

GUARANTY ORDINANCE OF THE COUNTY OF SOMERSET, NEW JERSEY,
SECURING THE SOMERSET COUNTY IMPROVEMENT AUTHORITY'S
COUNTY OF SOMERSET GUARANTEED RENEWABLE ENERGY PROGRAM
PROJECT REVENUE BONDS, SERIES 2019A AND SERIES 2019B AND COUNTY
OF SOMERSET GUARANTEED RENEWABLE ENERGY PROGRAM LEASE
REVENUE BONDS, SERIES 2019C (FEDERALLY TAXABLE), IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$22,400,000

WHEREAS, the Somerset County Improvement Authority (including any successors and assigns, the “*Authority*”) has been duly created by resolution duly adopted by the Board of Chosen Freeholders (the “*Board of Freeholders*”) of the County of Somerset (the “*County*”) in the State of New Jersey (the “*State*”) as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the “*Act*”), and other applicable law; and

WHEREAS, pursuant to the Program Documents (the “*Prior Program Documents*”) defined in the hereinafter defined Lease Revenue Bond Resolution, including that certain resolution number SCIA11-372 entitled “RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF SOMERSET GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2010 AND ADDITIONAL BONDS OF THE SOMERSET COUNTY IMPROVEMENT AUTHORITY” adopted by the governing body of the Somerset Authority on May 10, 2011, as amended and supplemented from time to time in accordance with its terms, including by Certificates of an Authorized Officer of the Somerset Authority dated August 25, 2011 and January 19, 2012, (collectively, and as the same may be further amended or supplemented in accordance with its terms, the “*Original Lease Revenue Bond Resolution*”), the Act and other applicable law and official action, the Authority issued its (i) “County of Somerset Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011A (Federally Taxable)” dated August 25, 2011, in the aggregate principal amount of \$23,980,000 (the “*Series 2011A Bonds*”) and its (ii) “County of Somerset Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011B (Federally Taxable)” dated January 19, 2012, in the aggregate principal amount of \$2,810,000 (the “*Series 2011B Bonds*”, and together with the Series 2011A Bonds, the “*Series 2011 Bonds*”), which Series 2011B Bonds are held in their entirety by the County, to finance the Renewable Energy Projects (the “*Renewable Energy Projects*”) defined therein (any capitalized terms herein not otherwise defined herein shall have the meanings ascribed to such terms in the Original Lease Revenue Bond Resolution); and

WHEREAS, SunLight General Somerset Solar, LLC (“*SunLight*”) was selected to develop the respective Renewable Energy Projects under the Prior Program Documents by competitive processes of the Authority; and

WHEREAS, SunLight thereafter engaged in arbitrations before the American Arbitration Association with its selected EPC Contractor, Power Partners Mastec, LLC (the “*EPC Contractor*”), with respect to the costs of constructing the Renewable Energy Projects (the “*Arbitration*”), to which no governmental entity associated with the Renewable Energy Projects was a party; and

WHEREAS, August 25, 2014, the panel in the Arbitration (the “*Arbitration Panel*”) issued its partial final awards, through which the Arbitration Panel awarded Mastec \$23,420,425 for work performed with respect to the Renewable Energy Projects; and

WHEREAS, in addition to the Arbitration, the EPC Contractor filed certain liens on funds held by the trustee for the Series 2011 Bonds preventing SunLight from requisitioning the balance of the proceeds of the Series 2011 Bonds, which prevented the completion of the development of certain of the Renewable Energy Projects, and which actions (among others) resulted in several federal and state court litigation proceedings, all of which have since been resolved, as hereinafter discussed (collectively, the “*Litigation*”); and

WHEREAS, as is described in the notice of default with respect to the Renewable Energy Projects dated August 21, 2014 (the “*Notice of Default*”) SunLight had previously caused Events of Default, pursuant to and under the respective Prior Program Documents, and through the Notice of Default the Authority directed the Trustee to declare that SunLight had caused such Events of Default; and

WHEREAS, in order to resolve all of the Litigation, provide for a workable methodology to deal with the Events of Default and allow the Authority's renewable energy program to continue, allow the Authority and the County to determine their best interests relating to the completion of the Renewable Energy Projects, and certain other considerations under the Prior Program Documents, the Authority (i) entered into that certain "Settlement Agreement" by and among, including others, the Authority, the County, SunLight, and the EPC Contractor (the "*Settlement Agreement*"), and (ii) further amended the Prior Program Documents (as amended, including by the hereinafter defined Consents, the "*Program Documents*") through the authorization, execution and delivery of that certain "Amendment and Consent No. 8 (Somerset County Renewable Energy Program, Series 2011)" ("*Consent No. 8*"), and together with the Prior Consents referenced therein and that certain "Amendment and Consent No. 9 (Somerset County Renewable Energy Program, Series 2011)" dated as of September 6, 2017, the "*Consents*"; collectively, the Settlement Agreement and Consent No. 8 may be collectively referred to as the "*Settlement Documents*"), which Consent No. 8 was acknowledged by certain Series 2011 Local Units referenced therein; and

WHEREAS, pursuant to the Settlement Documents, among other things, (i) the EPC Contractor was paid for certain Costs of the Renewable Energy Projects as outlined therein from (A) a portion of the Project Fund held by the Trustee, (B) an amount funded by the Authority and/or the County, through the issuance of the hereinafter defined Series 2015 Note, and (C) such other sources as detailed in the Settlement Documents, (ii) the Series 2011B Bonds were taken out with the Series 2015 Note, (iii) a portion of the Series 2015 Note was applied to the completion of the construction of all or a portion of the remaining Renewable Energy Projects not yet constructed and/or to the payment and/or reimbursement of the County Guaranty, and (iv) certain Administrative Expenses were paid (collectively, and together with such other purposes as may be specified in the hereinafter defined Series 2015 Supplemental Lease Revenue Bond Resolution, the "*Settlement Project*"); and

WHEREAS, in order to finance the (i) Settlement Project, (ii) costs incurred in connection with the issuance of the Series 2015 Note, and (iii) such other amounts as was set forth in the hereinafter defined Series 2015 Supplemental Lease Revenue Bond Resolution (collectively, the "*Series 2015 Project*") the Authority issued its \$8,400,000 County of Somerset Guaranteed Renewable Energy Program Lease Revenue Note, Series 2015 (the "*Series 2015 Note*"), all pursuant to the Prior Lease Revenue Bond Resolution (as defined herein), as further amended and supplemented by Consent No. 8 and by that certain "SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF SOMERSET GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2015 OF THE SOMERSET COUNTY IMPROVEMENT AUTHORITY," duly adopted on February 24, 2015, as amended and supplemented by a Certificate of an Authorized Officer of the Authority dated April 24, 2015, as may be further amended and supplemented from time to time in accordance with its terms (the "*Series 2015 Supplemental Lease Revenue Bond Resolution*"), the Act and other applicable law; and

WHEREAS, the payment of the principal (including mandatory sinking fund installments, if any) of, and interest on the Series 2011 Bonds and the Series 2015 Note, but not any redemption premium, were fully, unconditionally and irrevocably guaranteed in accordance with the terms of a guaranty ordinance of the County adopted by the Board of Chosen Freeholders on February 9, 2011 (the "*Series 2011 Guaranty Ordinance*"); and

WHEREAS, upon issuance of the Series 2015 Note the Authority issued no more than \$35,190,000 (original aggregate principal amount of Series 2011 Bonds of \$26,790,000, plus the Series 2015 Note in an aggregate principal amount of \$8,400,000) of the \$52,000,000 of Authority bonds authorized for County guaranty under the Series 2011 Guaranty Ordinance, leaving guaranty capacity of no less than \$16,810,000 (the "*Excess Guaranty Bonding Capacity*"), such Excess Guaranty Bonding Capacity being unnecessary to complete construction of the Renewable Energy Projects was cancelled by the County on February 24, 2015; and

WHEREAS, due to certain federal tax law implications, the Authority was not in a position to make a determination as to how to proceed with the maturity of the Series 2015 Note, noting that, in one (1) year (April, 2019) such federal tax law concerns would be inapplicable to approximately 95% of the Renewable Energy Projects, and at such time the Authority would be in a better position to assess its options; and

WHEREAS, it was determined that it was in the best interests of the County and Authority to extend the maturity date of the 2015 Note for the period of one (1) year to April 24, 2019 (the "*2018 Note Roll*") and extend the interest payment on the 2015 Note due and owing to the County on April 24, 2018, in the amount of \$126,000 until April 24, 2019; and

WHEREAS, on April 17, 2018 the Authority adopted a resolution entitled "RESOLUTION OF THE SOMERSET COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE EXTENSION OF THE MATURITY DATE OF THE 2015 NOTE AND RELATED ACTIONS

IN CONNECTION WITH TRANCHE II OF THE AUTHORITY'S RENEWABLE ENERGY PROGRAM" (the "2018 Note Resolution" together with the Series 2015 Supplemental Lease Revenue Bond Resolution, the Original Lease Revenue Bond Resolution and all prior Consents, the "Prior Lease Revenue Bond Resolution"); and

WHEREAS, pursuant N.J.S.A. 40A:5A-24, on April 12, 2018 the Authority submitted a request to the Local Finance Board (as defined herein) for the 2018 Note Roll and, in accordance therewith, extended the maturity of the 2015 Note for a period of one year until April 24, 2019 (the "Series 2018 Note"); and

WHEREAS, as SunLight is in arrears with respect to its payment obligations under the Program Documents, the Authority is permitted to issue a notice (the "Payment Demand Notice") to SunLight, providing SunLight a period of time within which it must pay all amounts then overdue, and if not paid within five (5) days of the date set forth in such notice, such failure shall constitute an Event of Default by SunLight; and

WHEREAS, upon the occurrence of such Event of Default, SunLight's leasehold interest shall be terminated, and all of its right, title, and interest shall be transferred to the Authority, with respect to such Renewable Energy Projects identified by the Authority in such Payment Demand Notice; and

WHEREAS, the Series 2018 Note matures on April 24, 2019, and it is currently anticipated that thirty-four (34) of the thirty-six (36) Renewable Energy Projects may be identified by the Authority in the Payment Demand Notice, and SunLight's leasehold interest in such Renewable Energy Projects (the "Available Projects") may be terminated if payment is not made in accordance with a Payment Demand Notice to be issued by the Authority (the "2019 Payment Demand Notice"), at which time the Available Projects may be acquired by the Authority for nominal consideration (the "2019 Available Projects Acquisition"); and

WHEREAS, it is anticipated that the remaining two (2) Renewable Energy Projects (the "Unavailable Projects") will become eligible to become Available Projects on or about November 5, 2021 and December 23, 2021 (the "Final Recapture Date"), respectively, but shall not currently be part of the 2019 Payment Demand Notice at which time a Payment Demand Notice in substantially the form of the 2019 Payment Demand Notice (the "2021 Payment Demand Notice") shall be issued by the Authority to SunLight, and thereupon, SunLight's leasehold interest in such formerly Unavailable Projects, now Available Projects, may be terminated if payment is not made in accordance with the 2021 Payment Demand Notice, at which time such formerly Unavailable Projects, now Available Projects, may be acquired by the Authority for nominal consideration (the "2021 Available Projects Acquisition" and together with the 2019 Available Projects Acquisition, the "Renewable Energy Projects Acquisition"); and

WHEREAS, the County and the Authority have determined that it in their best interests to, among other things: (i) extend the maturity of the Series 2018 Note for a period not to exceed three (3) months (the "Series 2019A Taxable Note") in order to issue the below referenced bonds, (ii) permanently finance a portion of the Series 2019A Taxable Note attributable to the Available Projects with the hereinafter defined Series 2019B Project Revenue Bonds, (iii) issue the hereinafter defined Series 2019C Taxable Lease Revenue Bonds to finance the balance of the Series 2019A Note attributable to the Unavailable Projects; (iv) refinance that portion of the Series 2011A Bonds attributable to the Available Projects with the hereinafter defined Series 2019A Project Revenue Bonds; (v) issue the hereinafter defined Series 2019B Project Revenue Bonds for the additional purpose of refinancing the balance of the Series 2011A Bonds attributable to the Unavailable Projects, (vi) terminate SunLight's leasehold interests in, and acquire all right, title, and interest to, the Available Projects in accordance with the terms of the hereinafter defined Consent No. 10, and authorize the termination of SunLight's leasehold interests in, and acquire all right, title, and interest to, the Unavailable Projects on a date on or after the Final Recapture Date pursuant to a subsequent amendment and consent among the Parties at such time, (vii) adopt a guaranty ordinance, execute a guaranty agreement for each series of Series 2019 Obligations (as hereinafter defined) and execute a certificate of guaranty on the face of each Series 2019 Obligation, collectively the hereinafter defined County Guaranty authorizing the guaranty of the principal of and interest on the Series 2019 Obligations, (viii) authorize and execute the hereinafter defined Deficiency Agreements for each series of Series 2019 Obligations to provide for County deficiency payments pursuant to N.J.S.A. 40:37A-79 of the Act prior to any draw on any County Guaranty, and (ix) take any and all other actions deemed necessary, desirable and convenient in connection with matters detailed herein (collectively, the "Series 2019 Project"); and

WHEREAS, as the Authority is no longer authorized to roll the Series 2018 Note pursuant N.J.S.A. 40A:5A-24 without approval from the Local Finance Board (as defined below), the Authority submitted the Local Finance Board Application (as defined below) to the Local Finance

Board requesting approval to renew the Series 2018 Note for a period not to exceed three (3) months to July 24, 2019, with the right to call the Series 2019A Taxable Note for redemption prior to maturity should the balance of the Series 2019 Obligations (as defined herein) be issued earlier than July 24, 2019; and

WHEREAS, in order to extend the maturity of the Series 2018 Note the Authority intends to issue the Series 2019A Taxable Note in the aggregate principal amount not to exceed \$8,400,000, all pursuant to the Prior Lease Revenue Bond Resolution and that certain “RESOLUTION OF THE SOMERSET COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE EXTENSION OF THE MATURITY DATE OF THE 2018 NOTE FOR A PERIOD NOT TO EXCEED THREE (3) MONTHS AND RELATED ACTIONS IN CONNECTION WITH TRANCHE II OF THE AUTHORITY’S RENEWABLE ENERGY PROGRAM,” to be adopted on or about April 2, 2019, as may be amended and supplemented by a Certificate of an Authorized Officer of the Authority to be dated on or about April 24, 2019, as may be further amended and supplemented from time to time in accordance with its terms (the “*Series 2019A Supplemental Note Resolution*”); and

WHEREAS, the payment of the principal (including mandatory sinking fund installments, if any) of, and interest on the Series 2019A Taxable Note, but not any redemption premium, were fully, unconditionally and irrevocably guaranteed in accordance with the terms of the Series 2011 Guaranty Ordinance; and

WHEREAS, after issuance of the Series 2019A Taxable Note, the Authority intends to refinance the Series 2019A Taxable Note and Series 2011A Bonds with the taxable and tax exempt bonds as set forth below; and

WHEREAS, the Series 2011A Bonds shall be refinanced by: (i) one series of tax exempt bonds entitled “County of Somerset Guaranteed Renewable Energy Program Project Revenue Bonds, Series 2019A” dated their date of delivery (the “*Series 2019A Project Revenue Bonds*”), which Series 2019A Project Revenue Bonds will represent the Available Projects portion relating to the Series 2011A Bonds, by negotiated sale to NW Capital Markets, Inc. as underwriter (the “*Underwriter*”) of the Series 2019A Project Revenue Bonds, the terms of which sale shall be as set forth in that certain Bond Purchase Agreement (as defined herein) between the Underwriter and the Authority and (ii) a portion of the taxable bonds, sold directly to the County, entitled “County of Somerset Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2019C (Federally Taxable)” dated the date of delivery (the “*Series 2019 Lease Revenue Bonds*” and together with the hereinafter defined Series 2019 Project Revenue Bonds, the “*Series 2019 Obligations*”), which Series 2019 Lease Revenue Bonds will represent the Unavailable Projects portion relating to the Series 2011A Bonds and the Unavailable Projects portion of the Series 2018 Note referenced below; and

WHEREAS, the Series 2019A Taxable Note shall be refinanced by: (i) one series of tax exempt bonds, by direct sale to the County, entitled “County of Somerset Guaranteed Renewable Energy Program Project Revenue Bonds, Series 2019B” dated their date of delivery (the “*Series 2019B Project Revenue Bonds*” and together with the Series 2019A Project Revenue Bonds, the “*Series 2019 Project Revenue Bonds*”) which Series 2019B Project Revenue Bonds will represent the Available Projects portion relating to the Series 2019A Note and (ii) the balance of the Series 2019 Lease Revenue Bonds, as referenced above, representing the Unavailable Projects portion of Series 2019A Taxable Note; and

WHEREAS, the Series 2019 Project Revenue Bonds shall be issued pursuant to the terms of that certain “RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF SOMERSET GUARANTEED RENEWABLE ENERGY PROGRAM PROJECT REVENUE NOTES AND BONDS, SERIES 2019 AND ADDITIONAL BONDS OF THE SOMERSET COUNTY IMPROVEMENT AUTHORITY” to be adopted by the governing body of the Authority on or about May 7, 2019, as amended and supplemented from time to time in accordance with its terms, including by one or more Certificates of an Authorized Officer of the Authority, each dated the date of issuance of the respective series of Series 2019 Project Revenue Bonds (the “*Project Revenue Bond Resolution*”), all in accordance with Sections 17-19 of the Act (N.J.S.A. 40:37A-60, 61 and 62) and all other applicable law; and

WHEREAS, the Series 2019 Lease Revenue Bonds shall be issued pursuant to that certain “SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF SOMERSET GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2019 [FEDERALLY TAXABLE] OF THE SOMERSET COUNTY IMPROVEMENT AUTHORITY” to be adopted by the governing body of the Somerset Authority on or about May 7, 2019, as amended and supplemented from time to time in accordance with its terms, including by a Certificate of an Authorized Officer of the Somerset Authority to be dated the date of issuance of the Series 2019 Lease Revenue Bonds (the “*Series 2019 Supplemental Lease Revenue Bond Resolution*” and together with the Series 2019A Supplemental Note Resolution and the Prior Lease

Revenue Bond Resolution, the "*Lease Revenue Bond Resolution*"; the Lease Revenue Bond Resolution and the Project Revenue Bond Resolution shall be herein referred to as the "*Bond Resolutions*"), the Act and other applicable law; and

WHEREAS, the payment of the principal (including mandatory sinking fund installments, if any) of, and interest (at interest rates not to exceed the maximum rates set forth in the Local Finance Board Application) on the Series 2019 Obligations, but not any redemption premium, shall be fully, unconditionally and irrevocably guaranteed in accordance with (i) the terms of this guaranty ordinance, (ii) by a guaranty certificate to be executed by an authorized officer of the County within each Series 2019 Obligation and (iii) a series specific "County Guaranty Agreement (Somerset County Renewable Energy Program, Series 2019)" to be dated the date of issuance of the respective series of the Series 2019 Obligations (as the same may be amended and supplemented from time to time in accordance with its terms, each a "*County Guaranty Agreement*") by and between the County and the Authority, setting forth, among other things, the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in the guaranty ordinance and the Bond Resolutions (collectively, the "*County Guaranty*"), all pursuant to Section 37 ("*Section 37*") of the Act (N.J.S.A. 40:37A 80); and

WHEREAS, simultaneously with the issuance of the Series 2019 Lease Revenue Bonds and the Series 2019 Project Revenue Bonds, the County and the trustee named in the respective Bond Resolutions (each a "*Trustee*") will each enter into a series specific "Deficiency Agreement," to be dated the date of the issuance of the respective series of the Series 2019 Obligations (each a "*Deficiency Agreement*") setting forth, among other things, the rights to receive payment from the County pursuant to N.J.S.A. 40:37A-79 of the Act prior to any payment under the County Guaranty; and

WHEREAS, simultaneously with the issuance of the Series 2019 Obligations, the Parties to the Program Documents will enter into that certain "Amendment and Consent No. 10 (Somerset County Renewable Energy Program, Series 2011)," to be dated the date of the issuance of the Series 2019 Obligations ("*Consent No. 10*") setting forth, among other things, the termination of SunLight's leasehold interest in the Available Projects if and when the Payment Demand Notice terms are not satisfied; and

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2019 Project Revenue Bonds, shall be secured by the Trust Estate as defined under and in accordance with the terms of the Project Revenue Bond Resolution, which shall include, among other things, (i) certain Basic Project Payments and Additional Project Payments to be made by certain County and local governmental units within the County which have entered into License and Access Agreements in respect of the Available Projects, (ii) payments by the County under the Deficiency Agreements attributable to the Available Projects and (iii) payments by the County under the County Guaranty attributable to the Available Projects; and

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2019 Lease Revenue Bonds, shall be secured by (i) the Trust Estate as defined under and in accordance with the terms of the Lease Revenue Bond Resolution, as amended by Consent No. 10, (ii) payments by the County under the Deficiency Agreements attributable to the Unavailable Projects and (iii) payments by the County under the County Guaranty attributable to the Unavailable Projects; and

WHEREAS, pursuant to the terms of the Project Revenue Bond Resolution, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County will be required to enter into that certain "County Continuing Disclosure Agreement (Somerset County Renewable Energy Program, Series 2019)" dated the first day of the month of issuance of the Series 2019A Project Revenue Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Continuing Disclosure Agreement*") with the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12; and

WHEREAS, pursuant to the terms of the Project Revenue Bond Resolution and/or the Continuing Disclosure Agreement, the Authority shall (i) not be considered a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, and (ii) be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority shall be required to provide such material events notices under the terms of the County Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12; and

WHEREAS, prior to the issuance of the Series 2019 Obligations and the Series 2019A Taxable Note and in accordance with the Act and N.J.S.A. 40A:5A-6, 7 and 8 of the Local

Authorities Fiscal Control Law, the Authority shall have made an application dated March 20, 2019 (the "*Local Finance Board Application*") to, and seek, obtain, and officially recognize the findings from, the Local Finance Board (the "*Local Finance Board*") in the Department of Local Government Services of the State Department of Community Affairs; and

WHEREAS, in order to (i) market and sell the Series 2019A Project Revenue Bonds by negotiated sale and (ii) privately sell to the County the Series 2019B Project Revenue Bonds and the Series 2019 Lease Revenue Bonds, the Authority shall have authorized (a) the distribution of a preliminary official statement "deemed final" within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series 2019A Project Revenue Bonds or as applicable, the other Series 2019 Obligations, the Series 2019 Project and the other transactions contemplated hereby (the "*Preliminary Official Statement*"); (b) the execution and delivery of a bond purchase agreement (the "*Bond Purchase Agreement*") with the Underwriter to purchase all of the Series 2019A Bonds; and (c) the execution and delivery of a final Official Statement incorporating the terms of the sale of the Series 2019A Project Revenue Bonds and certain other information into the Preliminary Official Statement (the "*Official Statement*", and together with the Preliminary Official Statement, and the Bond Purchase Agreement, and any of the same or other offering or sale documents that may be required by the County, as direct purchaser of the Series 2019B Project Revenue Bonds and the Series 2019 Lease Revenue Bonds, the "*Sale Documents*"); and

WHEREAS, prior to the issuance of the Series 2019 Obligations and in accordance with Section 13 ("*Section 13*") of the Act (N.J.S.A. 40:37A-56), the Authority shall have made a detailed report regarding the Series 2019 Project to the Board of Freeholders, which report shall include, without limitation, descriptions of the Series 2019 Obligations, the Bond Resolutions, the Consent No. 10, the County Guaranty Agreements, the Deficiency Agreements, the Renewable Energy Projects Acquisition and if and as applicable, the Sale Documents (collectively, the "*Series 2019 Program Documents*"), and which report and amended report shall be accepted by the County by resolution adopted by the Board of Freeholders pursuant to Section 13.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF SOMERSET, NEW JERSEY, as follows:

Section 1. This guaranty ordinance shall be adopted by the governing body of the County in the manner provided for adoption of a bond ordinance as provided in the Local Bond Law, constituting Chapter 169 of the Pamphlet Laws of 1960 of the State, as amended (the "*Local Bond Law*").

Section 2. Pursuant to and in accordance with the terms of the Act, specifically Section 37, the County is hereby authorized to and hereby shall fully, unconditionally and irrevocably guarantee the punctual payment of the principal, when due, of (including sinking fund installments, if any) and interest on the Series 2019 Obligations in an aggregate principal amount not exceeding \$22,400,000, which Series 2019 Obligations are to be issued to finance the Series 2019 Project as described in the preambles hereof. Notwithstanding the provisions of any other Program Document, upon the endorsement of the Series 2019 Obligations referred to in Section 3 below by an authorized officer of the County, the County shall be fully, unconditionally and irrevocably obligated to pay, when due, the principal of (including sinking fund installments, if any) and interest on the Series 2019 Obligations to the extent the respective Trustee, for any reason, has insufficient monies on any such payment dates to pay the principal of and interest on the Series 2019 Obligations in full when due on any such payment dates, in the same manner and to the same extent as in the case of bonds issued by the County, and accordingly, the County shall be fully, unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all the taxable property within the County for the payment thereof without limitation as to rate or amount. The full faith and credit of the County are hereby pledged for the full and punctual performance of said County guaranty. This full, unconditional and irrevocable guaranty of the County effected hereby to pay the principal of (including sinking fund installments, if any) and interest on the Series 2019 Obligations when due in accordance with the terms hereof and of the Program Documents may not be waived, setoff or otherwise abrogated by action or inaction of the Authority, the County, SunLight or for any other reason.

Section 3. The Director of the Board of Freeholders (the "*Freeholder Director*") shall, by manual or facsimile signature, and is hereby directed to execute an endorsement on each of the Series 2019 Obligations evidencing this guaranty by the County as to the punctual payment of the principal of (including sinking fund installments, if any), when due, and interest thereon. The endorsement on each Series 2019 Obligation shall be in substantially the following form, and absent the fully executed endorsement in such following form on any such Series 2019 Obligation, such Series 2019 Obligation shall not be entitled to the benefits of this guaranty ordinance:

"GUARANTY OF THE COUNTY OF SOMERSET, NEW JERSEY

The payment of the principal of (including sinking fund installments, if any) and interest on the within Series 2019[series designation] Bond shall be fully, irrevocably and unconditionally guaranteed by the County of Somerset, New Jersey (the “County”) in accordance with the provisions of N.J.S.A. 40:37A-80 and the guaranty ordinance of the County finally adopted pursuant thereto and the County Guaranty Agreement executed by the County in connection therewith, and the County is fully, irrevocably and unconditionally liable for the payment, when due, of the principal of (including sinking fund installments, if any) and interest on this Series 2019[series designation] Bond, and if necessary the County shall levy *ad valorem* taxes upon all the taxable property within the County without limitation as to rate or amount in order to make such payments on time and in full.

IN WITNESS WHEREOF, the County has caused this County Guaranty to be executed by the manual or facsimile signature of its Freeholder Director.

COUNTY OF SOMERSET, NEW JERSEY

By: _____
Freeholder Director”

The Freeholder Director is hereby further authorized to execute or acknowledge such other certificates or agreement relating to this full, irrevocable and unconditional guaranty that may be required by the Authority to comply with the terms of the Program Documents, including without limitation, (i) the County Guaranty Agreement in substantially the form attached hereto as Exhibit A, with such changes thereto as the Freeholder Director, in consultation with counsel to the County and other professional advisors deems in his 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 Freeholder Director’s approval of any changes to the forms thereof, (ii) any letters of representation or similar undertakings to be executed in connection with the sale of the Series 2019 Obligations, setting forth certain representations, warranties and covenants of the County as an inducement to the purchase of the Series 2019 Obligations, (iii) any certificates deeming “final” (for the purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission) any Preliminary or final Official Statements of the Authority in connection with the Series 2019 Obligations and (iv) any bond purchase agreement executed in connection with the sale of the Series 2019 Obligations. Such further agreements or certificates shall not in any manner relieve the County from its obligations hereunder, and shall contain only such terms as are consistent with or within the parameters herein set forth.

The Freeholder-Director, Deputy Freeholder-Director or Director of Finance is hereby further authorized to execute one or more continuing disclosure agreement(s) or other instrument(s) undertaking the secondary disclosure obligations of the County required by Rule 15c2-12 of the U.S. Securities and Exchange Commission in connection with the issuance of the Series 2019 Obligations by the Authority.

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

(a) This guaranty ordinance may be adopted notwithstanding any statutory debt or other limitations, including particularly any limitation or requirement under or pursuant to the Local Bond Law, but the aggregate principal amount of the Series 2019 Obligations which shall be entitled to the benefits of this guaranty ordinance, being an amount not to exceed \$22,400,000, shall, after their issuance, be included in the gross debt of the County for the purpose of determining the indebtedness of the County under or pursuant to the Local Bond Law.

(b) The principal amount of Series 2019 Obligations entitled to the benefits of this guaranty ordinance and included in the gross debt of the County shall be deducted and is hereby declared to be and to constitute a deduction from such gross debt under and for all the purposes of the Local Bond Law (i) from and after the time of issuance of the Series 2019 Obligations until the end of the fiscal year beginning next after the completion of acquisition, construction, installation or renovation of the Series 2019 Project, and (ii) in any annual debt statement filed pursuant to the Local Bond Law as of the end of said fiscal year or any subsequent fiscal year if the revenues or other receipts or moneys of the Authority in such year are sufficient to pay its expenses of operation and maintenance in such year and all amounts payable in such year on account of the principal of and interest on all such guaranteed Series 2019 Obligations, all bonds of the County issued as provided in Section 36 of the Act (N.J.S.A. 40:37A-79) and all bonds of the Authority issued under the Act.

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

(a) The maximum principal amount of Series 2019 Obligations (including one or more series of bonds and one or more series of bond anticipation notes issued in anticipation thereof) of the Authority which are hereby and hereunder fully, unconditionally and irrevocably guaranteed as to the punctual payment of the principal thereof (including sinking fund installments, if any) and interest thereon is \$22,400,000; the maximum principal amount of Series 2019 Obligations (including one or more series of bonds and one or more series of bond anticipation notes issued in anticipation thereof) of the Authority that may be outstanding at any one time is \$22,400,000; and the maximum estimated cost of the Series 2019 Project to be financed in accordance with the transactions contemplated hereby is \$22,400,000.

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

(c) The Series 2019 Obligations of each series shall mature within thirty (30) years from the date of issue.

(d) A supplemental debt statement of the County has been duly made and filed in the office of the Deputy Clerk of the Board, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State, and such debt statement shows that while the gross debt of the County, as defined in the Local Bond Law, is increased by this guaranty ordinance by \$22,400,000 in accordance with the provisions of the Act, the net debt of the County is not increased, and the obligation of the County authorized by or incurred pursuant to the terms of this guaranty ordinance is permitted by an exception to the debt limitations of the Local Bond Law which exception is contained in the Act, so long as the payment obligations of the County hereunder are not called upon.

(e) Other than the publication requirements set forth below, all other items to be contained in a bond ordinance adopted pursuant to the Local Bond Law are hereby determined to be inapplicable to the County's guaranty of the Series 2019 Obligations hereby.

Section 6. To the extent one or more series of the Series 2019 Obligations are not issued in 2019, references herein to "2019" may without any further action be changed to the year of issuance of such Series 2019 Obligations and all dates related to such year of issuance shall be automatically adjusted.

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

Section 8. A public hearing shall be held on this guaranty ordinance on April 23, 2019 at 6:30 p.m. in the Freeholders Meeting Room, 3rd Floor, County Administration Building, 20 Grove Street, Somerville, New Jersey.

Section 9. The Deputy Clerk of the Board of Freeholders is hereby directed to publish and post notice of this guaranty ordinance as required by applicable law, including the Act and Local Bond Law.

Section 10. Upon the adoption hereof, the Secretary shall forward certified copies of this guaranty ordinance to Michael J. Amorosa, Chairman of the Authority, William T. Cooper, Esq., County Counsel and Authority Counsel, Stephen B. Pearlman, Esq., Bond Counsel to the Authority for this transaction.

Section 11. This guaranty ordinance shall take effect at the time and in the manner provided by law.

I, Michael J. Amorosa, Administrator/Clerk of the Board of Chosen Freeholders of the County of Somerset in the State of New Jersey, do hereby certify that the foregoing is a true copy of an Ordinance adopted by said Board of Chosen Freeholders at its regularly convened meeting of March 26, 2019.

Michael J. Amorosa, Administrator/Clerk

Exhibit A

Attach form of County Guaranty Agreement