

ORDINANCE AUTHORIZING THE GUARANTY BY THE CITY OF NEW BRUNSWICK, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY, OF NOT EXCEEDING \$26,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY GUARANTEED PARKING REVENUE AND REFUNDING BONDS, SERIES 2015, OF THE PARKING AUTHORITY OF THE CITY OF NEW BRUNSWICK

WHEREAS, the City of New Brunswick, in the County of Middlesex, State of New Jersey (the "City"), pursuant to the Parking Authority Law, as amended and supplemented, N.J.S.A. §40:11A-1 et seq. (the "Act"), has heretofore by ordinance duly enacted, created a body corporate and politic known as the "Parking Authority of the City of New Brunswick" (the "Authority"); and

WHEREAS, the Authority duly adopted on August 27, 1985, and amended and restated in its entirety on September 5, 1985, a resolution entitled "Resolution Authorizing the Issuance of Revenue Bonds of the Parking Authority of the City of New Brunswick" (the "General Bond Resolution"), as such resolution has from time to time been amended and supplemented by the first to thirteenth supplemental resolutions (collectively, the "Bond Resolution"); and

WHEREAS, the General Bond Resolution authorizes the issuance by the Authority, from time to time, of its revenue bonds, in one or more series, for the authorized purposes of the Authority, such bonds being authorized and issued pursuant to a Supplemental Resolution or Supplemental Resolutions; and

WHEREAS, the General Bond Resolution of the Authority requires that any bonds issued by the Authority be guaranteed by the City; and

WHEREAS, pursuant to the Act, the Authority has determined to (a) refund, on an advance basis, up to the entire \$19,775,000 Outstanding aggregate principal amount of Guaranteed Parking Revenue Bonds, Series 2006, dated June 15, 2006 and maturing on and after September 1 in the years 2017 through and including 2036 (the "2006 Refunded Bonds"), and (b) refund, on a current basis, the \$3,525,000 outstanding aggregate principal amount of Series 2014 Subordinated Project Note (Transit Village Project), dated July 11, 2014 and maturing on July 31, 2015 (the "2014 Refunded Note"), together with interest accrued and to accrue on the 2006 Refunded Bonds to the date fixed for redemption (collectively, the "Refunding Project"), which Refunding Project will benefit the inhabitants of the City; and

WHEREAS, the Authority now seeks to issue not to exceed \$26,000,000 aggregate principal amount of Guaranteed Parking Revenue and Refunding Bonds, Series 2015 (the "Series 2015 Bonds") to (i) fund the costs of the Refunding Project, (ii) fund the Bond Reserve Requirement for the Series 2015 Bonds, to the extent required, and (iii) pay costs of issuing the Series 2015 Bonds; and

WHEREAS, in an effort to accomplish the issuance of the Series 2015 Bonds at the lowest possible interest cost, the Authority has requested the City to guarantee the timely payment of the principal of and interest on the Series 2015 Bonds; and

WHEREAS, pursuant to Section 22 of the Act, the City is authorized to unconditionally guarantee the punctual payment of the principal of and the interest on any bonds or notes of the Authority by ordinance duly adopted or by instruments or other action authorized by such ordinance.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF NEW BRUNSWICK, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY (not less than two-thirds of all the members thereof affirmatively concurring) that:

SECTION 1. Pursuant to and in accordance with Section 22 of the Act, the City is hereby authorized to and does hereby unconditionally guarantee the punctual payment of the principal of and interest on the Authority's City Guaranteed Parking Revenue and Refunding Bonds, Series 2015 (the "City Guaranty"), which bonds, notes or obligations shall be in the aggregate principal amount of not exceeding \$26,000,000 at any one time Outstanding (as defined in the General Bond Resolution) to be issued for the purpose of providing funds to (i) finance the costs of the Refunding Project, (ii) fund the Bond Reserve Requirement for the Series 2015 Bonds, to the extent required, and (iii) pay costs of issuing the Series 2015 Bonds; such Series 2015 Bonds to be dated, to be in such form, to mature, and to bear such rate or rates of interest and to be otherwise as provided or established in or by a resolution or resolutions of the Authority authorizing the issuance thereof which is consistent with the exercise of its public responsibility. The City Guaranty authorized herein shall be given solely in accordance with the Guaranty Agreement (as defined below). The full faith and credit of the City of New Brunswick, in the County of

Middlesex, State of New Jersey, is hereby unconditionally and irrevocably pledged for the full and punctual performance of said City Guaranty.

SECTION 2. The Mayor and City Clerk are each hereby authorized and directed to execute, by manual or facsimile signature, on each of the Series 2015 Bonds, and to affix the seal of the City thereon, language evidencing such City Guaranty of the full and punctual payment of the principal thereof and interest thereon in substantially the following form:

"GUARANTY BY THE CITY OF NEW BRUNSWICK, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY

Pursuant to the provisions of the Act referred to in the within Bond, the City of New Brunswick, in the County of Middlesex, New Jersey hereby FULLY AND UNCONDITIONALLY GUARANTEES the punctual payment of the principal of and interest on the within Bond according to its terms and the City of New Brunswick is unconditionally liable for the punctual payment, when due, of the principal of and interest on the within Bond according to its terms.

IN WITNESS WHEREOF, the City of New Brunswick, in the County of Middlesex, New Jersey, has caused this Guaranty to be executed on its behalf by the manual or facsimile signature of its Mayor and the seal of said City to be impressed, imprinted or otherwise reproduced hereon, and attested by the manual or facsimile signature of its City Clerk, all as of the date of the within Bond.

(SEAL) CITY OF NEW BRUNSWICK,
IN THE COUNTY OF
MIDDLESEX, STATE OF
NEW JERSEY

ATTEST:

CITY CLERK By: _____
MAYOR"

SECTION 3. The Mayor is hereby authorized and directed to execute and deliver an agreement evidencing such City Guaranty of the Series 2015 Bonds in an aggregate principal amount not to exceed \$26,000,000 (the "Guaranty Agreement"), a copy of which is attached hereto and incorporated by this reference herein, on behalf of the City, and the City Clerk is hereby authorized and directed to affix and attest the seal of the City thereon, and said Mayor, Chief Financial Officer, City Clerk and all other officers of the City (collectively, the "City Representatives") are hereby authorized and directed to execute and deliver any and all further instruments and documents, and to do and perform such other acts and things as may be necessary and proper, and to perform all obligations

of the City under the Guaranty Agreement and to fully effectuate the same and the purpose of this ordinance. The Mayor or the Chief Financial Officer of the City, upon the issuance of any obligations by the Authority, shall report in writing to the City Council, setting forth the principal amount and interest rate(s) of the obligations so issued. The authorization of the Mayor to execute the Guaranty Agreement is contingent upon (a) the issuance of positive findings by the Local Finance Board on the Authority's application for the issuance of the Series 2015 Bonds, including approval of and consent to the adoption of this guaranty ordinance and the guaranty of the Series 2015 Bonds by the City, (b) the Authority adopting the supplemental resolution authorizing the issuance of the Series 2015 Bonds, and (c) the issuance of the Series 2015 Bonds by the Authority.

SECTION 4. It is hereby found, determined and declared by this City Council that:

(a) The aggregate maximum principal amount of Series 2015 Bonds of the Authority hereby and hereunder guaranteed as to the payment of principal and interest shall not exceed \$26,000,000 in Series 2015 Bonds at any one time Outstanding;

(b) The purpose described in this ordinance is not a current expense of the City and no part of this cost thereof shall be assessed on the property specially benefited thereby;

(c) the Series 2015 Bonds shall mature no later than twenty-two (22) years from their date of issue;

(d) the City Guaranty authorized herein shall remain effective until the Series 2015 Bonds shall have been paid or payment duly provided for in accordance with their terms and the terms of the Resolution (as hereinafter defined) notwithstanding the occurrence of any other event;

(e) A supplemental debt statement of the City has been made and filed in the office of the City Clerk and a complete executed duplicate thereof has been filed in the office of the Division of Local Government Services, New Jersey Department of Community Affairs, and said statement shows that while the gross debt of the City, as defined in the Local Bond Law (N.J.S.A. 40A:2-1 et seq.), is increased \$26,000,000 by this ordinance, upon satisfaction of the conditions set forth in N.J.S.A. 40:11A-22(e), the net debt of the City is not increased by this ordinance, and the obligations of the City

authorized by or incurred pursuant to this ordinance is permitted by an exception to the debt limitations of the Local Bond Law, which exception is contained in the Act.

SECTION 5. This ordinance may be adopted notwithstanding any statutory or other debt limitation of the City, including particularly any limitation or requirement under or pursuant to the Local Bond Law, but the aggregate principal amount of Series 2015 Bonds guaranteed pursuant to this ordinance for the Project, being an amount not to exceed \$26,000,000, shall be reflected in the debt statements of the City in the manner provided in N.J.S.A. 40:11A-22(e). The principal amount of Series 2015 Bonds guaranteed pursuant to this ordinance and included in the gross debt of the City, is deemed to be a deduction from such gross debt under and for all purposes of the Local Bond Law (a) from and after the date of adoption of the ordinance authorizing such guaranty and until the end of the fifth fiscal year beginning next thereafter and (b) in any annual debt statement filed pursuant to the Local Bond Law as of the end of said fifth fiscal year or any subsequent fiscal year if the City shall not have been required to make any payment in such fiscal year on account of the principal of or interest on the portion of the Series 2015 Bonds guaranteed pursuant to this ordinance.

SECTION 6. All other ordinances and parts of ordinances of the City that are inconsistent herewith are hereby repealed.

SECTION 7. The City hereby agrees to comply with the requirements of Rule 15c2-12, as amended and supplemented (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, including the secondary market disclosure requirements contained therein, and agrees to covenant to such compliance in the Guaranty Agreement. The Mayor and Chief Financial Officer of the City or any other City Representative are each hereby authorized and directed to approve and "deem final" the Preliminary and Final Official Statements of the Authority to the extent the information contained therein relates to the City and to execute and deliver all certificates, documents and agreements to the Authority in connection therewith and to file budgetary, financial and operating data on an annual basis and notices of certain enumerated events as required to comply with and in accordance with the provisions of the Rule.

SECTION 8. The Clerk of the City is hereby authorized and directed to cause the publication of the text of this ordinance in full after introduction and final adoption

in accordance with applicable law and to arrange for the public hearing thereon and final adoption thereof, which public hearing shall be held at the public meeting of the City Council to be held on June 17, 2015.

SECTION 9. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in a resolution duly adopted by the Authority on August 27, 1985 and amended and restated in its entirety on September 5, 1985 entitled, "Resolution Authorizing the Issuance of Revenue Bonds of the Parking Authority of the City of New Brunswick" (the "General Bond Resolution"), as such resolution has from time to time been amended and supplemented by the first to thirteenth supplemental resolutions (collectively, the "Bond Resolution"), and as further amended and supplemented by a fourteenth supplemental resolution to be duly adopted by the Authority (the "Fourteenth Supplemental Resolution", and together with the Bond Resolution, the "Resolution").

SECTION 10. This ordinance shall take effect twenty (20) days after the first publication thereof after final adoption as provided by law.

ADOPTED ON FIRST READING
DATED: June 3, 2015

DANIEL A. TORRISI
City Clerk

KEVIN P. EGAN
Council President

ADOPTED ON SECOND READING
DATED: June 17, 2015

DANIEL A. TORRISI
City Clerk

KEVIN P. EGAN
Council President

APPROVAL BY MAYOR ON THIS ____ DAY OF JUNE, 2015

JAMES M. CAHILL
Mayor

APPROVALS:

CITY ADMINISTRATOR

CITY ATTORNEY

CHIEF FINANCIAL OFFICER