Authorized Representative hereby covenants to include in his or her budget request for each Fiscal Year the Subordinated Lease Payment to become due in such Fiscal Year, and further covenants to secure the appropriation of moneys for such Fiscal Year sufficient to pay the Subordinated Lease Payment coming due therein.

(g) There are no lawsuits or administrative or other proceedings pending or to the best of the Lessee's knowledge threatened, which contest the Lessee's authority for, its authorization or performance of, or its expenditure of funds pursuant to this Subordinated Lease Payment Agreement.

(h) Information supplied and statements made by the Lessee in any financial statement or current budget delivered prior to or contemporaneously with this Subordinated Lease Payment Agreement present such information fairly and accurately, in accordance with generally accepted accounting principles, or such similar accounting method as the Lessee is required to comply with under state law.

(i) The Lessee agrees that it shall not authorize any action or act in any way that would cause any lien, charge or claim to exist on the Trust Estate other than Permitted Encumbrances.

(j) There is no action, suit, proceeding or investigation at law or in equity against the Lessee or to the best of the Lessee's knowledge threatened against the Lessee by or before any court or public agency, or, to the best of the knowledge of the Lessee, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by this Subordinated Lease Payment Agreement or which in any way would adversely affect the validity of said documents, or any agreement or instrument to which the Lessee is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby.

(k) No legislation has been enacted which in any way adversely affects the execution and delivery or adoption, of this Subordinated Lease Payment Agreement or the existence of the Lessee or the titles to office of any officers thereof, or the powers of the Lessee to carry out their respective obligations under this Subordinated Lease Payment Agreement.

Section 202. Representations, Covenants and Warranties of Lessor. The Lessor represents, covenants and warrants as follows:

(a) The Lessor (i) is a public body corporate and politic duly organized, existing and in good standing under the Act and other applicable laws of the State; (ii) has full and complete power to enter into or adopt, as the case may be, this Subordinated Lease Payment Agreement and to carry out the transactions contemplated hereby and thereby; (iii) is possessed with full power to own and hold real and personal property, including the Project, and to lease the same subject to the terms of the Act and any other applicable law; and (iv) has duly authorized the execution and delivery of, or duly adopted, this Subordinated Lease Payment Agreement.

(b) Neither the execution and delivery or adoption, as the case may be, of this Subordinated Lease Payment Agreement, nor the fulfillment of or compliance with the terms and conditions hereof and thereof, nor the consummation of the transactions contemplated hereby and thereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction, any agreement or any instrument to which the Lessor is now a party or by which the Lessor or its property are bound, or constitutes a default under any of the foregoing, or results in

the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessor, or upon the Project, except Permitted Encumbrances.

Section 203. Incorporation and Continuation of Lease Agreement. This Subordinated Lease Payment Agreement supplements and amends the Lease Agreement and is not intended by the parties to terminate or supersede the Lease Agreement. The Lease Agreement is incorporated herein by reference and the obligation to pay Subordinated Lease Payment required by the Forward Bond Purchase Agreement pursuant to this Subordinated Lease Payment Agreement shall not in any way prevent or limit the rights and obligations of the Lessor and Lessee under the Lease Agreement, with any such obligations of the Lessee to pay Basic Lease Payments and Additional Lease Payments under the Lease Agreement being senior in priority to the Subordinated Lease Payment required under this Subordinated Lease Payment Agreement.

ARTICLE III

Lease and Other Payments

Section 301. Lease Payments. The Lessee agrees to pay to the Trustee in immediately available funds delivered to the principal corporate trust office of the Trustee for deposit in the Administrative Expense Account of the Administrative Fund, as subordinated rent for the Office Project, Subordinated Lease Payment as set forth below and in Sections 304 and 305 hereof at the time, and if required under the Forward Bond Purchase Agreement at the times set forth in invoices to be received by the Lessee from the Lessor.

Section 302. Lease Payments to be Unconditional, No Abatement or Setoff. The obligation of the Lessee to make Subordinated Lease Payment when due or any other payments required hereunder shall be absolute and unconditional in all events and the Lessee hereby acknowledges that the terms of this Subordinated Lease Payment Agreement create a valid and binding obligation of the Lessee to make Subordinated Lease Payment and to pay all other amounts which are required to be paid under the terms of this Subordinated Lease Payment Agreement. If not available from other sources, the Lessee is obligated to levy or cause to be levied *ad valorem* taxes upon all the taxable real property in the Lessee without limitation as to rate or amount for the payment of such Subordinated Lease Payment. Notwithstanding any dispute between the Lessee and the Lessor or any other person, the Lessee shall make all Subordinated Lease Payment and other payments required hereunder when due and shall not withhold any Subordinated Lease Payment or other payment pending final resolution of such dispute nor shall the Lessee assert against the Lessor, the Trustee or any other person any right of set-off, recoupment or counterclaim against its obligation to make such Subordinated Lease Payment or other payments required under this Subordinated Lease Payment Agreement whether or not the Office Project is used or occupied by the Lessee or is available for use or occupancy by the Lessee. The Lessee's obligation to make Subordinated Lease Payment or other payments during the Lease Term shall not be abated through accident or unforeseen circumstances. However, nothing herein shall be construed to release the Lessor from the performance of its obligations hereunder; and if the Lessor should fail to perform any such obligation, the Lessee may institute such legal action against the Lessor as the Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor if and only if the Lessee is not in default under the terms of this Lease and if the Lessee shall have paid all amounts which are required to be paid pursuant to the terms of this Lease, and if the Lessee shall have performed all of its obligations under the terms of this Lease, and if the Lessee continues to pay and perform as provided herein, it shall not be precluded from bringing any action it may otherwise have against the Lessor.

Section 303. Termination of Lease Term/Lease Payment Obligation. The Lessee will not terminate this Subordinated Lease Payment Agreement (other than such termination as is provided for herein) or be excused from its obligation FOR ANY REASON including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Office Project, or the taking by eminent domain of title or the right of temporary use of all or any part of the Office Project, or the failure of the Lessor to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation which arises out of or which is related to this Lease.

Section 304. Budgeting Procedure for Subordinated Lease Payment . The Lessee hereby covenants to make all Subordinated Lease Payment hereunder during the entire Subordinated Lease Payment Agreement Term. The officials of the Lessee responsible for preparing and presenting to the Lessee's governing body the Lessee's budget request for each Fiscal Year shall include in each such budget request for each Fiscal Year during the Lease Term the Subordinated Lease Payment to become due in such Fiscal Year, and shall thereby secure the appropriation of moneys for such Fiscal Year sufficient to pay the Lease Payments coming due therein. Upon adoption of the Lessee's temporary budget and final budget, the Lessee shall immediately notify the Lessor and the Trustee if such budgets do not contain sufficient appropriation to pay the Subordinated Lease Payment coming due in the Fiscal Year covered by such budget. The Lessee hereby agrees that notwithstanding the possibility that either such budget may not contain an appropriation for such amount of Subordinated Lease Payment , the Lessee's obligations to make Subordinated Lease Payment when due are absolute and unconditional to the extent set forth herein, particularly Section 302 hereof. The Lessee further covenants that if such appropriation is not in any such budget, the Lessee will immediately take whatever measures are necessary to ensure that timely payment of all Subordinated Lease Payment will be made when due, and the Lessee will notify the Lessor and the Trustee of same, which measures include, without limitation, the levy of ad valorem taxes upon all the property in the Lessee's jurisdiction without limitation as to rate or amount

ARTICLE IV EVENTS OF DEFAULT, REMEDIES

Section 401. Events of Default. An Event of Default hereunder means the occurrence of any one or more of the following events:

- (a) The Lessee fails to make any Subordinated Lease Payment as it becomes due; or
- (b) The Lessee fails to perform or observe, any other covenant, condition or agreement to be performed or observed by it hereunder and such failure is not cured within thirty (30) days after written notice thereof has been given to the Lessee by the Lessor or the Trustee; provided, however, that if such failure cannot be cured within said thirty (30) day period, the Lessee will not be in default if it has commenced to cure within such thirty (30) day period if such action to cure the default is acceptable to the Lessor and the Lessor indicates the same in writing; provided further that such period to cure shall not extend beyond ninety (90) days from the date the Lessee initially fails to perform or observe any other covenant, condition or agreement giving rise to the Event of Default; or
- (c) The discovery by the Lessor or the Trustee that any material statement, representation or warranty made by the Lessee in this Subordinated Lease Payment Agreement, or in any writing delivered by the Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; or
- (d) The Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or custodian for the Lessee or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for the Lessee or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or, if permitted by law, against the Lessee and, if instituted against the Lessee, is consented to or acquiesced in by the Lessee or is not dismissed within sixty (60) days; or
- (e) The entering of an order or decree appointing a receiver for the Office Project or for any part thereof or for the revenues thereof with the consent or acquiescence of the Lessee or the entering of such order or decree without the acquiescence or consent of the Lessee and such order or decree shall not be vacated, discharged or stayed within ninety (90) days after the date of such entry.

Upon the occurrence of an Event of Default, all obligations of the Lessee under this Lease shall remain in full force and effect.

Section 402. Remedies. Lessor may (a) declare all Lease Payments and Subordinated Lease Payment due or to become due to be immediately due and payable by the Lessee, whereupon such Lease Payments shall be immediately due and payable; or

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the Subordinated Lease Payment then due and thereafter to become due, or enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Subordinated Lease Payment Agreement.

Section 403. Election of Remedies; No Waiver of Elected Remedies. No failure on the part of either party to exercise, and no delay in exercising any right or remedy so provided

for herein, shall operate as a waiver thereof, nor shall any single or partial exercise by either party of any right or remedy so provided hereunder preclude any other or further exercise of any other right or remedy provided hereunder.

Section 404. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Subordinated Lease Payment Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder, and shall not be construed to be an implied term hereof or a course of dealing between the parties hereto.

Section 405. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Subordinated Lease Payment Agreement should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fee of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 406. Delay; Notice. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient, and any one exercise thereof shall not be deemed an exclusive exercise. To entitle any party to exercise any remedy reserved to it in this Subordinated Lease Payment Agreement, it shall not be necessary to give any notice other than as may be specifically required in this Subordinated Lease Payment Agreement.

ARTICLE V
ADMINISTRATIVE PROVISIONS

Section 501. Notices. Unless otherwise provided in writing, any notices to be given or to be served upon any party hereto, in connection with this Subordinated Lease Payment Agreement, must be in writing and may be delivered personally or by certified or registered mail, and, if so mailed shall be deemed to have been given and received forty-eight (48) hours after a registered or certified letter containing such notice, postage prepaid, is deposited in the United States mail, and if given otherwise shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Such notice shall be given to the parties at their following respective addresses or at such other address as either party may hereafter designate to the other party in writing:

If to Lessor: Union County Improvement Authority
 Union County Administration Building
 10 Elizabethtown Plaza
 Elizabeth, New Jersey 07207

If to the Lessee: County of Union
 Elizabethtown Plaza
 Elizabeth, New Jersey 07207
 Attn: County Manger

If to the Trustee: Corporate Trust Services
 M&T Bank
 34 Exchange Place
 Plaza 3, Suite 803
 Jersey City, NJ 07311
 Attention: Brooks Von Arx

Section 502. Financial Certificates. The Lessee covenants and agrees to provide annually to the Lessor, at the time of the adoption of the Lessee's budget, during the term of this Subordinated Lease Payment Agreement, a certificate stating to the effect that (i) sufficient funds are available in the Lessee's budget to pay all amounts due and payable as Subordinated Lease Payment under this Subordinated Lease Payment Agreement during the year for which such budget has been prepared and (ii) the Lessee has no reason to believe that there will not be sufficient funds available to make such Subordinated Lease Payment when due.

Section 503. Third Party Beneficiaries. The Lessee agrees that the covenants, representations and warranties set forth herein are for the sole benefit of the Lessor and the Trustee.

Section 504. Severability. In the event any provision of this Subordinated Lease Payment Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 503. Amendments, Changes and Modifications. This Subordinated Lease Payment Agreement may be amended by the Lessor and the Lessee.

Section 504. Further Assurances and Corrective Instruments. The Lessor and the Lessee agree that they will, if necessary, execute, acknowledge and deliver, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Subordinated Lease Payment Agreement.

Section 505. Applicable Law. This Subordinated Lease Payment Agreement shall be governed by and construed in accordance with the laws of the State.

Section 506. Lessor and Lessee Representatives. Whenever under the provisions of this Subordinated Lease Payment Agreement the approval of the Lessor or the Lessee is required or the Lessor or the Lessee is required to take some action at the request of the other, such approval of such request shall be given for the Lessor by an Authorized Representative of the Lessor and for the Lessee by an Authorized Representative of the Lessee, and any party hereto shall be authorized to rely upon any such approval or request.

Section 507. Captions. The captions or headings in this Subordinated Lease Payment Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Subordinated Lease Payment Agreement.

Section 508. Subordinated Lease Payment Agreement Is Original. For all purposes of filing, perfection or any other matter requiring identification or possession of the "original" copy of a lease, the executed original hereof identified as the "original" shall be the "original" to evidence this Subordinated Lease Payment Agreement.

Section 509. Binding; Counterparts. This Subordinated Lease Payment Agreement shall be binding upon the parties hereto only when duly executed on behalf of both the Lessee and the Lessor together; provided, however, that each set of counterparts taken together shall constitute an original.

Section 510. Time Is of the Essence. Time is of the essence with respect to this Subordinated Lease Payment Agreement and no covenant or obligation hereunder to be performed by the Lessee may be waived except by the written consent of the Lessor and the Lessee and waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a waiver of such covenant or obligation or any other covenant or obligation as to any other occasion and shall not preclude the Lessor from invoking such remedy at any later time prior to the Lessee's cure of the condition giving rise to such remedy. Each of the Lessor's rights hereunder are cumulative to its other rights hereunder and not alternate thereto.

Section 511. No Personal Liability or Accountability. No covenant or agreement contained in this Lease shall be deemed to be the covenant or agreement of any present, past or future officer, agent or employee of the Lessor or the Lessee, in his or her individual capacity, and neither the officers, agents or employees of the Lessor or the Lessee nor any official executing this Subordinated Lease Payment Agreement shall be liable personally on this

Subordinated Lease Payment Agreement or be subject to any personal liability or accountability by reason of any transaction or activity relating to this Subordinated Lease Payment Agreement.

Section 512. Gender. Use of the masculine, feminine or neuter gender herein is for purposes of convenience only and shall be deemed to mean and include the other genders whenever and wherever appropriate.

Section 513. Receipt of Lease. The parties hereto each acknowledge receipt of a signed, true and exact copy of this Subordinated Lease Payment Agreement.

IN WITNESS WHEREOF, the Lessor has caused this Amendment No. 2 to the Original Lease Agreement to be executed in its name by its duly authorized officer; and Lessee has caused this Lease to be executed in its name by its duly authorized officer, as of the date first above written.

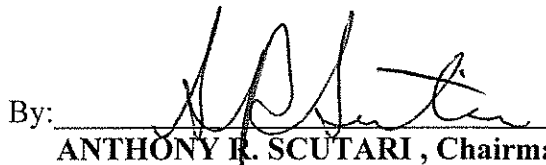
ATTEST:

[SEAL]



JOHN SALERNO, Secretary

THE UNION COUNTY IMPROVEMENT
AUTHORITY, as Lessor

By: 

ANTHONY R. SCUTARI, Chairman

ATTEST:

[SEAL]

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

COUNTY OF UNION, as Lessee

by: _____
ALFRED FAELLA, County Manager

STATE OF NEW JERSEY)

:SS.

COUNTY OF UNION)

On this ____ day of ____, 20____, before me, a Notary Public in and for said County, personally appeared Anthony R. Scutari, the Chairman and, _____ the Secretary, respectively, of The Union County Improvement Authority, known to me to be the persons whose names are subscribed to the within Lease Agreement and acknowledged to me that they executed the same as the voluntary act of said Authority.

STATE OF NEW JERSEY)

:SS.

COUNTY OF UNION)

On this ____ day of ____, 20__, before me, a Notary Public in and for said County, personally appeared _____, Manager and _____, the Clerk of the Board, respectively, of the County of Union, known to me to be the persons whose names are subscribed to the within Lease Agreement and acknowledged to me that they executed the same as the voluntary act of _____, County Manager, and _____, said Clerk.

RESOLUTION NO. 60 -2012

Member Muskeewey introduced and moved the adoption of the following resolution and Member Aichslee seconded the motion:

**RESOLUTION OF THE UNION COUNTY IMPROVEMENT
AUTHORITY AUTHORIZING THE AMENDMENT OF A
CAPITAL EQUIPMENT LEASE AGREEMENT BY AND
BETWEEN THE UNION COUNTY IMPROVEMENT AUTHORITY
AND THE TOWNSHIP OF HILLSIDE DATED OCTOBER 1, 2006.**

WHEREAS, The Union County Improvement Authority (together with any successor thereto, the "Authority") has been duly created by an Ordinance of the Board of Chosen Freeholders together with any successor legislative body, the ("Board of Freeholders") of the County of Union, State of New Jersey (together with any successor thereto, the "County") duly adopted 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 Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the Authority is authorized by law, specifically Section 11 of the Act (N.J.S.A. 40:37A-54(a)) ("Section 11"), to provide public facilities for the use of the municipalities, including, the Township of Hillside ("Township"); 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 with the Township for the lease to or use by the Township of all or any part of any public facility or facilities as determined in Section 11; and

WHEREAS, the Township and the Authority entered into that certain Capital Equipment Lease Agreement dated October 1, 2006; and

WHEREAS, the Township has requested said lease be amended to allow additional substitution of equipment and refinance the debt service to provide for certain savings; and

WHEREAS, the Authority is desirous of assisting the Township; and

WHEREAS, the Authority believes: (a) it is in the public interest to accomplish such purpose; (b) said purpose is for the health, welfare, convenience or betterment of the inhabitants of the Township; (c) the amounts to be expended for said purpose are not unreasonable or exorbitant; and (d) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the Township and will not create an undue financial burden to be placed upon the Authority or the Township.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Authority as follows:

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act, in particular N.J.S.A. 40A:38-78.

Section 1.02 Authorization of the Amendment to Lease Agreement. The Amendment to the Capital Equipment Lease Agreement dated October 1, 2006 between the Township of Hillside and the Authority in the form attached hereto is hereby authorized, and shall be executed in the name of the Authority by the manual signature of the Chairperson or Vice Chairperson and the corporate seal of the Authority or a facsimile thereof shall be impressed or imprinted thereon and attested by the manual signature of the Secretary.

Section 2.2 Severability of Invalid Provisions. If any one or more of the provisions contained in this Resolution shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Resolution and such invalidity, illegality or enforce ability shall not affect any other provision of this Resolution, and this Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Resolution and each and every section, paragraph, sentence, clause or phrase hereof and authorized the Amendment to the Capital Equipment Lease Agreement dated October 1, 2006 between the Township of Hillside and the Authority pursuant thereto irrespective of the fact that any one of more sections, paragraphs, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unforceable.

Section 2.3 Effective Date. This Resolution shall take effect immediately upon adoption.

The foregoing resolution was adopted by the following roll call vote:

Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE AMENDMENT OF A CAPITAL EQUIPMENT LEASE AGREEMENT BY AND BETWEEN THE UNION COUNTY IMPROVEMENT AUTHORITY AND THE TOWNSHIP OF HILLSIDE DATED OCTOBER 1, 2006** is a true copy of a resolution adopted by the governing body of the Authority on June 19, 2012.

UNION COUNTY IMPROVEMENT AUTHORITY

By: _____


JOHN SALERNO, Secretary

Dated: June 19, 2012

[SEAL]

**AMENDMENT TO
CAPITAL EQUIPMENT LEASE AGREEMENT**

BY AND BETWEEN

THE UNION COUNTY IMPROVEMENT AUTHORITY, as Lessor

AND

**TOWNSHIP OF HILLSIDE
in the County of Union, State of New Jersey, as Lessee**

Dated as of October 1, 2006

The CAPITAL EQUIPMENT LEASE AGREEMENT (the "Lease") dated as of October 1, 2006, by and between THE UNION COUNTY IMPROVEMENT AUTHORITY, as Lessor, and the TOWNSHIP OF HILLSIDE, in the County of Union, State of New Jersey, as Lessee, is hereby amended by the addition of the following:

Section 903. Assignment and Subleasing by Lessee.

(a) This Lease and the interest of the Local Unit in the Project may not be assigned or subleased by the Lessee without the prior written consent of the Lessor and the Trustee, which consent shall not be unreasonably withheld. To the extent any sublease would, in the opinion of the Authority and its counsel, adversely affect the tax-exempt status of the Bonds, the Authority's withholding of consent shall be deemed to be reasonable. Any such purported assignment or sublease shall be deemed null and void without such prior written consent.

(b) If the Local Unit is unable to arrange for the delivery and acceptance of one or more Items of Equipment which constitutes the Project as contemplated in this Lease, the Local Unit, with the prior written consent of the Authority (which consent shall not be unreasonably withheld), may elect to substitute one or more other Items of Equipment for such Items of Equipment, provided that the cost thereof shall not exceed the aggregate of the estimated costs of such Items of Equipment as set forth in Schedule A of Exhibit A, as applicable hereto (unless the Local Unit pays such extra moneys in accordance with the provisions hereof and provided the estimated useful life of the equipment being substituted is equal to or greater than the estimated useful life of the items of equipment for which such substitution or addition is being made). The Local Unit may arrange for the delivery and acceptance of one or more additional Items of Equipment to the extent that the costs of such items of equipment acquired is less than estimated, upon the written approval of the Authority. In the event of the substitution or addition as provided herein, the Local Unit and the Authority shall execute appropriate amendments to the Exhibits hereto to reflect such substitution or addition. In addition, the Local Unit shall cause a Substitution Certificate substantially in the form set forth in Exhibit F hereto to be executed by an Authorized Authority Representative (which approval shall not be unreasonably withheld)

and which shall be delivered and filed with the Authority and the Trustee, which certificate shall reflect the substitution of the items of equipment previously set forth in Exhibit A hereto.


(c) Notwithstanding the above, if the Local Unit is not able to (i) deliver an Item of Equipment Improvement or make arrangements for its substitution or addition as provided herein and (ii) requisition moneys from the Local Unit Account in the Acquisition Fund for such equipment within eighteen (18) months after the date of original issuance of the Bonds in accordance with the time periods of the Bonds allocated to the Local Unit, said proceeds shall be transferred into the Municipal Account in the Debt Service Fund and used to make Debt Service payments on the Local Unit's Allocable share of the Bonds on each Basic Lease Payment Date in accordance with the Bond Resolution. The Local Unit shall continue to be liable hereunder for all Basic Rent Payments necessary to amortize Debt Service on the Bonds (net of the amount of Bonds proceeds allocated to such Local Unit so applied) and Additional Rent, including the payment of all costs and expenses associated with the performance of an arbitrage rebate calculation or the payment of arbitrage rebate in accordance with Section 204 hereof which shall be paid as Additional Rent hereunder, which liability shall survive the expiration of the Lease Term and the final maturity of the Bonds.

IN WITNESS WHEREOF, the Lessor has caused this Lease to be executed in its name by its duly authorized officer; and Lessee has caused this Lease to be executed in its name by its duly authorized officer, as of the date first above written.

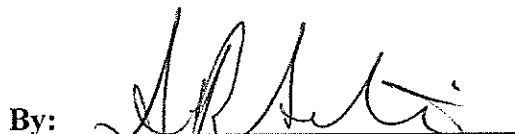
ATTEST:

**THE UNION COUNTY IMPROVEMENT
AUTHORITY, as Lessor**

By: _____


JOHN SALERNO, Secy.

By: _____


ANTHONY R. SCUTARI, Chairman

[SEAL]

ATTEST:

TOWNSHIP OF HILLSIDE, as Lessee

By: _____, Mayor

Clerk

[SEAL]

STATE OF NEW JERSEY)

:SS.

COUNTY OF UNION)

On this ____ day of _____, 2012, before me, a Notary Public in and for said County, personally appeared Anthony R Scutari, the Chairperson, and _____, the _____, respectively, of The Union County Improvement Authority, known to me to be the persons whose names are subscribed to the within Lease Agreement and acknowledged to me that they executed the same as the voluntary act of said Authority.

STATE OF NEW JERSEY)

:SS.

COUNTY OF UNION)

On this __ day of _____, 2012, before me, a Notary Public in and for said County, personally appeared _____ the Mayor and _____, the Clerk, respectively, of the Township of Hillside, known to me to be the persons whose names are subscribed to the within Lease Agreement and acknowledged to me that they executed the same as the voluntary act of said Mayor and of said Clerk of said Township.

RESOLUTION NO. 61-2012

Member Miskewicz introduced and moved the adoption of the following resolution and Member Maghee seconded the motion:

RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING EXECUTION AND DELIVERY OF SECOND AMENDMENT AND MODIFICATION TO CONSTRUCTION LOAN AGREEMENT AND OTHER LOAN DOCUMENTS, AND THE SECOND AMENDMENT TO TRUST INDENTURE BETWEEN TD BANK, N.A. AND THE UNION COUNTY IMPROVEMENT AUTHORITY AND RELATED INSTRUMENTS ANNEXED THERETO, RELATING TO THE AUTHORITY'S RECOVERY ZONE FACILITY BONDS, SERIES 2010 (ELBERON/WAKEFERN WAREHOUSE PROJECT).

WHEREAS, the Union County Improvement Authority (the "Authority") has been duly created by an ordinance of the Board of Chosen Freeholders (the "Board of Freeholders") of the County of Union, New Jersey (the "County"), as 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 Pamphlet Laws of 1960 of the State, as amended and supplemented from time to time (the "Act"); and

WHEREAS, the Authority issued its Recovery Zone Facility Bonds, Series 2010 (Elberon/Wakefern Warehouse Project) in the aggregate principal amount of \$44,499,000 (hereinafter referred to as the "Bonds") pursuant to a Trust Indenture between the Authority and the Trustee, dated as of December 1, 2010, as amended on April 18, 2011 (hereinafter referred to as the "Indenture"); and

WHEREAS, the Authority and **Elberon Development Co., LLC**, a limited liability company duly organized, validly existing and in good standing under the laws of the State, as a borrower (hereinafter referred to as "Elberon Development") and **Elberon Elizabeth Urban Renewal, L.L.C.**, a limited liability company duly organized, validly existing and in good standing under the laws of the State, as a borrower (hereinafter referred to as "Elberon Elizabeth," and together with Elberon Development, each hereinafter referred to as a "Company" and collectively hereinafter referred to as the "Companies") entered into a Construction Loan Agreement (amended contemporaneously herewith and as may hereinafter be amended, modified, extended, renewed, substituted and/or supplemented from time to time, referred to as the "Loan Agreement"), pursuant to which the Authority agreed to loan the proceeds of the Bonds to the Companies and under which the Companies agreed to acquire, construct, rehabilitate, refinance or renovate, as appropriate, the Project (as defined in the Loan Agreement) and to make or cause to be made, payments sufficient to pay the principal and purchase price of, and redemption premium, if any, and interest on the Bonds as the same become due and payable and to pay certain administrative expenses in connection with the Bonds all in accordance with the terms of the "Note" (as such term is defined in the Loan Agreement); and

WHEREAS, as security for the payment of the Bonds, the Authority assigned and pledged to the Trustee, among other things, all right, title and interest of the Authority in and to the Loan Agreement (except certain rights reserved by the Authority under the terms of the Indenture) and the right to receive payments under the Note; and

WHEREAS, in connection with the undertaking of the Project, proceeds of the Bonds in the amount of \$4,088,217 (hereinafter referred to as the "Capitalized Interest") were deposited into the Capitalized Interest Account established under the Indenture; and

WHEREAS, in connection with certain increased costs of the construction of the Project, the Companies have requested that the Authority, the Trustee and the Holder agree that (i) the line item on the Project Development Budget identified as "Site Prep and Earth Work" be increased by \$3,700,000.00 (from \$1,250,000.00 to \$4,950,000.00) and (ii) \$2,551,000.00 of the Bond proceeds which was originally allocated to the Capitalized Interest Account be reallocated to the payment of a portion of the increased costs of "Site Prep and Earth Work;" and

WHEREAS, in connection with the foregoing reallocations and to properly account for such reallocation under the Bond Documents, the Companies have also requested that the Authority, the Trustee and the Holder agree that (i) an amount equal to \$1,048,944.00 (representing \$2,551,000.00 minus the amount of the gross interest paid on the Bonds in 2011 in the amount of \$1,502,056.00 (hereinafter referred to as the "2011 Interest") be transferred from the Capitalized Interest Account to the Construction Account and (ii) the proceeds of an aggregate of up to \$2,551,000.00 to be drawn from time to time under the revolving line of credit (which is one of the Conventional Loan Facilities) shall be deposited in the Equity Subaccount for the purpose of paying interest on the Bonds pursuant to the terms, conditions and provisions of the Indenture, including to reimburse the Companies for the 2011 Interest previously paid from the Capitalized Interest Account; and

WHEREAS, the Authority agrees to amended the Trust Indenture and the Loan Agreement to provide for the above.

NOW, THEREFORE, BE IT RESOLVED by the Union County Improvement Authority as follows:

Section 1. The Second Amendment to the Trust Indenture and The Second Amendment to The Construction Loan Agreement, in the forms attached hereto, be and are hereby approved.

Section 2. The Chairman, Vice-Chairman, Executive Director, or any other officer of the Authority who shall have power to execute contracts pursuant to the By-laws of the Authority and any resolutions adopted thereunder (each an "Authorized Officer") are hereby authorized to execute, acknowledge and deliver the Second Amendment to the Trust Indenture and the Second Amendment to The Construction Loan Agreement and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by an Authorized Officer, and the Secretary or Assistant Secretary of the Authority or any other Authorized Officer is hereby authorized to affix the seal of the authority on the Second Amendment to the Trust Indenture and the Second Amendment to The Construction Loan Agreement and all instruments attached as exhibits thereto and attest the same. The execution of the Second Amendment to the Trust Indenture and the Second Amendment to The Construction Loan Agreement shall be conclusive evidence of any approval required by this Section.

Section 3. Any Authorized Officer of the Authority is hereby designated to be the authorized representatives of the Authority, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution, the Loan Agreement, as amended, and the Indenture, as amended.

Section 4. In case any one or more of the provisions of this Resolution, the Second Amendment to the Trust Indenture and the Second Amendment to The Construction Loan Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, the Second Amendment to the Trust Indenture and the Second Amendment to The Construction Loan Agreement as applicable, shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 5. This Resolution shall take effect immediately.

The foregoing resolution was adopted by the following roll call vote:

Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING EXECUTION AND DELIVERY OF SECOND AMENDMENT AND MODIFICATION TO CONSTRUCTION LOAN AGREEMENT AND OTHER LOAN DOCUMENTS, AND THE SECOND AMENDMENT TO TRUST INDENTURE BETWEEN TD BANK, N.A. AND THE UNION COUNTY IMPROVEMENT AUTHORITY AND RELATED INSTRUMENTS ANNEXED THERETO, RELATING TO THE AUTHORITY'S RECOVERY ZONE FACILITY BONDS, SERIES 2010 (ELBERON/WAKEFERN WAREHOUSE PROJECT,** is a true copy of a resolution adopted by the governing body of the Authority on June 19, 2012.

UNION COUNTY IMPROVEMENT AUTHORITY

By: _____

JOHN SALERNO, Secretary

Dated: June 19, 2012

[SEAL]

RESOLUTION NO: 62-2012

Member Mushewrey introduced and moved the following resolution
and Member Vollero seconded the motion.

**RESOLUTION OF THE UNION COUNTY IMPROVEMENT
AUTHORITY AMENDING THE AGREEMENT WITH GRA
ARCHITECTS, INC. (AMENDMENT #3) RELATING TO THE UNION
COUNTY CHILD ADVOCACY CENTER PROJECT**

WHEREAS, the Union County Improvement Authority (the "Authority") has been created by a resolution of the Board of Chosen Freeholders of the County of Union (the "County") as a public body corporate and politic of the State of New Jersey, pursuant to, and in accordance with the County Improvement Authorities Law, N.J.S.A. 40:37A-44, et seq., and the acts amendatory thereof and supplemental thereto (the "Improvement Authorities Law"); and

WHEREAS, the Union County Improvement Authority (the "Authority") and the County have entered into a Shared Services Agreement whereby the Authority has assumed a number of responsibilities relating to and in support of the proposed renovation and/or construction of the Union County Child Advocacy Center Project (the "Project"); and

WHEREAS, as a result of the aforementioned Shared Services Agreement relating to the Project, the Authority assumed the agreement from the County (via resolution #41-2010, dated May 5, 2010) with GRA Architects, Inc for the purpose of rendering architect and contract administration services, in the amount of \$198,260.00; and

WHEREAS, the Authority approved Amendment #1 to the agreement with GRA Architects, on May 4, 2011, in the amount of \$39,270.00 and Amendment #2 in the amount of \$38,720.00 on January 11, 2012; and

WHEREAS, as a result of substantial additional review and site time required as a result of additional Project delays, (see attached proposal), it is now necessary to amend the construction phase of the agreement with GRA Architects, Inc in the amount of (not to exceed) \$25,000.00; and

NOW THEREFORE, BE IT RESOLVED by the Union County Improvement Authority that the Authority hereby agrees to amend (Amendment #3) the construction phase of the agreement with GRA Architects, Inc in the amount of (not to exceed) \$25,000.00 for the purposes contained herein and as they relate to the Project.

The foregoing resolution was adopted by the following roll call vote:

Recorded Vote

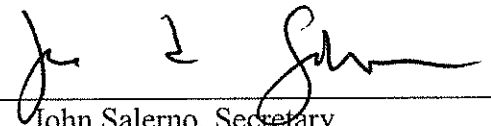
NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, **JOHN SALERNO**, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AMENDING THE AGREEMENT WITH GRA ARCHITECTS, INC. (AMENDMENT #3) RELATING TO THE UNION COUNTY CHILD ADVOCACY CENTER PROJECT** is a true copy of a resolution adopted by the governing body of the Improvement Authority on June 19, 2012.

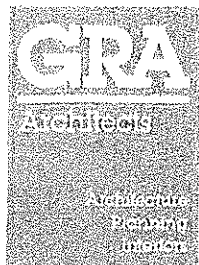
UNION COUNTY IMPROVEMENT AUTHORITY

By: _____


John Salerno, Secretary

Dated: June 19, 2012

[Seal]



GRA Architects, Inc. 312 Springfield Ave. Suite 2 Rockey Heights, NJ 07223 Phone: 908 464 3100 Fax: 908 514 2240 www.graarchitects.com

June 15, 2012

Charlotte DeFilippo, Executive Director
Union County Improvement Authority
10 Cherry Street
Elizabeth, NJ 07202

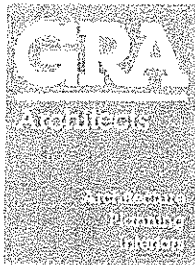
Re: Revised Proposal for Supplemental A&E Services-4
Union County Child Advocacy Center
242 W. Jersey St. Elizabeth, NJ
GRA Project # 109150-001

Dear Ms. DeFilippo:

This Request for Additional Services-4 is a result of the project schedule extension of the Substantial Completion Date to July 25, 2012. Following the C of O date there punch list, project completion and final project close out services. The GRA last A&E contract amendment on 11/30/11 request had the project completion date/TCO targeted for 2/29/2012. This new date completion date has added time to the scope of services.

The services described below represent the remaining work required to support this project based on the anticipated completion date above.

- A. An additional (6) months (26 weeks) of Construction Administration services beyond the proposed (10) month (original) + (4) month (11/30/11 amended) schedules. This is based on services through the end of August 2012.
- B. There have been supplemental services that were performed by our MEP, Structural and Civil consultants, French & Parrello including: supplemental shop drawings review; structural analysis of revised building details; civil/site engineering supplemental drawings; punch list visit from mechanical, electrical & plumbing engineers; & any response to request for information.
- C. Supplemental jobsite visits by the Architect with follow-up report in order to monitor progress in more frequent intervals than the bi-weekly visits. Weekly project meeting commenced on April 12th to help expedite information and more frequently monitor construction progress.
- D. Prepare a Project Punch list for all trades. This service will involve both Architect & Engineering staff to visit, observe & report on any incomplete, corrective action and/or supplemental work required.



The specific scope of services and corresponding professional services time and costs are listed below.

DESCRIPTION OF ADDITIONAL/REVISED SERVICES

Task	Total Hours	Fee
A. -Additional CA Services for 6 months** based on an hourly basis performed on an hourly basis with an estimated Not-to-Exceed fee stated in the Fee column.	<u>GRA</u> Total allocated hours-	
Subtotal A		\$5,600.
B. <u>Supplemental Engineering Service</u> 1. Supplemental Shop Drawing 2. Structural visit 3. Civil Engineering 4. Electrical/Mechanical drawings	<u>French & Parrello</u> 1. 12 hrs@ \$120 2. 8 hrs@ \$130 3. Allowance 4. 16 hrs@\$120	
Subtotal B		\$6,900.
C. Supplemental "weekly" job meetings 18 wks**	<u>GRA</u> Site visit 4 hrs incl. mtg. notes @\$560/mtg.	\$560/mtg. x 12 wks
Subtotal C		\$6,720.
D. Punch list & Project Closeout Services 1. Architect 2. Electrical Engineer 3. Mechanical Engineer 4. Plumbing Engineer	<u>A/E Staff</u> 1. 24 hrs 2. 10 hrs 3. 10 hrs 4. 10 Hrs	
Subtotal D		\$5,780.
TOTAL ADDITIONAL FEE		**\$25,000.00
**Note: Includes duration from May 1 thru Aug. 31, 2012, prior meeting previously billed as part of prior contract amendment. The adjusted fee shall be a not to exceed limit that is estimated at this time. The Architect reserves the right to revisit this fee proposal, if additional time is deemed necessary, the UCIA will be provided with another request for services.		

Upon review & approval, kindly process this request to the Union County Improvement Authority Board & the Union County Prosecutor's office for approval. As always, call me if you have any questions or require any additional information.

Very truly yours,

GRA Architects, Inc.
James J. Ramentol, AIA
Principal
JJR/jr

Cc: J.Binney-Decotiis, Fitzpatrick, et al; J. Esmerado- UC, G. Polanco-GRA; file

1. All Documents of PROJECT 1101-09-011 County of Union Child Advocacy Center to Child Advocacy Center Contract for A&E Services dated 12/12/11

RESOLUTION NO. 63-2012

Member Mishewany introduced and moved the adoption of the following resolution and Member McGhee seconded the motion:

**RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY
CONCERNING REVIEW OF FINDINGS AND RECOMMENDATIONS OF
THE LOCAL FINANCE BOARD MADE AT A MEETING OF SAID BOARD
ON MARCH 14, 2012 IN ACCORDANCE WITH N.J.S.A. 40A:5A-7**

WHEREAS, the Union County Improvement Authority (the "Authority") has been duly created by an ordinance of the Board of Chosen Freeholders (the "Board of Freeholders") of the County of Union, New Jersey (the "County"), as 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 Pamphlet Laws of 1960 of the State, as amended and supplemented from time to time; and

WHEREAS, the County requested that the Authority undertake and provide financing for the design and construction of a Union County Family Court Building and Office Facility to be located, in part, at 10 Cherry Street, Elizabeth, New Jersey, which is a facility owned and operated by the Authority (the "Project"); and

WHEREAS, the Project is expected to provide new Family Court facilities for the Union County Superior Court, and office facilities for the Authority and the County, and will include a parking structure; and

WHEREAS, the Authority has been requested to finance the Project; and

WHEREAS, the Authority is desirous of assisting in the financing of such Project, to the extent permitted by law; and

WHEREAS, in accordance with N.J.S.A. 40A:5A-6, N.J.S.A. 40:37A-54(a), N.J.S.A. 40:37A-78, N.J.S.A. 40:37A-80 and other applicable sections in connection with the Authority's Proposed Guaranteed Lease Revenue Bonds, Series 2012 (Union County Family Court Building Project-Elizabeth), the Authority made application, on behalf of the Authority and the County to the Local Finance Board in the Division of Local Government Services of the Department of Community Affairs of the State (the "Local Finance Board") for the Local Finance Board's review of the financing, including, *inter alia*, the Bond Resolution, the County Guaranty Agreement, the County Guaranty, and Continuing Disclosure Agreements (the "Financing Documents"), and positive findings were received on March 14, 2012; and

WHEREAS, N.J.S.A. 40A:5A-7 requires that the governing body of the Authority within 45 days of its receipt of the Local Finance Board's findings and recommendations, shall certify by resolution to the Local Finance Board that the members thereof have personally reviewed the findings and recommendations, and

WHEREAS, the members of the governing body of the Authority have personally reviewed

the Local Finance Board's findings and recommendations received on June 11, 2012 on the proposed project financing as evidenced by group affidavit of the governing body, and

WHEREAS, failure to comply with this requirement may subject the members of the Authority to the penalty provisions of N.J.S.A. 52:27BB-52.

NOW THEREFORE, BE IT RESOLVED that the governing body of the Union County Improvement Authority hereby states that it has complied with the requirements of N.J.S.A. 40A:5A-7 and does hereby submit a certified copy of this resolution and the required affidavit to the Board to show evidence of said compliance.

The foregoing resolution was adopted by the following roll call vote:

Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY CONCERNING REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE LOCAL FINANCE BOARD MADE AT A MEETING OF SAID BOARD ON MARCH 14, 2012 IN ACCORDANCE WITH N.J.S.A. 40A:5A-7** is a true copy of a resolution adopted by the governing body of the Authority on June 19, 2012.

UNION COUNTY IMPROVEMENT AUTHORITY

By: _____

JOHN SALERNO, Secretary

Dated: June 19, 2012

[SEAL]

GROUP AFFIDAVIT FORM
CERTIFICATION OF GOVERNING BODY

State of New Jersey
County of Union

We, the members of the governing body of the UNION COUNTY IMPROVEMENT AUTHORITY, being of full age and being duly sworn according to law, upon our oath depose and say:

1. We are duly appointed members of the Union County Improvement Authority.
2. We certify that, pursuant to N.J.S.A. 40A:5A-7, we have personally reviewed the findings and recommendations of the Local Finance Board issued at a meeting of the Board on June 19, 2012, with respect to the proposed project financing for the issuance of refunding bonds of the Authority.

Walter Boright

Anthony R. Scutari

John Salerno

Joseph Miskiewicz

Carolyn Vollero

Cheron Roundtree

Linda Hines

Sebastian D=Elia

Samuel T. McGhee

[Signature]

Sworn to and subscribed before me
this ____ day of _____, 2012

Attorney-at-Law of New Jersey

[Note: The Corporate Secretary of the Authority shall set forth the reason for the absence of signature of any members of the governing body.]

This affidavit must be sent to the Division of Local Government Services, CN 803, Trenton, New Jersey 08625 within 45 days of receipt of the Local Finance Board's findings and recommendations on the proposed project financing.



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 803
TRENTON, NJ 08625-0803

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

RICHARD E. CONSTABLE, III
Acting Commissioner

**LOCAL FINANCE BOARD
RESOLUTION**

WHEREAS, a proposed project financing has been submitted to the Local Finance Board for review pursuant to N.J.S.A. 40A:5A-6 by the Union County Improvement Authority; and

WHEREAS, the Local Finance Board has held a hearing pursuant to N.J.S.A. 40A:5A-7 on March 14, 2012, to review a proposed project financing in an amount not to exceed \$45,000,000 for the issuance of Guaranteed Lease Revenue Bonds, Series 2012 (Union County Family Court Building Project-Elizabeth); and

WHEREAS, the Local Finance Board has given consideration to those matters, to the extent applicable, as provided for by Law, and has examined estimates, computations or calculations made in connection with such submissions and has required the production of such papers, documents, witnesses or information and taken such action which it has deemed necessary for its review of such submission;

NOW, THEREFORE, BE IT RESOLVED that the Local Finance Board does hereby make the following findings:

- a) that the project cost has been determined by reasonable and accepted methods;
- b) that the method proposed for the funding of the project cost, proposed or maximum terms and provision of the financing and of a proposed service contract are not unreasonable nor impracticable, and would not impose an undue and unnecessary financial burden on the local inhabitants within the Authority's jurisdiction or would not materially impair the ability to pay promptly the principal of and the interest on the outstanding indebtedness thereof or to provide essential public services to the inhabitants thereof;
- c) that the proposed or maximum terms and conditions of the sale are, in light of current market conditions for obligations of similar quality, reasonable;

BE IT FURTHER RESOLVED that the Local Finance Board does not deem it necessary to make any of the recommendations with regard to this project financing which the Board is authorized to make pursuant to N.J.S.A. 40A:5A-8; and



Page 2

Local Finance Board
Union County Improvement Authority
March 14, 2012

BE IT FURTHER RESOLVED that the Union County Improvement Authority shall, within 30 days of the closing date of the financing that is the subject of this resolution, file with the Executive Secretary of the Local Finance Board a statement setting forth a complete accounting of the actual issuance costs incurred by the Union County Improvement Authority in undertaking the financing which statement shall include the following: the name of the Union County Improvement Authority; the closing date of the financing; the total amount of the financing; the name of the professionals or others who provided services to the Union County Improvement Authority in undertaking the financing; the estimated dollar amount for each type of issuance cost as set forth in the application submitted by the Union County Improvement Authority to the Local Finance Board with regard to the financing; and the actual dollar amount for each type of issuance cost incurred by the Union County Improvement Authority in undertaking the financing; and

BE IT FURTHER RESOLVED that the details of the issuance of any permanent bonds associated with this application as included in the term sheet (closing statement) shall be promptly provided to the Executive Secretary by forwarding a copy of said term sheet (closing statement); and

BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby authorized and directed to certify or endorse such documents or instruments as may be necessary, convenient or desirable in order to carry out the purpose and provisions of the Law and this Resolution; and

BE IT FURTHER RESOLVED that pursuant to N.J.S.A. 40A:5A-7, the governing body of the Authority shall provide to the Executive Secretary within 45 days of receipt of this resolution, the required Authority resolution and affidavit; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED BY:
THE LOCAL FINANCE BOARD

DATE: March 14, 2012



PATRICIA PARKIN MCNAMARA
EXECUTIVE SECRETARY
LOCAL FINANCE BOARD

**State of New Jersey**

DEPARTMENT OF COMMUNITY AFFAIRS

101 SOUTH BROAD STREET

PO BOX 803

TRENTON, NJ 08625-0803

CHRIS CHRISTIE
*Governor***KIM GUADAGNO**
*Lt. Governor***RICHARD E. CONSTABLE, III**
*Acting Commissioner***LOCAL FINANCE BOARD
RESOLUTION**

WHEREAS, a proposed county guarantee has been submitted to the Local Finance Board for review pursuant to N.J.S.A. 40A:5A-6 by the officials of the Union County Improvement Authority; and

WHEREAS, the Local Finance Board has held a hearing pursuant to N.J.S.A. 40A:5A-7 on March 14, 2012, to review the county guarantee by and between the Union County Improvement Authority and the County of Union in an amount not to exceed \$45,000,000 for the issuance of Guaranteed Lease Revenue Bonds, Series 2012 (Union County Family Court Building Project-Elizabeth); and

WHEREAS, the Local Finance Board has given consideration to those matters, to the extent applicable, as provided for by Law, and has examined estimates, computations or calculations made in connection with such submissions and has required the production of such papers, documents, witnesses or information and taken such action which it has deemed necessary for its review of such submission;

NOW, THEREFORE, BE IT RESOLVED that the Local Finance Board does hereby make the following findings:

a) that the county guarantee has been determined by reasonable and accepted methods;

b) that the county guarantee is not unreasonable nor impracticable, and would not impose an undue and unnecessary financial burden on the local inhabitants within the Authority's jurisdiction or would not materially impair the ability to pay promptly the principal of and the interest on the outstanding indebtedness thereof or to provide essential public services to the inhabitants thereof;

BE IT FURTHER RESOLVED that the Local Finance Board does not deem it necessary to make any of the recommendations with regard to this county guarantee which the Board is authorized to make pursuant to N.J.S.A. 40A:5A-8; and



Page 2

Local Finance Board
Union County Improvement Authority
March 14, 2012

BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby authorized and directed to certify or endorse such documents or instruments as may be necessary, convenient or desirable in order to carry out the purpose and provisions of the Law and this Resolution; and

BE IT FURTHER RESOLVED that pursuant to N.J.S.A. 40A:5A-7, the governing body of the Authority shall provide to the Executive Secretary within 45 days the required resolution and affidavit; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED BY:
THE LOCAL FINANCE BOARD

DATE: March 14, 2012



PATRICIA PARKIN MCNAMARA
EXECUTIVE SECRETARY
LOCAL FINANCE BOARD

17250/A-2641



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO BOX 803
TRENTON, NJ 08625-0803

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

RICHARD E. CONSTABLE, III
Acting Commissioner

LOCAL FINANCE BOARD RESOLUTION

WHEREAS, a proposed lease agreement has been submitted to the Local Finance Board for review pursuant to N.J.S.A. 40A:5A-6 by the officials of the Union County Improvement Authority; and

WHEREAS, the Local Finance Board has held a hearing pursuant to N.J.S.A. 40A:5A-7 on March 14, 2012, to review the lease agreement by and between the Union County Improvement Authority and the County of Union in an amount not to exceed \$45,000,000 for the issuance of Guaranteed Lease Revenue Bonds, Series 2012 (Union County Family Court Building Project-Elizabeth); and

WHEREAS, the Local Finance Board has given consideration to those matters, to the extent applicable, as provided for by Law, and has examined estimates, computations or calculations made in connection with such submissions and has required the production of such papers, documents, witnesses or information and taken such action which it has deemed necessary for its review of such submission;

NOW, THEREFORE, BE IT RESOLVED that the Local Finance Board does hereby make the following findings:

- a) that the lease agreement has been determined by reasonable and accepted methods;
- b) that the lease agreement is not unreasonable nor impracticable, and would not impose an undue and unnecessary financial burden on the local inhabitants within the Authority's jurisdiction or would not materially impair the ability to pay promptly the principal of and the interest on the outstanding indebtedness thereof or to provide essential public services to the inhabitants thereof;

BE IT FURTHER RESOLVED that the Local Finance Board does not deem it necessary to make any of the recommendations with regard to this lease agreement which the Board is authorized to make pursuant to N.J.S.A. 40A:5A-8; and



Page 2

Local Finance Board
Union County Improvement Authority
March 14, 2012

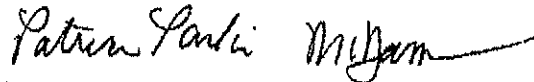
BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby authorized and directed to certify or endorse such documents or instruments as may be necessary, convenient or desirable in order to carry out the purpose and provisions of the Law and this Resolution; and

BE IT FURTHER RESOLVED that pursuant to N.J.S.A. 40A:5A-7, the governing body of the Authority shall provide to the Executive Secretary within 45 days the required resolution and affidavit; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED BY:
THE LOCAL FINANCE BOARD

DATE: March 14, 2012



PATRICIA PARKIN MCNAMARA
EXECUTIVE SECRETARY
LOCAL FINANCE BOARD

17251/A-2641

RESOLUTION NO.: 64 -2012

Member Mushewsky introduced and moved the adoption of the following resolution and Member Keefer seconded the motion:

RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE AMENDMENT, EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS AND CERTAIN OTHER ACTIONS TO BE TAKEN ALL IN CONNECTION WITH THE UNION COUNTY IMPROVEMENT AUTHORITY'S RENEWABLE ENERGY PROGRAM

WHEREAS, the Authority has undertaken the development and implementation of a program (the "Renewable Energy Program") for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of renewable energy capital equipment and facilities such as solar panels, including any related electrical modifications or other work required or convenient for the installation of such systems (collectively, the renewable energy capital equipment and facilities, the "Renewable Energy Projects") for and on behalf of the County and local governmental units within the County, including without limitation municipalities, boards of education for school districts, local authorities and any other local government instrumentalities, public bodies or other local government entities; collectively, including the County (the "Local Units");

WHEREAS, on August 31, 2010, the Authority issued "Request for Proposals for a Developer of Photovoltaic Systems with respect to certain Local Government Facilities in the County of Union, New Jersey" (the "RFP") to design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects; and

WHEREAS, in furtherance of the Renewable Energy Program, the Authority, has selected and designated Tioga Solar Union County 1, LLC (the "Company") as the Successful Respondent for the RFP in accordance with the terms of the its proposal; and

WHEREAS, the Renewable Energy Projects procured under the Renewable Energy Program are to be installed on, in, affixed or adjacent to and/or for any other Local Unit controlled buildings, other structures, lands or other properties of the Local Units (collectively, the "Local Unit Facilities"); and

WHEREAS, one of the goals of the Renewable Energy Program is to expand the use of renewable energy sources available and utilized by the Local Units for their Local Unit Facilities, with the attendant environmental and financial benefits associated thereby, and to reduce the energy related operating costs to the Local Units for their Local Unit Facilities, all intended to be offered at no net cost to the Local Units; and

WHEREAS, in order to implement the Renewable Energy Program, and to finance costs associated with the Renewable Energy Program that the Authority determines to be necessary,

convenient or desirable for the successful implementation of the Renewable Energy Program, including without limitation all or a portion of the Preliminary Program Costs, for each of the participating Local Units, the Authority has undertaken project financing pursuant to that certain Resolution No. 75-2010, entitled "Resolution Authorizing the Issuance of County of Union Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011 and Additional Bonds of the Union County Improvement Authority" (the "Series 2011 Bonds"), adopted by the governing body of the Authority at a meeting duly called and held on December 22, 2010 (the "General Bond Resolution"), as amended and supplemented by a "Certificate of Authorized Officer of the Union County Improvement Authority, Providing for the Issuance and Sale of \$15,190,000 Principal Amount of County of Union Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011, by the Authority and Determining Various Matters Pertaining Thereto", dated May 4, 2011 (the "Officer's Certificate"), and together with the General Bond Resolution, the "Bond Resolution"; and

WHEREAS, the Series 2011 Bonds will also finance other costs associated with the Renewable Energy Program that the Authority determines to be necessary, convenient or desirable for the successful implementation of the Renewable Energy Program, including without limitation (i) all or a portion of the Project Development Costs and Administrative Fee (as such terms are defined in the RFP) (ii) costs incurred in connection with the issuance of the Series 2011 Bonds, (iii) costs incurred or to be incurred in connection with the design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects for the Local Units, (iv) capitalized interest and/or reserves, if any, and (v) such other amounts as shall be set forth in the Bond Resolution; and

WHEREAS, in accordance with Section 13 of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Series 2011 Bonds, the Authority has made a detailed report and an amended report of the Renewable Energy Program to the Board of Freeholders, which report included, without limitation, descriptions of the Series 2011 Bonds, the Bond Resolution, the Company Lease Agreement, the County Guaranty (including the County Guaranty Agreement), the Power Purchase Agreement, the Company Pledge Agreement, the Company Guaranty Agreement, the Continuing Disclosure Agreements, and the Site License Agreements (collectively, the "Program Documents"); and

WHEREAS, as a result of circumstances beyond the control of the parties herein and the necessity of adding an additional Local Unit to meet the Program system size (namely, the Berkeley Heights Board of Education), it is necessary to extend the Completion Date of the Program from June 15, 2012 to August 15, 2012; and

WHEREAS, the Authority, the Trustee (as defined in the Bond Resolution), and the Company desire to amend the Program Documents to extend the Completion Date to August 15, 2012.

NOW THEREFORE BE IT RESOLVED BY THE UNION COUNTY IMPROVEMENT AUTHORITY, as follows:

Section 1. The extension of the Completion Date from June 15, 2012 to August 15, 2012 is hereby approved.

Section 2. The Authorized Officers of the Authority (collectively, the “Authorized Officer”) are hereby each severally authorized and directed to execute and deliver the any and all supplements and/or amendments to the Program Documents, in order to extend the Completion Date of the Renewable Energy Program, with such changes thereto as the Authorized Officer deems in their sole discretion to be necessary, desirable or convenient for the execution thereof and to consummate the transactions contemplated hereby, which execution thereof shall conclusively evidence the Authorized Officer's approval of any changes to the forms thereof.

Section 3. The authorized officers are hereby each severally authorized and directed, upon the execution of the documents set forth in Section 2 hereof, to attest to the Authorized Officer's execution of such documents and is hereby further authorized and directed, when required by the Authority, to thereupon affix the seal of the Board to such documents.

Section 4. Upon the execution and attestation of and if required, the placing of the seal on the documents set forth in Section 2 hereof as contemplated by Sections 2 and 3 hereof, the Authorized Officer is hereby authorized and directed to (i) deliver such fully executed, attested and sealed supplements and/or amendments to Program Documents as are necessary or convenient to incorporate the extension of the Completion Date and (ii) perform such other actions as the Authorized Officer deems necessary, desirable or convenient in relation to the execution and delivery thereof.

Section 5. The governing body of the Authority hereby authorizes the performance of any act, the execution and delivery of any other document, instrument or closing certificates, which the Authorized Officer deems necessary, desirable or convenient in connection with this contemplated transaction, and the governing body of the Authority hereby directs the Authorized Officer to execute, attest and affix (or cause the attestation or affixation of) the seal to any such documents, instruments or closing certificates, the authorization of which actions shall be conclusively evidenced by the execution, attestation, affixation and delivery, as the case may be, thereof by such persons.

Section 6. This resolution shall take effect immediately.

The foregoing resolution was adopted by the following roll call vote:


Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE AMENDMENT, EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS AND CERTAIN OTHER ACTIONS TO BE TAKEN ALL IN CONNECTION WITH THE UNION COUNTY IMPROVEMENT AUTHORITY'S RENEWABLE ENERGY PROGRAM** is a true copy of a resolution adopted by the governing body of the Improvement Authority on June 19, 2012.

UNION COUNTY IMPROVEMENT AUTHORITY

By: 
John Salerno, Secretary

June 19, 2012
[SEAL]

Member Muskeany introduced and moved the adoption of the following resolution and Member Moyle seconded the motion:

**RESOLUTION OF THE UNION COUNTY IMPROVEMENT
AUTHORITY APPROVING CHANGE ORDER NO. 21 TO THE
CONTRACT WITH CGT CONSTRUCTION, INC. FOR THE
CONSTRUCTION OF THE UNION COUNTY CHILD
ADVOCACY CENTER LOCATED AT WEST JERSEY STREET IN
ELIZABETH, NEW JERSEY**

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

WHEREAS, the Authority and the County of Union have previously entered into a shared services agreement by and between the Authority and the County for the provision of services in connection with the Union County Child Advocacy Center Project ("Project"), pursuant to which the Authority and the County determined that the Authority shall be responsible for the implementation of construction of the Project; and

WHEREAS, in accordance with the Agreement, in December 2010, the Authority sought bids pursuant to New Jersey Local Public Contracts Law, N.J.S.A. 40A:11-1 *et seq.* for the construction of the Project and on January 19, 2011, awarded the contract in the amount of \$2,190,000 (the "Contract") for the Project to CGT Construction, Inc. (the "Contractor"); and

WHEREAS, due to the need for additional carpentry work to the attic hatch (see attached); and

WHEREAS, the Contractor has proposed Change Order No. 21 to the Project, increasing the overall cost of the Contract by \$1,594.00, which will reflect the Contractor's increased third-party costs.

NOW, THEREFORE BE IT RESOLVED by the Union County Improvement Authority, that Change Order No. 21 to the Project in the form attached hereto and made a part hereof be approved, and the Contract between the Authority and the Contractor be modified to reflect the increased cost of \$1,594.00 for the Project, bringing the total Project cost to \$2,435,375.00; and

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

The foregoing resolution was adopted by the following roll call vote:


Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY APPROVING CHANGE ORDER NO. 21 TO THE CONTRACT WITH CGT CONSTRUCTION, INC. FOR THE CONSTRUCTION OF THE UNION COUNTY CHILD ADVOCACY CENTER PROJECT LOCATED AT WEST JERSEY STREET IN ELIZABETH, NEW JERSEY** is a true copy of a resolution adopted by the governing body of the Improvement Authority on June 19, 2012.

UNION COUNTY IMPROVEMENT AUTHORITY

By: 
John Salerno, Secretary

Dated: June 19, 2012

[SEAL]

Document G701™ – 2001

Change Order

PROJECT (Name and address):	CHANGE ORDER NUMBER: 021	OWNER: <input type="checkbox"/>
Union County Child Advocacy Center	DATE: June 13, 2012	ARCHITECT: <input type="checkbox"/>
242 W. Jersey St.		CONTRACTOR: <input type="checkbox"/>
Elizabeth, NJ 07202		FIELD: <input type="checkbox"/>
TO CONTRACTOR (Name and address):	ARCHITECT'S PROJECT NUMBER: 09251-001	OTHER: <input type="checkbox"/>
CGT Construction, Inc.	CONTRACT DATE: February 01, 2011	
10 Franklin Avenue	CONTRACT FOR: General Construction	
Edison, NJ 08837		

THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)
 This Change Order is a result of additional framing of the 3rd floor attic ceiling required to accommodate an access hatch located in the Closet Rm #307 per RFI request & Architect's response and direction.

The Work is described in COR#34 dated 06/13/12 (attached) in the amount of \$1,594.00

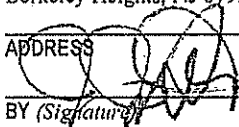
The original Contract Sum was	\$	2,190,000.00
The net change by previously authorized Change Orders	\$	243,781.00
The Contract Sum prior to this Change Order was	\$	2,433,781.00
The Contract Sum will be increased by this Change Order in the amount of	\$	1,594.00
The new Contract Sum including this Change Order will be	\$	2,435,375.00

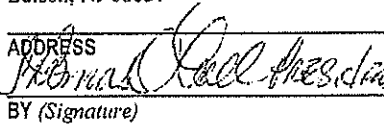
The Contract Time will be unchanged by Zero (0) days.

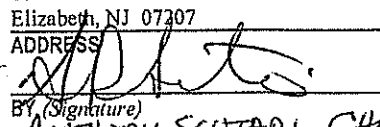
The date of Substantial Completion as of the date of this Change Order therefore is unchanged. However, the Task Duration will be increased by One (1) days.

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

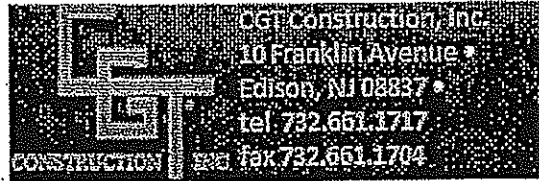
NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

GRA Architects, Inc.
ARCHITECT (Firm name)
 312 Springfield Ave.
 Berkeley Heights, NJ 07922
ADDRESS

BY (Signature)
 James J. Ramentol, AIA
 (Typed name)
 June 13, 2012
DATE

CGT Construction, Inc.
CONTRACTOR (Firm name)
 10 Franklin Avenue
 Edison, NJ 08837
ADDRESS

BY (Signature)
 Thomas O'Connell
 (Typed name)
 DATE

Union County Improvement Authority
OWNER (Firm name)
 Union County Administration Building
 10 Elizabethtown Plaza 6th Floor
 Elizabeth, NJ 07207
ADDRESS

BY (Signature)
 Anthony Scutari, CHAIRMAN
 (Typed name)
 6/19/12
DATE

*CGT will be held harmless for completion of this ~~or related~~ work beyond the date of Substantial Completion. *
 JBB 6/18/12



Owner Change Order Request

Document ID: 109COR 34

COR #: 34

Interior & Exterior Alterations of UCCAC
Project ID #: 0192
Interior & Exterior Alterations of UCCAC

Issued Date: 6/13/2012
Re-Submit Date:
Req. Response Date:

TO:

Union County Improvement Authority
10 Cherry Street
Elizabeth, NJ 07202

FROM:

CGT Construction Inc.
10 Franklin Avenue
Edison, NJ 08837

Contact: Mark W. Brink

Contact: Kevin MacDonald

RE: changes to roof access hatch framing

Generated by:

Schedule Impact: TBD (Cal. Days)

Change Result of: Design Coordination

Status: OPN

Cost Code	Detail Code	Trade	Amount	Description
00600		Bonding /	\$27.82	bond cost at 2%
00800		Insurance /	\$20.86	costs of insurance at 1 1/2%
01251		General Contractor Fee /	\$45.90	gc fee of 15% on our work
01251		General Contractor Fee /	\$108.50	gc fee of 10% on work by subcontractors
01310		Superintendent /	\$306.00	additional layout, supervision, and associated direct work- 3 hrs @ \$102
06101		Rough Carpentry - Materials /	\$1,085.00	changes to roof access hatch framing
00000		Profit /	\$0.00	
Total (\$1,594.08) rounded to			\$1,594.00	

Notes:

per attached propopsal, cost is for addirtional work to attic hatch, per rfi and response from GRA

- * The approval of this document is important to the progress of the job. Your approval is required as soon as possible.
- * Accumulation of changes affecting the scope of work with no request for additional time may result in a COR for a time extension.
- * We will not proceed with changes until response is received.

Upon signature of the Owner, this form will serve as our written authorization to proceed with the above work pending an official change order to our contract showing the revised contract amount.

CGT CONSTRUCTION INC.

CONTRACTOR

10 Franklin Avenue

ADDRESS

Edison, NJ 08837

UNION COUNTY IMPROVEMENT AUTHORITY

OWNER / PARTNER

10 Cherry Street

ADDRESS

Elizabeth, NJ 07202

Kevin MacDonald

Mark W. Brink

DATE

DATE



ACOUSTICS & CONSTRUCTION INC.

265 BROAD STREET
BLOOMFIELD, NEW JERSEY 07003
OFFICE PHONE: 973-743-1488
FAX: 973-743-7290

May 26, 2012

Thomas O'Connell
CGT Construction, Inc.
10 Franklin Avenue
Edison, New Jersey 08837
732 661 1717 fax 732 661 1704

Re: Additional Work Quote UCCA Elizabeth, New Jersey

Tom,

The following is a quote for the additional framing work for roof scuttle.

Material	\$200.00
Labor 8 hrs x \$78.74	\$629.92
Foremen 1 hrs x \$95.59	\$95.59
Lift \$3000.00-month \$18.75 per hour	
Fuel \$1.00 per hour	
Sub Total	\$925.51
10% Overhead	\$92.55
Sub Total	\$1,018.06
5 % Profit	\$50.90
Sub Total	\$1,068.96
1.5% Insurance	\$16.03
Grand Total	\$1,085.00

This work is completed and we fully expect a change order that we can execute and put in our monthly Application for Payment.

Please feel free to contact me office and or my cell phone with any questions you might have about this quote.

Sincerely,

Douglas G. Malcolm, Jr.

McCann Acoustics and Construction, Inc.

Member Mishenecy introduced and moved the adoption of the following resolution and Member McGhee seconded the motion:

**RESOLUTION OF THE UNION COUNTY IMPROVEMENT
AUTHORITY APPROVING CHANGE ORDER NO. 22 TO THE
CONTRACT WITH CGT CONSTRUCTION, INC. FOR THE
CONSTRUCTION OF THE UNION COUNTY CHILD
ADVOCACY CENTER LOCATED AT WEST JERSEY STREET IN
ELIZABETH, NEW JERSEY**

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

WHEREAS, the Authority and the County of Union have previously entered into a shared services agreement by and between the Authority and the County for the provision of services in connection with the Union County Child Advocacy Center Project ("Project"), pursuant to which the Authority and the County determined that the Authority shall be responsible for the implementation of construction of the Project; and

WHEREAS, in accordance with the Agreement, in December 2010, the Authority sought bids pursuant to New Jersey Local Public Contracts Law, N.J.S.A. 40A:11-1 *et seq.* for the construction of the Project and on January 19, 2011, awarded the contract in the amount of \$2,190,000 (the "Contract") for the Project to CGT Construction, Inc. (the "Contractor"); and

WHEREAS, due to the need to add a 2" overlay to the parking lot pavement (see attached); and

WHEREAS, the Contractor has proposed Change Order No. 22 to the Project, increasing the overall cost of the Contract by \$38,232.00, which will reflect the Contractor's increased third-party costs.

NOW, THEREFORE BE IT RESOLVED by the Union County Improvement Authority, that Change Order No. 22 to the Project in the form attached hereto and made a part hereof be approved, and the Contract between the Authority and the Contractor be modified to reflect the increased cost of \$38,232.00 for the Project, bringing the total Project cost to \$2,473,607.00; and

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

The foregoing resolution was adopted by the following roll call vote:

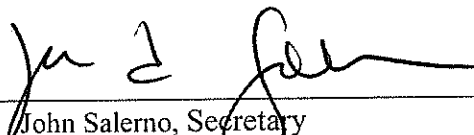
Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY APPROVING CHANGE ORDER NO. 22 TO THE CONTRACT WITH CGT CONSTRUCTION, INC. FOR THE CONSTRUCTION OF THE UNION COUNTY CHILD ADVOCACY CENTER PROJECT LOCATED AT WEST JERSEY STREET IN ELIZABETH, NEW JERSEY** is a true copy of a resolution adopted by the governing body of the Improvement Authority on June 19, 2012.

UNION COUNTY IMPROVEMENT AUTHORITY

By: 
John Salerno, Secretary

Dated: June 19, 2012

[SEAL]

CGT will be held harmless for completion of this ~~or related~~ work beyond the date of Substantial Completion.



AIA Document G701™ - 2001

Change Order

PROJECT (Name and address): Union County Child Advocacy Center 242 W. Jersey St. Elizabeth, NJ 07202	CHANGE ORDER NUMBER: 022 DATE: June 13, 2012	OWNER: <input type="checkbox"/> ARCHITECT: <input type="checkbox"/> CONTRACTOR: <input type="checkbox"/> FIELD: <input type="checkbox"/> OTHER: <input type="checkbox"/>
TO CONTRACTOR (Name and address): CGT Construction, Inc. 10 Franklin Avenue Edison, NJ 08837	ARCHITECT'S PROJECT NUMBER: 09251-001 CONTRACT DATE: February 01, 2011 CONTRACT FOR: General Construction	

THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)

This Change Order is a result of an Owner request to install an additional 2" thick bituminous asphalt paving over the entire parking lot both new patched areas and existing bituminous asphalt paving..

This work performed in lieu of the black seal coating which is in the base bid. The parking striping and new 2" patched areas shall remain per revised drawing SP-1.

The Scope of the work shall include the following: power clean the existing asphalt pavement; apply RC-70 tack coat over the entire area; install approximately 20 tons of I-5 FABC to level the depressed areas on the existing asphalt rear parking lot; install 2" compacted thickness of I-5 FABC on the entire driveway and parking lot area 20,350 sq. ft.

The Cost of the work is described in COR #35 dated 6/13/12 (attached) in the amount of \$38,232.00

The original Contract Sum was	\$ 2,190,000.00
The net change by previously authorized Change Orders	\$ 245,375.00
The Contract Sum prior to this Change Order was	\$ 2,435,375.00
The Contract Sum will be increased by this Change Order in the amount of	\$ 38,232.00
The new Contract Sum including this Change Order will be	\$ 2,473,607.00

The Contract Time will be unchanged by Zero (0) days. *Five (5) days.*

The date of Substantial Completion as of the date of this Change Order therefore is unchanged. However, the Task Duration will be increased by Five (5) days. The work will be performed after receipt of the Temporary Certificate of Occupancy (TCO) and no later than (20) calendar after receipt of TCO.

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

GRA Architects, Inc.
ARCHITECT (Firm name)
312 Springfield Ave.
Berkeley Heights, NJ 07922
ADDRESS
BY (Signature)
James J. Ramentol, AIA
(Typed name)
June 13, 2012
DATE

CGT Construction, Inc.
CONTRACTOR (Firm name)
10 Franklin Avenue
Edison, NJ 08837
ADDRESS
BY (Signature)
Thomas O'Connell
(Typed name)
DATE

Union County Improvement Authority
OWNER (Firm name)
Union County Administration Building
10 Elizabethtown Plaza, 6th Floor
Elizabeth, NJ 07207
ADDRESS
BY (Signature)
ANTHONY SCUTARI, CHAIRMAN
Charlotte DeFillipo
(Typed name)
6/19/12
DATE



Owner Change Order Request

Document ID: 110COR 35

COR #: 35

Interior & Exterior Alterations of UCCAC

Project ID #: 0192

Interior & Exterior Alterations of UCCAC

Issued Date:

6/13/2012

Re-Submit Date:

Req. Response Date:

TO:

Union County Improvement Authority
10 Cherry Street
Elizabeth, NJ 07202

FROM:

CGT Construction Inc.
10 Franklin Avenue
Edison, NJ 08837

Contact: Mark W. Brink

Contact: Kevin MacDonald

RE: added cost for paving 2" overlay

Generated by:

Schedule Impact: TBD (Cal. Days)

Change Result of:

Status: OPN

Cost Code	Detail Code	Trade	Amount	Description
00600		Bonding /	\$712.84 \$833.44	bond cost @ 2%
00800		Insurance /	\$524.73 \$825.06	cost for Insurances at 1 1/2 %
01251		General Contractor Fee /	\$244.80	gc fee of 15% on our work
01251		General Contractor Fee /	\$3,192.36 \$3,640.80	gc fee of 10% on subcontractors work
01310		Superintendent /	\$1,632.00	cost for additional days of direct supervision after project completion, 2 days-
06101		Rough Carpentry - Materials /	\$36,400.00	added cost for paving 2" overlay
00000		Profit /	\$31,923 (- 4,478.00)	credit for deleting seal coat.
Total (\$43,375.32) rounded to			\$43,375.00	

Notes:

~~\$38,231.67~~ rounded to ~~\$38,232.00~~

per request, cost for leveling/patching and 2" overlay as described in bulletin sketch Please note that sequence and duration of this work can be expected to extend completion of this work beyond current completion date, with attendant modifications based on revised schedule.

- * The approval of this document is important to the progress of the job. Your approval is required as soon as possible.
- * Accumulation of changes affecting the scope of work with no request for additional time may result in a COR for a time extension.
- * We will not proceed with changes until response is received.

Upon signature of the Owner, this form will serve as our written authorization to proceed with the above work pending an official change order to our contract showing the revised contract amount.

CGT CONSTRUCTION INC.

CONTRACTOR

10 Franklin Avenue

ADDRESS

Edison, NJ 08837

UNION COUNTY IMPROVEMENT AUTHORITY

OWNER / PARTNER

10 Cherry Street

ADDRESS

Elizabeth, NJ 07202

Kevin MacDonald

Mark W. Brink

DATE

DATE



ACOUSTICS & CONSTRUCTION INC.

265 BROAD STREET
BLOOMFIELD, NEW JERSEY 07003
OFFICE PHONE: 973-743-1488
FAX: 973-743-7290

June 4, 2012

Thomas O'Connell
CGT Construction, Inc.
10 Franklin Avenue
Edison, New Jersey 08837
732 661 1717 fax 732 661 1704

Re: UCCA Elizabeth, New Jersey REVISED Site Paving Quote

Tom,

Due to the price increases in asphalt we are forced to raise our quote for the 2" FABC

REVISED QUOTE Re-surface the lot with 2" FABC \$36,400.00

Pavement prices are up and down daily adjustments might be needed at the time of purchase. We cannot be responsible for drainage issues or ponding water given the fact there is no drainage.

This work is completed and we fully expect a change order that we can execute and put in our monthly Application for Payment.

Please feel free to contact me office and or my cell phone with any questions you might have about this breakdown.

Sincerely,

Douglas G. Malcolm, Jr.
McCann Acoustics and Construction, Inc.

RESOLUTION NO.: 67-2012

Member Mishewany introduced and moved the adoption of the following resolution and Member Mallhee seconded the motion:

**RESOLUTION OF THE UNION COUNTY IMPROVEMENT
AUTHORITY APPROVING CONTRACT AMENDMENT NO. 3 TO
THE CONTRACT WITH CGT CONSTRUCTION, INC. FOR THE
CONSTRUCTION OF THE UNION COUNTY CHILD
ADVOCACY CENTER LOCATED AT WEST JERSEY STREET IN
ELIZABETH, NEW JERSEY**

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

WHEREAS, the Authority and the County of Union have previously entered into a shared services agreement by and between the Authority and the County for the provision of services in connection with the Union County Child Advocacy Center Project ("Project"), pursuant to which the Authority and the County determined that the Authority shall be responsible for the implementation of construction of the Project; and

WHEREAS, in accordance with the Agreement, in December 2010, the Authority sought bids pursuant to New Jersey Local Public Contracts Law, N.J.S.A. 40A:11-1 *et seq.* for the construction of the Project and on January 19, 2011, awarded the contract in the amount of \$2,190,000 (the "Contract") for the Project to CGT Construction, Inc. (the "Contractor"); and

WHEREAS, due to the need to extend the Temporary Certificate of Occupancy ("TCO") date, for contractual purposes, to June 30, 2012, and to establish an amount of liquidated damages to that date, as agreed to by the parties to the Contract, in addition to the surety to the Contractor; and

WHEREAS, the Authority, the Contractor and the Contractor's surety propose Contract Amendment No. 3 (see attached) extending the TCO date to June 30, 2012 and establishing liquidated damages.

NOW, THEREFORE BE IT RESOLVED by the Union County Improvement Authority, that Contract Amendment No. 3 to the Project in the form attached hereto and made a part hereof be approved and the appropriate authorized Authority officials are hereby authorized to execute same; and

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

The foregoing resolution was adopted by the following roll call vote:

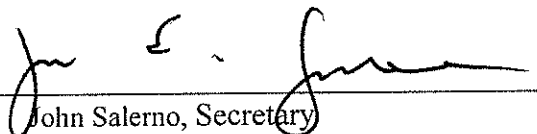
Recorded Vote

NAMES	AYE	NO	ABSTAIN	ABSENT
Anthony R. Scutari, Chairperson	✓			
Carolyn Vollero, V. Chairperson	✓			
John Salerno, Secretary	✓			
Joseph W. Miskiewicz, Treasurer	✓			
Walter Boright, Member	✓			
Sebastian D'Elia, Member				✓
Linda Hines, Member				✓
Samuel T. McGhee, Member	✓			
Cherron Rountree, Member	✓			

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing **RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY APPROVING CONTRACT AMENDMENT NO. 3 TO THE CONTRACT WITH CGT CONSTRUCTION, INC. FOR THE CONSTRUCTION OF THE UNION COUNTY CHILD ADVOCACY CENTER PROJECT LOCATED AT WEST JERSEY STREET IN ELIZABETH, NEW JERSEY** is a true copy of a resolution adopted by the governing body of the Improvement Authority on June 19, 2012.

UNION COUNTY IMPROVEMENT AUTHORITY

By: 
John Salerno, Secretary

Dated: June 19, 2012

[SEAL]

EXECUTION COPY

**CONTRACT AMENDMENT #3 (NON-CHANGE ORDER)
BETWEEN THE UNION COUNTY IMPROVEMENT
AUTHORITY, AND CGT CONSTRUCTION, INC.
UNION COUNTY CHILD ADVOCACY CENTER PROJECT**

WHEREAS, the Union County Improvement Authority (“Authority”) and CGT Construction, Inc. (“Contractor”) entered into an agreement, dated February 9, 2011, (“Agreement”) for construction of the Union County Child Advocacy Center Project (“Project”), located at 242 W. Jersey Street in Elizabeth, New Jersey; and

WHEREAS, the Authority has approved two Contract Amendments affecting the Project Milestones as contained in Schedule A of the Agreement; the most recent adoption, dated December 7, 2011, of the Project Milestones revisions contains a Temporary Certificate of Occupancy (“TCO”) date of February 29, 2012; and

WHEREAS, Section 3.3 of the Agreement imposes Liquidated Damages of \$1,000 for each calendar day beyond each Project Milestone date(s) [as amended]; and

WHEREAS, the latest Project schedule as submitted by the Project manager contains a TCO date of July 25, 2012; and

WHEREAS, the Contractor has disputed the assessment of liquidated damages for missed interim milestone dates and has requested extensions of time to be added to the February 29, 2012 TCO date, and

WHEREAS, the parties below agree that the amendments to the Agreement, as contained herein as Contract Amendment #3, are necessary in order to advance the timetable for completion of the Project in a manner more closely aligned with the original completion date contained in the Agreement.

NOW, THEREFORE, be it agreed to by the Authority and the Contractor, as follows:

1. The Contractor agrees to make its best efforts to advance the TCO date to July 25, 2012. Any additional expenditures incurred by the Contractor to reach the July 25, 2012 TCO date will be at no additional cost to the Authority or the Project Fund established by the Authority for the Project, with the exception of Change Orders as approved by the Parties hereto.

2. In resolution of the Contractor's requests for extensions of time and in exchange for the aforesaid best efforts to reach the TCO date by July 25, 2012, as described in Section 1 above, the Authority agrees to amend Section 3.3 of the Agreement by eliminating all liquidated damages attached to "interim" Project Milestones as amended and adopted by the Authority on December 7, 2011. Additionally, the Authority agrees to amend the TCO date, for contractual purposes, as adopted on December 7, 2011, to June 30, 2012, after which liquidated damages of \$1,000 per calendar day will be imposed until the TCO is received, subject to the entitlement of the Contractor to any extensions of time resulting from unforeseen circumstances or changes to the work, subsequent to this agreement. The Parties agree that Change Orders 14 through 20, as approved by the Authority on May 22, 2012, shall not extend the June 30, 2012 TCO date for purposes of this Agreement.


3. The Parties agree that the amount of liquidated damages at the June 30, 2012 target TCO date shall be \$22,500, to be modified/decreased by \$1,000 per day should the TCO be received before June 30, 2012 and that the withholding of any assessed liquidated damages will be withheld from retainages and not progress payments, unless total assessed liquidated damages exceed the total retainage amount; and, in that

case, the amount over the total retainage amount will be withheld from the final progress payment.

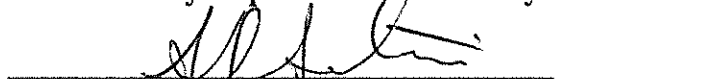
This Contract Amendment #3 is agreed to by the following:

June ¹⁴ 2012

CGT Construction, Inc.


By: Tom O'Connell -President

Union County Improvement Authority


By: ANTHONY R. SCUTARI, CHAIRMAN

CONSENTED TO:

Surety Partners of America, as agent for Hudson


By: MIKE ULVEN