

ORDINANCE OF THE COUNTY OF SOMERSET, NEW JERSEY APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT AND OTHER DOCUMENTS WITH THE SOMERSET COUNTY IMPROVEMENT AUTHORITY RELATING TO THE ISSUANCE OF COUNTY GUARANTEED LEASE REVENUE BONDS (SOMERSET COUNTY BOARD OF SOCIAL SERVICES PROJECT) BY THE SOMERSET COUNTY IMPROVEMENT AUTHORITY

WHEREAS, The Somerset County Improvement Authority (the “Authority”) has been created by resolution of the Board of Chosen Freeholders of the County of Somerset, New Jersey (the “County”), as a public body corporate and politic of the State of New Jersey pursuant to the provisions of the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the “Act”); and

WHEREAS, the Authority is authorized by law, specifically, N.J.S.A. 40:37A-54(a), to provide “public facilities” within the County; and

WHEREAS, the Authority and the County have determined to undertake a capital project consisting of the acquisition of property located in Somerville, New Jersey (the “Real Property”), and construction of a building thereon for the benefit of the Somerset County Board of Social Services (collectively, the “Initial Project”); and

WHEREAS, the Authority intends to finance the costs of the Initial Project through the issuance of its Lease Revenue Bonds, Series 2013 (Somerset County Board of Social Services) in an amount not to exceed \$20,000,000 (the “Series 2013 Bonds”) issued pursuant to the Act and a bond resolution of the Authority to be duly authorized, approved and adopted by the terms thereof (the “Bond Resolution”); and

WHEREAS, in connection with the issuance of the Series 2013 Bonds, the County and the Authority will enter into a Lease Agreement (the “Lease Agreement”), pursuant to which the County will sublease the Real Property and the Initial Project to the County; and

WHEREAS, pursuant to the Lease Agreement, the County makes payments of “Rent” in an amount sufficient to pay debt service on the Series 2013 Bonds and other related costs of the Authority; and

WHEREAS, the Series 2013 Bonds will be further secured by a full, irrevocable and unconditional guarantee for the County to pay, when due, the principal of and interest on the Series 2013 Bonds. In order to establish the terms and conditions pursuant to which the County will make payments which are required to be made under the terms of the County Guaranty, the Authority, the County and the trustee for the series 2013 Bonds will enter into a Guaranty Agreement (the “Guaranty Agreement”); and

WHEREAS, in connection with the issuance of the Series 2013 Bonds and the execution of the Lease Agreement, the County will be required to enter into a continuing disclosure agreement to be dated as of the first day of the month of issuance of the Series 2013 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the Continuing Disclosure Agreement”) with the Authority in order to satisfy the secondary market disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended;

NOW, THEREFORE, BE IT ORDAINED by the Board of Chosen Freeholders of the County of Somerset New Jersey (not less than two-thirds of all members thereof affirmatively concurring), as follows:

Section 1. The Freeholder-Director of the Board of Chosen Freeholders of the County (the “Freeholder Director”) is hereby authorized and directed, upon the satisfaction of all the legal conditions precedent to the execution or acknowledgment and delivery by the County of the Lease Agreement, the Guaranty Agreement and the Continuing Disclosure Agreement to be so executed or acknowledged by the County, to execute or acknowledge and deliver such documents in substantially the forms on file with the Deputy Clerk of the Board of Chosen Freeholders of the County, with such changes thereto as such Freeholder-Director, after consultation with counsel to the County, bond counsel to the County and other professional advisors to the County (together, the “Consultants”), 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 such Freeholder-Director approval of any changes to the forms thereof, including without limitation the insertion of the final financing terms in the Lease Agreement that will result from the sale of the Series 2013 Bonds, which financing terms shall be limited only by those financing term parameters set forth in the application of the Authority filed with the Local Finance Board, in the Department of Community Affairs, Division of Local Government Services, and the parameters set forth herein.

Section 2. The Deputy Clerk of the Board of Chosen Freeholders of the County is hereby authorized and directed, upon the execution or acknowledgment of the documents set forth in Section 1 hereof in accordance with Section 2 hereof, to attest to the Freeholder-Director execution or acknowledgment of such documents and is hereby further authorized and directed to thereupon affix the seal of the County to such documents.

Section 3. Upon the execution or acknowledgment and attestation of and if required, the placing of the seal on the documents set forth in Section 1 hereof as by Section 2 hereof, the Freeholder-Director is hereby authorized and directed to (i) deliver the fully executed or acknowledged, attested and sealed documents to the other parties thereto and (ii) perform such other actions as the Freeholder-Director deems necessary, desirable or convenient in relation to the execution and delivery thereof.

Section 4. The County hereby authorizes the preparation and the distribution of financial statements and demographic and other information concerning the County, the Lease Agreement, Guaranty Agreement and the Continuing Disclosure Agreement and the transactions contemplated thereby contained in a Preliminary Official Statement and final Official Statement to be issued in connection with the marketing of the Series 2013 Bonds.

In furtherance of such authorization, the Board of Chosen Freeholders of the County hereby directs the Freeholder-Director to take such action and execute such certificates, documents or instruments as the Freeholder-Director, after consultation with the Consultants, deems in his sole discretion to be necessary, desirable or convenient in connection with the preparation and distribution of the Preliminary Official Statement and the final Official Statement to market the Series 2013 Bonds at the most efficient economical cost to the County.

Section 5. The Freeholder-Director is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the execution and delivery of the Lease Agreement, the Guaranty Agreement, the Continuing Disclosure Agreement, the leasing of the Real Property and all related transactions contemplated by this ordinance and by the Lease Agreement, the Bond Resolution and the Initial Project and necessary or desirable in connection with the issuance of the Series 2013 Bonds.

Section 6. The provisions of this ordinance are severable to the extent any clause, phrase, sentence, paragraph or provision of this ordinance shall be declared invalid, illegal or unconstitutional, the remaining provisions shall continue to be in full force and effect.

Section 7. This ordinance shall take effect twenty (20) days after first publication hereof after final adoption.

I, Kathryn Quick, Deputy 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 a Resolution adopted by said Board of Chosen Freeholders at its regularly convened meeting of April 23, 2013