



UNION COUNTY IMPROVEMENT AUTHORITY

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Resolution No. 50-2018

Date: October 3, 2018

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF COUNTY GUARANTEED REVENUE REFUNDING BONDS, SERIES 2018 (OAKWOOD PLAZA-ELIZABETH PROJECT) (FEDERALLY TAXABLE) OF THE UNION COUNTY IMPROVEMENT AUTHORITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$22,000,000 IN CONNECTION WITH THE AUTHORITY'S REFINANCING OF A LOW AND MODERATE INCOME HOUSING PROJECT IN THE CITY OF ELIZABETH, COUNTY OF UNION AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, A TRUST INDENTURE AND RELATED INSTRUMENTS ANNEXED THERETO, A PURCHASE AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

APPROVED AS TO FORM:
Lisa M. da Silva, RMC
Clerk of the Authority

APPROVED AS TO SUFFICIENCY OF FUNDS
☐ YES ☐ NO ☒ NONE REQUIRED
UNION COUNTY IMPROVEMENT AUTHORITY

	PRESENT	ABSENT	AYE	NAY	ABSTAIN	MOTION	SECOND
<i>Barnett</i>	✓		✓			✓	
<i>D'Elia</i>	✓		✓				
<i>Gunderman</i>	✓		✓				
<i>Hockaday</i>	✓		✓				✓
<i>Huff, Treasurer</i>	✓		✓				
<i>Lattimore</i>	✓		✓				
<i>Salerno, Secretary</i>	✓		✓				
<i>Bornstad, Vice Chair</i>	✓		✓				
<i>Rountree, Chairwoman</i>	✓		✓				

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF COUNTY GUARANTEED REVENUE REFUNDING BONDS, SERIES 2018 (OAKWOOD PLAZA-ELIZABETH PROJECT) (FEDERALLY TAXABLE) OF THE UNION COUNTY IMPROVEMENT AUTHORITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$22,000,000 IN CONNECTION WITH THE AUTHORITY'S REFINANCING OF A LOW AND MODERATE INCOME HOUSING PROJECT IN THE CITY OF ELIZABETH, COUNTY OF UNION AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, A TRUST INDENTURE AND RELATED INSTRUMENTS ANNEXED THERETO, A PURCHASE AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

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

WHEREAS, the Authority provided financing for the acquisition and renovation of an affordable residential development located at 380 Irvington Avenue, City of Elizabeth, Union County, New Jersey, Block 11, Lots 45 and 1199A, known as Oakwood Plaza (the "Project"); and

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

WHEREAS, the Authority sold \$16,870,000 aggregate principal amount of County Guaranteed Revenue Bonds, Series 2009 (Oakwood Plaza-Elizabeth Project) (Federally Taxable) dated June 24, 2009 (the "2009 Bonds") to finance the Project; and

WHEREAS, the City of Elizabeth (the "City") had arranged a public-private effort for this housing development in combination with the New Jersey Department of Community Affairs (NJDCA), where NJDCA was to provide the payments in the amount of \$18 million, in \$4 million increments annually, but as a result of subsequent events NJDCA was unable to provide said payments, and the project could not support the debt service schedule, which was predicated upon the receipt of same; and

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

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

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

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

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

WHEREAS, the Authority expects to obtain funds to assist the refinancing of the Refunded 2010 Bonds through the issuance of its bonds in an amount not to exceed \$22,000,000 County Guaranteed Revenue Refunding Bonds, Series 2018 (Oakwood Plaza-Elizabeth Project) (the "Bonds") issued pursuant to a Bond Resolution adopted by the Authority on October 3, 2018 and entitled **"RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF COUNTY GUARANTEED REVENUE REFUNDING BONDS, SERIES 2018 (OAKWOOD PLAZA-ELIZABETH PROJECT) (FEDERALLY TAXABLE) OF THE UNION COUNTY IMPROVEMENT AUTHORITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$22,000,000 IN CONNECTION WITH THE AUTHORITY'S REFINANCING OF A LOW AND MODERATE INCOME HOUSING PROJECT IN THE CITY OF ELIZABETH, COUNTY OF UNION AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, A TRUST INDENTURE AND RELATED INSTRUMENTS ANNEXED THERETO, A PURCHASE AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH"** (the "Bond Resolution"); and

WHEREAS, in accordance with N.J.S.A. 40A:5A-6 and N.J.S.A. 40:37A-80 the Authority made application, on behalf of the Authority, the County, and the City 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 Indenture, the Loan Agreement, the County Guaranty Agreement, the County Guaranty, the City Deficiency Agreement, and Continuing Disclosure Agreements and positive findings were received on July 11, 2018; and

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

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

WHEREAS, in order to induce the County to unconditionally and irrevocably guaranty the principal of (including mandatory sinking fund installments, if any) and interest on the Bonds, the City, in accordance with the terms of Section 36 of the Act (N.J.S.A. 40:37A-79) and this ordinance, shall enter into a Deficiency Agreement with the Authority and the County (the "City Deficiency Agreement") pursuant to which the City will make payment to the County for a portion, not to exceed \$10,000,000, of the principal of (including mandatory sinking fund installments, if any) and interest on the Bonds that may be paid by the County under the County Guaranty; and

WHEREAS, the obligation of the City to make payments pursuant to this City Deficiency Agreement shall be absolute, unconditional and irrevocable, and the City shall take all actions legally permitted to meet its payment obligations under the City Deficiency Agreement, including, if necessary, the levy of *ad valorem* taxes upon all taxable property within the City without limitation as to rate or amount; and

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

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

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

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

Section 1. To accomplish the purposes and objectives of the Act, the Authority hereby determines to refinance the Refunded 2010 Bonds which were issued to refinance the Project, being the acquisition and renovation of an affordable residential development located at 380 Irvington Avenue, City of Elizabeth, Union County, New Jersey, Block 11, Lots 45 and 1199A, constitute the facility as set forth in the preambles hereto. In order to refund the Refunded 2010 Bonds, a series of bonds of the Authority, being the County Guaranteed Revenue Refunding, Series 2018 (Oakwood Plaza-Elizabeth Project) (Federally Taxable) of the Authority are authorized in the aggregate principal amount not to exceed \$22,000,000. The Bonds shall be dated, shall bear interest at such rate of interest and shall be payable as to principal, interest and premium, if any, all as is specified on the dates and the amounts set forth in the Trust Indenture referred to below and as set forth in the Certificate of an Authorized Officer of the Authority. The Bonds shall be issued in the form, shall mature, shall be subject to redemption prior to maturity and shall have such other details and provisions as are prescribed by the Trust Indenture referred to below and as set forth in the Certificate of an Authorized Officer of the Authority.

Section 2. The Bonds shall be special obligations of the Authority, payable solely out of the moneys derived pursuant to the Loan Agreement and all such moneys are hereby pledged to the payment of the Bonds. The payment of the principal of, premium, if any, and interest on the respective series of Bonds shall be secured by a pledge and assignment of revenues, a mortgage on the project, the County's unconditionally and irrevocably guaranty the punctual payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Bonds and certain rights of the Authority as provided in the Trust Indenture, which pledge shall constitute the Trust Estate (the "Trust Estate"). Neither the members of the Authority nor any person executing the Bonds issued pursuant to this Resolution and the Act shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be in any way a debt or liability of the State of New Jersey, County of Union (except to the extent of the Guaranty), City of Elizabeth (except to the extent of a deficiency agreement with the County, the

Authority and the Trustee), or any political subdivision other than the Authority (but only to the extent of Trust Estate) whether legal, moral or otherwise.

Section 3. The Loan Agreement in substantially the form attached hereto as Exhibit "B" and all instruments attached as exhibits thereto in a form to be agreed upon by the Authority and the Developer, are hereby approved. 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 are hereby authorized to execute, acknowledge and deliver the Loan Agreement and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by 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, and the Secretary or Assistant Secretary of the Authority or any other officer of the Authority who shall have power to do so under the By-laws of the Authority and any resolutions adopted thereunder is hereby authorized to affix the seal of the Authority on the Loan Agreement and all instruments attached as exhibits thereto and attest the same. The execution of the Loan Agreement shall be conclusive evidence of any approval required by this Section.

Section 4. The Trust Indenture (the "Indenture") by and between the Authority and Wells Fargo Bank, N.A., the Trustee (the "Trustee"), in substantially the form attached hereto as Exhibit "A" and all instruments attached as exhibits thereto, in a form to be agreed upon by the Authority and the Trustee, are hereby approved. 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 are hereby authorized to execute, acknowledge and deliver the Indenture and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by 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, and the Secretary or Assistant Secretary of the Authority or any other officer of the Authority and any resolutions adopted thereunder is hereby authorized to affix the seal of the Authority on the Indenture and all instruments attached as exhibits thereto and attest the same. The execution of the Indenture shall be conclusive evidence of any approval required by this Section.

Section 5. The County Guaranty Agreement (the "County Guaranty Agreement") by and among the Authority, the County and the Trustee in substantially the form attached hereto as Exhibit "C" and all instruments attached as exhibits thereto, in a form to be agreed upon by the Authority, the County and the Trustee, are hereby approved. 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 are hereby authorized to execute, acknowledge and deliver the County Guaranty Agreement and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by 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, and the Secretary or Assistant Secretary of the Authority or any other officer of the Authority and any resolutions adopted thereunder is hereby authorized to affix the seal of the Authority on the County Guaranty Agreement and all instruments attached as exhibits thereto and attest the same. The execution of the County Guaranty Agreement shall be conclusive evidence of any approval required by this Section.

Section 6. The City Deficiency Agreement (the "City Deficiency Agreement") by and among the Authority, the County, the City and the Trustee in substantially the form attached hereto as Exhibit "D" and all instruments attached as exhibits thereto, in a form to be agreed upon by the Authority, the County, the City and the Trustee, are hereby approved. 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 are hereby authorized to execute, acknowledge and deliver the City Deficiency Agreement and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by 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, and the Secretary or Assistant Secretary of the Authority or any other officer of the Authority and any resolutions adopted thereunder is hereby authorized to affix the seal of the Authority on the City Deficiency Agreement and all instruments attached as exhibits thereto and attest the same. The execution of the City Deficiency Agreement shall be conclusive evidence of any approval required by this Section.

Section 7. The Purchase Agreement (the "Purchase Agreement") by and among the Authority, the Underwriter and the Developer in substantially the form attached hereto as Exhibit "E" and all instruments attached as exhibits thereto, in a form to be agreed upon by the Authority, the Underwriter and the Developer, are hereby approved. The Chairman, Vice-Chairman, Executive Director, or any other officer of the Authority who shall have the power to execute contracts pursuant to the By-laws of the Authority and any resolutions adopted thereunder are hereby authorized to execute, acknowledge and deliver the Purchase Agreement and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by 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, and the Secretary or Assistant Secretary of the authority or any other officer of the Authority who shall have power to do so under the By-laws of the Authority and any resolutions adopted thereunder is hereby authorized to affix the seal of the Authority on the Purchase Agreement and all instruments attached as exhibits thereto and attest the same. The execution of the Purchase Agreement shall be conclusive evidence of any approval required by this Section.

Section 8. The Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") by and among the Authority, the County, the Developer and the dissemination agent in substantially the form attached hereto as Exhibit "F" and all instruments attached as exhibits thereto, in a form to be agreed upon by the Authority, the County, the Developer and the dissemination agent, are hereby approved. 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 are hereby authorized to execute, acknowledge and deliver the Continuing Disclosure Agreement and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by 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, and the Secretary or Assistant Secretary of the Authority or any other officer of the Authority and any resolutions adopted thereunder is hereby authorized to affix the seal of the Authority on the Continuing Disclosure Agreement and all instruments attached as exhibits thereto and attest the same. The execution of the Continuing Disclosure Agreement shall be conclusive evidence of any approval required by this Section

Section 9. The Bonds are hereby authorized to be sold to NW Capital Markets Inc. (the "Underwriter"), in accordance with the Purchase Agreement.

Section 10. Wells Fargo Bank, N.A. is appointed the Trustee for this financing, and also appointed as Escrow Agent for the Refunding.

Section 11. 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 are hereby designated to be the authorized representatives of the Authority, charged by this Resolution with the responsibility for issuing the Bonds and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents, including the preliminary official statement and the official statement, 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, County Guaranty Agreement, the Indenture, the City Deficiency Agreement, the Purchase Agreement, the Continuing disclosure Agreement, and the issuance of the Bonds, and said authorized representatives are authorized, after consultation with Bond Counsel to the Authority, and in accordance with law, to approve the final form of the Loan Agreement, Indenture, County Guaranty Agreement, City Deficiency Agreement, Purchase Agreement, the Continuing Disclosure Agreement and the Bonds, with such changes and modifications as necessary and proper to do any and all acts and things necessary or proper for carrying out this resolution and the issuance of the Bonds.

Section 12. In case any one or more of the provisions of this Resolution, the Loan Agreement, the Indenture, County Guaranty Agreement, City Deficiency Agreement, the Purchase Agreement, the Continuing Disclosure Agreement, or the Bonds issued hereunder 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 Loan Agreement, the Indenture, County Guaranty Agreement, City Deficiency Agreement, the Purchase Agreement, the Continuing Disclosure Agreement, or the Bonds, as applicable, shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 12. The Executive Director of the Authority is hereby authorized to appoint a verification agent for purposes of verifying the sufficiency of the Refunding Escrow.

Section 14. The Bonds of shall be dated such date and shall mature, may be subject to prior redemption, upon the terms and conditions as set forth in the final form of the Trust Indenture, on the dates and the amounts set forth in the Certificate of the Executive Director. The final form and terms of all documents shall be approved by the Certificate of the Executive Director.

Section 15. The Executive Director of the Authority is hereby authorized to publish the estoppel notice required under the Act, pursuant to which interested persons have twenty (20) days from the publication thereof to file any objection to the issuance of the Bonds or be estopped from bringing any subsequent action.

Section 16. This Resolution shall take effect immediately.

CERTIFICATION

I, JOHN SALERNO, Secretary of the Union County Improvement Authority, HEREBY CERTIFY that the foregoing "RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF COUNTY GUARANTEED REVENUE REFUNDING BONDS, SERIES 2018 (OAKWOOD PLAZA-ELIZABETH PROJECT) (FEDERALLY TAXABLE) OF THE UNION COUNTY IMPROVEMENT AUTHORITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$22,000,000 IN CONNECTION WITH THE AUTHORITY'S REFINANCING OF A LOW AND MODERATE INCOME HOUSING PROJECT IN THE CITY OF ELIZABETH, COUNTY OF UNION AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, A TRUST INDENTURE AND RELATED INSTRUMENTS ANNEXED THERETO, A PURCHASE AGREEMENT AND RELATED INSTRUMENTS ANNEXED THERETO, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH" is a true copy of a resolution adopted by the governing body of the Authority on October 3, 2018.

UNION COUNTY IMPROVEMENT AUTHORITY

By: 
John Salerno, Secretary

(Seal)

Dated: 10 5, 2018