

**AN ORDINANCE OF THE CITY OF BAYONNE, IN THE COUNTY OF HUDSON, NEW JERSEY APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT WITH THE HUDSON COUNTY IMPROVEMENT AUTHORITY RELATING TO THE ISSUANCE OF UP TO \$95,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S CITY GUARANTEED LEASE REVENUE BONDS (BAYONNE MEDICAL CENTER PROJECT) AND ANY NOTES ISSUED IN ANTICIPATION THEREOF BY THE HUDSON COUNTY IMPROVEMENT AUTHORITY**

**WHEREAS**, the Hudson County Improvement Authority (the "Authority"), a public body corporate and politic constituting an instrumentality of the State of New Jersey (the "State") established and created under the provisions of 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"), is authorized pursuant to the terms of the Act, to provide public facilities, as such term is defined therein, within the County of Hudson, New Jersey, including financing for the acquisition of same; and

**WHEREAS**, the City of Bayonne, New Jersey (the "City") desires to undertake a capital project consisting of the acquisition of the existing Bayonne Medical Center (the "Facility") described in Exhibit A attached hereto; and

**WHEREAS**, the City has requested financial assistance from the Authority for purposes of providing funds to pay: (i) the acquisition of the Facility; (ii) capitalized interest on any bonds, notes or other debt obligations issued by the Authority to finance the costs thereof; and (iii) the costs of issuance with respect to the proposed financing (collectively, the "Project"); and

**WHEREAS**, the City has requested the Authority's assistance in financing the Project as described herein; and

**WHEREAS**, the Facility constitutes a "public facility" as such term is defined in the Act; and

**WHEREAS**, the Authority has agreed to finance the Project on behalf of the City through the issuance of bonds, and any notes issued in anticipation thereof, and shall, in connection therewith, acquire the Facility and simultaneously lease the Facility to the City pursuant to a lease purchase agreement; and

**WHEREAS**, in order to finance the Project the Authority will issue bonds, and possibly notes issued in anticipation thereof, in one or more series, including renewals, in an aggregate principal amount not to exceed \$95,000,000, to be designated as "City Guaranteed Lease Revenue Bonds (Bayonne Medical Center Project) (collectively, the "Bonds") with such further designation as may be determined by the Authority and in accordance with the terms of a bond resolution of the Authority to be adopted on May 12, 2021 (together with any amendments thereof or supplements thereto in accordance with the terms thereof, the "General Bond Resolution"); and

**WHEREAS**, the Authority will use proceeds from the sale and issuance of the Bonds to, among other things, finance the Project, and simultaneously therewith, enter into a lease purchase agreement with the City to be dated as of the first day of the month of issuance of the initial series of Bonds (together with any amendments thereof or supplements thereto in accordance with its terms, the “Lease Purchase Agreement”), pursuant to which the Authority will lease the Facility to the City for its use (the transactions contemplated hereinabove shall be referred to as the “Financing”), as set forth in the Lease Purchase Agreement a copy of which is attached hereto as Exhibit B, subject to such changes and revisions as the City and Authority may determine to be necessary; 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, including the Lease Purchase Agreement, with the City for the lease to or use by the City of all or any part of any public facility, including the Facility, on any terms and conditions which may be agreed upon by the City and the Authority; and

**WHEREAS**, the Bonds shall be secured by valid and binding general obligation lease payments of the City under the Lease Purchase Agreement, in scheduled lease payment amounts sufficient to pay in a timely manner the principal and redemption premium, if any, of and interest on the 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 initial series of Bonds, the Authority will have made a detailed report to the Board of County Commissioners, which report will include, without limitation, the General Bond Resolution, the Bonds and the Lease Purchase Agreement (collectively, the “Financing Documents”); and

**WHEREAS**, to the extent applicable, this ordinance is also intended to satisfy the provisions of N.J.S.A. 40A:12-1 et seq. concerning the acquisition of real property by a municipality;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYONNE, IN THE COUNTY OF HUDSON, NEW JERSEY(not less than two-thirds of all members thereof affirmatively concurring), AS FOLLOWS:**

**Section 1.** The Project, as further described in the Lease Purchase Agreement (a form of which is attached hereto as Exhibit B), is hereby approved and the Mayor, Administrator and the Chief Financial Officer of the City (each, an “Authorized Officer”) are hereby each severally authorized and directed, upon the satisfaction of all the legal conditions precedent to the execution or acknowledgment and delivery by the City of the Lease Purchase Agreement for the Facility, and such other agreements, indentures, certificates or documents that may be necessary or useful and convenient in connection with the execution of the Lease Purchase Agreement and the issuance, from time to time, of the Bonds to be so executed or acknowledged by the City (collectively, the “Project Documents”), to execute or acknowledge and deliver such Project Documents in substantially the forms on file in the office of the Clerk of the City, with such changes thereto as such Authorized Officer, after consultation with counsel to the City, bond

counsel to the City and other professional advisors to the County and the Authority (together, the “Consultants”), deems in their 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 Authorized Officer’s approval of any changes to the forms thereof, including without limitation the amendment of debt service/lease payment schedules in the Lease Purchase Agreement for the issuance of additional series of Bonds (which includes bonds and notes issued in anticipation of bonds, or to refund prior series of bonds or notes), the insertion, from time to time, of the final financing terms in the Lease Purchase Agreement that will result from the sale of the 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 Division of Local Government Services, Department of Community Affairs, and the parameters set forth herein.

**Section 2.** The Clerk of the City is hereby authorized and directed, upon the execution or acknowledgment of the documents set forth in Section 1 hereof in accordance with Section 1 hereof, to attest to each Authorized Officer’s execution or acknowledgment of such documents and is hereby further authorized and directed to thereupon affix the seal of the City 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 2 hereof as contemplated by Sections 1 and 2 hereof, each Authorized Officer 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 such Authorized Officer deems necessary, desirable or convenient in relation to the execution and delivery thereof.

**Section 4.** The City hereby authorizes the preparation and the distribution of financial statements and demographic and other information concerning the City, the Project, the General Bond Resolution, the Bonds, the Lease Purchase Agreement and the Project Documents and the transactions contemplated thereby contained in any Preliminary Official Statements and final Official Statements to be issued by the Authority, from time to time, in connection with the marketing and sale of the Bonds. In furtherance of such authorization, the City Council hereby directs each Authorized Officer to take such action and execute such certificates, documents or instruments as such Authorized Officer, after consultation with the Consultants, deems in his or her sole discretion to be necessary, desirable or convenient in connection with the preparation and distribution of the Preliminary Official Statement(s) and the final Official Statement(s) to market and sell the Bonds at the most efficient economical cost to the City.

**Section 5.** Each Authorized Officer 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 Purchase Agreement, Project Documents, the leasing of the Facility, the undertaking of the Project and all related transactions contemplated by this ordinance and by the Project Documents and necessary or desirable in connection with the issuance of the Bonds, including all determinations with respect to the refunding of Bonds and the severance or conveyance of any property from the Lease Purchase Agreement (to the extent permitted thereby).

**Section 6.** Each Authorized Officer is hereby authorized to enter, from time to time, into the appropriate undertakings to provide secondary market disclosure on behalf of the City pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) for the benefit of holders and beneficial owners of the Bonds and to amend such undertakings from time to time in connection with any change in law, or interpretation thereof, provided each such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the City fails to comply with its undertakings, the City shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

**Section 7.** The full faith and credit of the City are hereby pledged to the punctual payment of all payments due under the Lease Purchase Agreement. The obligation to make such payments shall be a general obligation of the City, and the City shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the City for the payments due under the Lease Agreement without limitation of rate or amount.

**Section 8.** To the extent applicable, the City hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended (the "Code") or the Authority, in order to preserve the exemption from taxation of interest on the Bonds, including the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Bonds, if necessary.

**Section 9.** 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 10.** This ordinance shall take effect in accordance with applicable law.

Exhibit A

Description of Facility and Work to be Done

Exhibit B

Form of Lease Purchase Agreement