

Agenda for the Regular Meeting of October 13, 2021

I. Welcome/Opening

- A. Meeting to be called to order by Chairman Felix Martinez
- B. Roll Call
- C. Public Speaking
- D. Motion to Approve and/or correct minutes of the September 8, 2021.

II. Reports

- A. Financial Reports
- B. Motion to approve replenishment of petty cash in the amount of \$249.00 for the period of August 1, 2021 through September 30, 2021.
- C. Motion for payment of outstanding bills listed in this report from the Executive Director in the amount of \$82,888.44 for October 13, 2021.
- D. Carla A. Mazza — Executive Director Reports

III. Communications

IV. Old Business

V. New Business

- A. Promote employee, Kevin Hankins to Supervisor.
- B. Resolution authorizing goods and services -Acquisition of Metric-Amano multi-space meters or equivalent compatible with the Aslan system

VI. Adjourn

The Parking Authority of the City of Elizabeth

The regular meeting of the Parking Authority of the City of Elizabeth, New Jersey was held on September 8, 2021 in the Edward S. Sakowicz Administration Building at 233 Commerce Place Elizabeth, NJ 07201. The meeting was called to order at 7:00 PM by Chairman Felix Martinez who announced that the regular meeting is listed in the "Annual Notice" as defined by Chapter 231, P.L. 1975, and that copies of the "Annual Notice" have been mailed and/or delivered to the Newark Star Ledger, the Home News and Tribune and posted and filed in the City Clerk's office in compliance with the terms of the "Open Public Meeting Law" Chapter 231, P.L. 1975 on December 10, 2020.

I. Roll Call:

Present:

Chairman Felix Martinez

Vice - Chairman Gisela Bernal – Castro (via teleconference call)

Commissioner Ana Hernandez (via teleconference call)

Commissioner Matthew D. Rinaldo

Commissioner Maritza A. Maseda (via teleconference call)

Commissioner Ezzio A. Bustamante (via teleconference call)

Attendance Roll Call —6 Present

Also, Counsel John B. Moriarty

Executive Director Carla A. Mazza

Operations Manager Carlos J. Alma

Absent: 1

Commissioner Kelly Taylor

Mr. Peter Nissen, Managing Director from Acacia Financial Group, and Mr. Christopher Langhart from McManimon Scotland Baumann (Bond Attorney) were also present at the meeting via teleconference call.

In compliance with the terms of the Open Public Meeting Law, Chairman Felix Martinez opened the floor to the members of the public. With no one present to speak, Chairman Felix Martinez closed that portion of the meeting.

II. Motions:

- A. A motion was made by Chairman Felix Martinez and seconded by Commissioner Matthew D. Rinaldo to approve and/or correct minutes of the August 11, 2021 meeting. Vice - Chairman Gisela Bernal – Castro and Commissioner Maritza A. Maseda respectfully abstained. On a roll call vote, motion carried 4 ayes.
- B. A motion was made by Commissioner Ezzio A. Bustamante and seconded by Commissioner Maritza A. Maseda to approve the replenishment of Petty Cash. On a roll call vote, motion carried 6 ayes.
- C. A motion was made by Chairman Felix Martinez and seconded by Commissioner Matthew D. Rinaldo to pay the outstanding bills as reported by Executive Director Carla A. Mazza. On a roll call vote, motion carried 6 ayes.

At this time, Mr. Peter Nissen, Managing Director from Acacia Financial Group, and Mr. Christopher Langhart from McManimon Scotland Baumann (Bond Attorney) addressed the Commissioners regarding PACE and Parking Authority financials. Discussion included two agenda resolutions regarding Local finance board application. One resolution is authorizing obtaining fee title to the J. Christian Bollwage Garage from PACE QALICB, INC., authorizing the issuance of bonds to defease the obligations of PACE and authorizing the dissolution of PACE thereafter. The second resolution is the supplemental bond resolution of the Parking Authority of the City of Elizabeth, supplementing the general bond resolution and providing for the issuance of not to exceed \$17,000,000 city guaranteed parking revenue bonds, acquisition series 2021 and determining various other matters in connection therewith.

D. Resolution # 11-2021 (see attached resolution)

RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF ELIZABETH, IN THE COUNTY OF UNION, NEW JERSEY AUTHORIZING OBTAINING FEE TITLE TO THE J CHRISTIAN BOLLWAGE GARAGE FROM PACE QALICB, INC., AUTHORIZING THE ISSUANCE OF BONDS TO DEFEASE THE OBLIGATIONS OF PACE AND AUTHORIZING THE DISSOLUTION OF PACE THEREAFTER

A motion was made by Chairman Felix Martinez and seconded by Commissioner Matthew D. Rinaldo. On a roll call vote, motion carried 6 ayes.

E. Resolution # 12-2021 (see attached resolution)

SUPPLEMENTAL BOND RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF ELIZABETH SUPPLEMENTING THE GENERAL BOND RESOLUTION AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$17,000,000 CITY GUARANTEED PARKING REVENUE BONDS, ACQUISITION SERIES 2021 AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH

A motion was made by Chairman Felix Martinez and seconded by Commissioner Matthew D. Rinaldo. On a roll call vote, motion carried 6 ayes.

F. Resolution # 13-2021

**THE PARKING AUTHORITY OF THE CITY OF ELIZABETH
RESOLUTION Change Order #1 September 8, 2021
CHANGE ORDER FIT-OUT**

WHEREAS, The Parking Authority of the City of Elizabeth has leased the first floor to the State of New Jersey Motor Vehicle Commission requires construction fit out for the first floor of the Parking Authority's facility located at 17 Caldwell Place; and

WHEREAS, the amount of the base bid is \$918,500.00 and the alternate #1 is for \$27,300.00 for total bid \$945,800.00; and

WHEREAS, the changes were due to existing conditions causing additional work to be performed, a change order is necessary at a cost not to exceed \$14,000.00; and

NOW, THEREFORE BE IT RESOLVED by the Commissioners of the Parking Authority of the City of Elizabeth to approve the change order to Frankoski Construction, Co. Inc., in the amount not to exceed \$14,000.00 and authorizes the Executive Director to execute any necessary agreements.

A motion was made by Chairman Felix Martinez and seconded by Commissioner Ezzio A. Bustamante. On a roll call vote, motion carried 6 ayes.

EXTRACT from the minutes of a regular meeting of the Parking Authority of the City of Elizabeth in the County of Union, New Jersey held in Elizabeth, New Jersey on September 8, 2021 at 7:00 p.m.

PRESENT: Martinez, Bernal-Castro, Masada, Rinaldo, Bustamante, Hernandez

ABSENT: Taylor

Chairman Martinez introduced and moved the adoption of the following resolution and Com. Rinaldo seconded the motion:

RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF ELIZABETH, IN THE COUNTY OF UNION, NEW JERSEY AUTHORIZING OBTAINING FEE TITLE TO THE J CHRISTIAN BOLLWAGE GARAGE FROM PACE QALICB, INC., AUTHORIZING THE ISSUANCE OF BONDS TO DEFEASE THE OBLIGATIONS OF PACE AND AUTHORIZING THE DISSOLUTION OF PACE THEREAFTER

WHEREAS, the Parking Authority of the City of Elizabeth (the "Authority") constructs, manages and operates public parking facilities (including surface, street and garage facilities) in the City of Elizabeth (the "City"); and

WHEREAS, PACE QALICB, Inc. ("PACE") is a non-profit corporation formed with the approval of the Authority consistent with the provisions of the Internal Revenue Service ("IRS") Revenue Ruling 63-20 (the "Revenue Ruling") and IRS Revenue Procedure 82-26 (the "Revenue Procedure") in order to enable PACE to issue obligations from time to time, including obligations with interest that is exempt from federal income taxation; and

WHEREAS, PACE has previously undertaken a New Markets Tax Credits financing and issued its \$11,875,000 Project Revenue Bonds (Elizabethtown Plaza Redevelopment Project), 2009 Series A and its \$16,520,00 Project Revenue Bonds (Elizabethtown Plaza Redevelopment Project), Series 2010, consisting of \$3,520,000 Project Revenue Bonds, Series 2010 B and \$13,000,000 Project Revenue Recovery Zone Economic Development Bonds, Series 2010 C (collectively, the "2009/2010 Bonds") in order to provide funds for the development and construction of a 1,515 space parking garage facility (the "Garage") and related retail and office facility (the "Facility" and together with the Garage, the "Project") known as the J. Christian Bollwage Garage on property owned by the Authority and identified as a subdivided portion of Block 6 Lot 94 on the Official Tax Map of the City of Elizabeth (the "City"); and

WHEREAS, PACE has previously issued (i) \$2,500,000 of its Project Revenue Bonds (Elizabethtown Plaza Redevelopment Project), Series 2018 to finance fit out work on the second and third floors of the Facility for the State of New Jersey (the “State”), Department of Treasury, Division of Property Management and Construction for use by the State Public Defender’s Office (the “2018 Bonds”) and (ii) \$1,100,000 of its Project Revenue Bonds (Elizabethtown Plaza Redevelopment Project), Series 2020 to finance fit out work on the first floor of the Facility for the State Department of Treasury, Division of Property Management and Construction for use as a location for the Department of Transportation, Motor Vehicle Commission (“DMV”) (the “2020 Bonds”);

WHEREAS, the Authority has determined that there are significant benefits to acquiring the Project and to thereby consolidate all public parking facilities in the City in the name of the Authority and the Authority desires to (i) acquire unencumbered fee title to, and exclusive use and possession of, the Project and has agreed to place in escrow funds in an amount sufficient to defease the outstanding 2009/2010 Bonds, 2018 Bonds and 2020 Bonds (collectively, the “PACE Obligations”) and (ii) cause PACE to wind-down and dissolve as a corporate entity after defeasance in full of all PACE Obligations and transfer of the Project to the Authority; and

WHEREAS, on the date hereof, the Authority is adopting a supplemental bond resolution authorizing the issuance of not to exceed \$17,000,000 City Guaranteed Parking Revenue Bonds, Acquisition Series 2021 (the “Bonds”); and

WHEREAS, the Authority now desires to authorize (i) the acquisition of the Project, including unencumbered fee title thereto, and all assets of PACE, (ii) defeasing to maturity or if applicable, an earlier call date, the PACE Obligations; and (iii) approving a plan of dissolution of PACE; and

NOW THEREFORE, BE IT RESOLVED BY THE PARKING AUTHORITY OF THE CITY OF ELIZABETH, as follows:

Section 1. The above recitals are incorporated herein by reference.

Section 2. The Authority hereby consents to, and approves the acquisition of the Project and all assets of PACE. The Authority further agrees to terminate the Ground Lease dated November 5, 2009 between the Authority and PACE (the “Ground Lease”) and the Memorandum of Ground Lease, and to assume all assignments and Project-related documents of PACE. The Authority further agrees that the Operation and Management Agreement between PACE and the Authority dated November 5, 2009, as amended (the “O&M Agreement”), shall terminate effective upon termination of the Ground Lease.

Section 3. The Authority further authorizes placing into escrow an amount that will be sufficient to defease all the PACE Obligations. In addition, the Authority, prior to any such defeasance as herein before described, will not agree to convey or otherwise be obligated to convey any interest in the Facility to any person for any period extending beyond or beginning after the Authority defeases said obligations. To further the purpose of the Facility, an Authorized

Authority Officer (as defined herein) is hereby authorized to execute an agreement with PACE providing that that the Authority will not take any action to defease any obligations of PACE during such period that is mutually agreed upon by PACE and the Authority.

Section 4. The Chairman, Vice-Chairman or Executive Director of the Parking Authority of the City of Elizabeth (each an "Authorized Authority Officer") are each hereby authorized to execute and/or attest any and all documents deemed necessary or desirable to effectuate the acquisition of the Project, the termination of the Ground Lease and the O&M Agreement and the acquisition or assumption of all assets and rights of PACE related to the Project to the Authority.

Section 5. Each Authorized Authority Officer is hereby authorized to execute and deliver any documents, directions, instructions, certificates or agreements necessary or desirable to defease the PACE Obligations, including but not limited to, an escrow agreement. Of the 2009/2010 Bonds, the Series A Bonds are retired and no longer outstanding, the 2010 B Bonds are non-callable and shall be defeased to maturity and the 2010 C Bonds are currently callable and shall be defeased to the earliest possible call date. The 2018 and 2020 Bonds are non-callable and shall be defeased to maturity.

Section 6. The Authority hereby approves, upon transfer of the Project and the defeasance of PACE Obligations, (i) the plan for the complete liquidation and the winding up and dissolution of PACE (the "Dissolution Plan") substantially in the form as attached hereto as Exhibit A; and (ii) the winding up and dissolution of PACE.

Section 7. Each Authorized Officer is hereby authorized to take or refrain from taking any action and to execute and/or attest and deliver such documents as deemed necessary or appropriate by such Authorized Officer with the advice of financial advisor and special counsel to effectuate the purposes and effects of this Resolution, including the acquisition of the Project and assets of PACE, the issuance of the Bonds and placing into escrow sums sufficient to defease of the PACE Obligations and the liquidation and dissolution of PACE thereafter, each in form and substance satisfactory to such Authorized Officer with the advice of the financial advisor and special counsel.

Section 8. Each Authorized Officer is further authorized to execute and/or attest any agreements, instruments, certificates, or documents and take any actions necessary to effectuate and consummate the transactions authorized herein.

Section 9. Any prior action taken by an Authorized Officer on behalf of the Authority necessary to consummate the transactions authorized herein is hereby ratified and affirmed in all respects.

Section 10. This resolution shall take effect immediately.

The foregoing resolution was adopted by the following vote:

AYES: 6

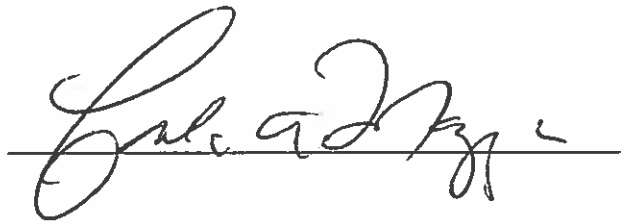
NAYS: 0

1 Absent

CERTIFICATE

I, Carla A. Mazza Secretary of the Parking Authority of the City of Elizabeth in the County of Union, New Jersey, HEREBY CERTIFY that the foregoing annexed extract from the minutes of a meeting of the Authority duly called and held on September 8, 2021 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of the Authority and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to in the extract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Authority this 8th day of September, 2021.

A handwritten signature in black ink, appearing to read "Carla A. Mazza", is written over a horizontal line. The signature is cursive and stylized.

PLAN OF COMPLETE LIQUIDATION AND DISSOLUTION

PACE QALICB, INC.

Plan of complete liquidation and dissolution of the PACE QALICB, INC., a New Jersey nonprofit corporation, hereinafter called the Corporation.

SECTION ONE

APPROVAL OF PLAN

This Plan will become effective on approval by the Board of Trustees of the Corporation, either by unanimous written consent, in compliance with Section 15A:12-3 of the New Jersey Nonprofit Corporation Act, or by affirmative vote of at least a two-thirds of the Trustees of the Corporation, in compliance with Section 15A:12-5 of the New Jersey Nonprofit Corporation Act.

SECTION TWO

COLLECTION OF ASSETS AND PAYMENT OF OBLIGATIONS

After approval and adoption of the Plan by the members, the Corporation will proceed to collect its assets, if any, and to sell, exchange, and convey, all of assets to the Parking Authority of the City of Elizabeth (the "Authority") and to make provision for payment, satisfaction, and discharge of its liabilities and obligations, including unascertained or contingent liabilities and obligations, again, if any. Such sale, exchange, conveyance, or other disposition of the assets of the corporation will be completed as quickly as possible after the approval and adoption of this plan by the members.

SECTION THREE

DISTRIBUTION OF ASSETS

As soon as practicable after the payment of corporate liabilities and obligations, if any, the Corporation will distribute remaining assets, again, if any, thusly:

(a) All assets held by the Corporation for a charitable use, including, without limitation, the leasehold interest in that certain real property identified as **Block 6, Lot 94 Parcel B** on the tax maps of the City of Elizabeth, will be transferred or conveyed to the Authority, pursuant to this Plan of Dissolution adopted by the Corporation, and also in accordance with the directive set forth in Article Twelfth of the Corporation's Certificate of Incorporation;

(b) All assets, if any, held by the Corporation on a condition requiring return, transfer

or conveyance by reason of the dissolution of the Corporation, will be returned, transferred or conveyed in accordance with the requirements appertaining thereto; and,

(c) Dissolve and file a formal Certificate of Dissolution in compliance with the provisions of the New Jersey Nonprofit Corporation Act.

SUPPLEMENTAL BOND RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF ELIZABETH SUPPLEMENTING THE GENERAL BOND RESOLUTION AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$17,000,000 CITY GUARANTEED PARKING REVENUE BONDS, ACQUISITION SERIES 2021 AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Parking Authority of the City of Elizabeth (the "Authority") has been created by ordinance of the City of Elizabeth, in the County of Union, New Jersey (the "City"), finally adopted August 5, 1952, as a public body corporate and politic and political subdivision of the State of New Jersey pursuant to the Parking Authority Law, constituting Chapter 198 of the Pamphlet Laws of 1948 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, adequate provision of properly located parking spaces for motor vehicles is a public responsibility; and

WHEREAS, the Authority has from time to time issued bonds, notes or other obligations for parking facilities within the City, pursuant to a resolution adopted on November 9, 2006 and entitled "Resolution Authorizing the Issuance of Parking Revenue Bonds of the Parking Authority of the City of Elizabeth" as amended and supplemented (the "General Bond Resolution") to provide funds for parking facilities within the City; and

WHEREAS, PACE QALICB, Inc. ("PACE") is a non-profit corporation formed with the approval of the Authority consistent with the provisions of the Internal Revenue Service ("IRS") Revenue Ruling 63-20 (the "Revenue Ruling") and IRS Revenue Procedure 82-26 (the "Revenue Procedure") in order to enable PACE to issue obligations from time to time, including obligations with interest that is exempt from federal income taxation; and

WHEREAS, PACE has previously undertaken a New Markets Tax Credits financing and issued its \$11,875,000 Project Revenue Bonds (Elizabethtown Plaza Redevelopment Project), 2009 Series A and its \$16,520,000 Project Revenue Bonds (Elizabethtown Plaza Redevelopment Project), Series 2010, consisting of \$3,520,000 Project Revenue Bonds, Series 2010 B and \$13,000,000 Project Revenue Recovery Zone Economic Development Bonds, Series 2010 C (collectively, the "2010 PACE Bonds") in order to provide funds for the development and construction of a 1,515 space parking garage facility (the "Garage") and related retail and office facility (the "Facility" and together with the Garage, the "Project") known as the J. Christian Bollwage Garage on property owned by the Authority and identified as a subdivided portion of Block 6 Lot 94 on the Official Tax Map of the City; and

WHEREAS, \$1,075,000 of the \$3,520,000 Project Revenue Bonds, Series 2010 B (the "2010B Bonds") remain outstanding, and the full amount of the \$13,000,000 Project Revenue Recovery Zone Economic Development Bonds, Series 2010 C (the "2010C Bonds") remain outstanding from the 2010 PACE Bonds; and

WHEREAS, PACE has subsequently issued two series of bonds in order to effectuate the leasing of space in the Facility to State tenants through the issuance of (i) \$2,500,000 PACE

QALICB, Inc., Project Revenue Bonds (Elizabethtown Plaza Redevelopment Project), Series 2018 (the “2018 Bonds”), and (ii) \$1,100,000 PACE QALICB, Inc., Project Revenue Bonds (Elizabethtown Plaza Redevelopment Project), Series 2020 (the “2020 Bonds” and together with the 2010B Bonds, the 2010C Bonds and the 2018 Bonds, the “Prior Bonds”); and

WHEREAS, the Prior Bonds are payable primarily from contractual payments made by the Authority to PACE; and

WHEREAS, the Authority has determined that there are significant benefits to acquiring the Project and to thereby consolidate all public parking facilities in the City in the name of the Authority and at the same time effectuate the dissolution of PACE as an entity and thereby avoid the approximately \$50,000 of annual costs to the Authority required for the legal, auditing, disclosure and bookkeeping costs associated with maintaining PACE as a legal entity; and

WHEREAS, the Authority has determined to issued debt in the name of the Authority as authorized herein to simultaneously acquire the Project, dissolve PACE as a legal entity, and;

- (i) refinance all or a portion the \$1,075,000 outstanding amount of the 2010B Bonds, consisting of serial bonds maturing in the amount of \$390,000 in 2021 at an interest rate of 3.750%, \$395,000 in 2022 at an interest rate of 4.00% and \$290,000 in 2023 at an interest rate of 4.125% (the 2010B Refunded Bonds”) in order to acquire the Garage,
- (ii) refinance all or a portion the \$13,000,000 outstanding amount of the 2010C Bonds, consisting of a term bond maturing in 2025 in the amount of \$1,235,000 at an interest rate of 6.08%, a term bond maturing in 2030 in the amount of \$3,005,000 at an interest rate of 6.70%, and a term bond maturing in 2040 in the amount of \$8,760,000 at an interest rate of 7.00% (the 2010C Refunded Bonds”) in order to acquire the Garage,
- (iii) refinance all or a portion the \$2,055,000 outstanding amount of the 2018 Bonds, consisting of a serial bonds maturing in the amount of \$230,000 on December 1, 2021, \$240,000 on December 1, 2022, \$245,000 on December 1, 2023, \$250,000 on December 1, 2024, \$260,000 on December 1, 2025, \$270,000 on December 1, 2026, \$275,000 on December 1, 2027 and \$285,000 on December 1, 2028, all at the rate of 3.087% (the 2018 Refunded Bonds”) in order to acquire the Facility,
- (iv) refinance all or a portion the \$1,100,000 outstanding amount of the 2020 Bonds, consisting of a serial bonds maturing in the amount of \$125,000 on December 1, 2021, \$135,000 on December 1, 2022, 2023 and 2024, \$140,000 on December 1, 2025 and 2026 and \$145,000 on December 1, 2027 and 2028, all at the rate of 1.470% (the “2020 Refunded Bonds” and together with the 2010B Refunded Bonds, 2010C Refunded Bonds and the 2018 Refunded Bonds, the “Refunded Bonds”) in order to acquire the Facility; and

WHEREAS, to further the acquisition of the Project and the dissolution of PACE, the Authority has determined to issue its City Guaranteed Parking Revenue Bonds, Acquisition Series 2021 (the “Bonds”) in an amount sufficient to acquire the Project, defease the Prior Bonds, pay the costs of issuance of the Bonds and fund any related reserve or interest accounts (the “Acquisition Project”); and

WHEREAS, pursuant to the provisions of N.J.S.A. 40:11A-22, the City is authorized to unconditionally guarantee the punctual payment of the principal of and the interest on any bonds of the Authority by ordinance duly adopted by the governing body of the City in the manner provided in the Local Bond Law of the State of New Jersey; and

WHEREAS, the Authority has requested and received the City’s consent to said issuance of Bonds, and that the City guarantee the issuance of the Bonds in accordance with N.J.S.A. 40:11A-22(e); and

WHEREAS, the City, by ordinance (the “Guaranty Ordinance”), authorized the guaranty of up to \$17,000,000 principal amount of the Authority’s bonds to be issued to finance the Acquisition Project and will execute a guaranty agreement (the “Guaranty Agreement”) with the Authority and the Trustee (as defined herein) evidencing the terms and conditions of the guaranty of the City; and

WHEREAS, the Authority and City believe: (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 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 for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City.

WHEREAS, the Authority desires to adopt this supplemental bond resolution (the “2021 Supplemental Resolution” and together with the General Bond Resolution, as supplemented and amended hereby, the “Resolutions”) as provided for in the General Bond Resolution authorizing the issuance of not to exceed \$17,000,000 aggregate principal amount of the Bonds after review by the Local Finance Board, a regulatory body of State of New Jersey within the Department of Community Affairs; and

WHEREAS, on September 9, 2021, the Local Finance Board considered the Authority’s application concerning the issuance of the Bonds and issued positive findings thereon;

BE IT RESOLVED BY THE PARKING AUTHORITY OF THE CITY OF ELIZABETH, and the Members thereof, as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS OF THE AUTHORITY

SECTION 101. Short Title. This resolution may hereafter be cited by the Authority, and is hereinafter sometimes referred to as the "2021 Supplemental Resolution".

SECTION 102. Terms Defined in General Bond Resolution. Whenever used or referred to in this 2021 Supplemental Resolution, all words or terms which are defined in Section 101 of the General Bond Resolution of the Authority adopted on November 9, 2006, as supplemented and as amended hereby, shall have the meanings given or ascribed to such words or terms in said Section 101, except to the extent that words or terms are or shall be otherwise defined in this 2021 Supplemental Resolution.

SECTION 103. Amendment to the General Bond Resolution. The definition of "City Guaranty" in Section 1.01 of the General Bond Resolution, is hereby determined to include the guaranty ordinance adopted by the City Council of the City on or about September 14, 2021;

SECTION 104. Terms Defined Herein. As used or referred to, and unless a different meaning clearly appears from the context, in this 2021 Supplemental Resolution:

(1) "Dissemination Agent" means The Bank of New York Mellon, Woodland Park, New Jersey, or such other entity as determined in the hereinafter defined Award Certificate, and its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to the Disclosure Agreement (as defined in Section 310, herein), provided that such Dissemination Agent shall meet the requirement set forth therein;

(2) "Escrow Agent" means The Bank of New York Mellon, Woodland Park, or such other entity as determined in the hereinafter defined Award Certificate.

(3) "General Bond Resolution" means the resolution of the Authority adopted on November 9, 2006 and entitled "Resolution Authorizing the Issuance of Parking Revenue Bonds of the Parking Authority of the City of Elizabeth" as amended and supplemented hereby;

(4) "Paying Agent" means The Bank of New York Mellon, Woodland Park, New Jersey, or such other entity as determined in the hereinafter defined Award Certificate, and its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to the General Bond Resolution, provided that such Paying Agent shall meet the requirements of Section 1102 of the General Bond Resolution;

(5) "Registrar" means The Bank of New York Mellon, Woodland Park, New Jersey, or such other entity as determined in the hereinafter defined Award Certificate, and its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to the General Bond Resolution, provided that such Registrar shall meet the requirements of Section 1102 of the General Bond Resolution;

(6) "Resolutions" means the General Bond Resolution, together with this 2021 Supplemental Resolution;

(7) "Trustee" means The Bank of New York Mellon, Woodland Park, New Jersey, or such other entity as determined in the hereinafter defined Award Certificate, and any other corporation or association which may at any time be substituted in its place pursuant to the General Bond Resolution, provided that such Trustee shall meet the requirements of Section 1101 of the General Bond Resolution.

SECTION 105. Articles and Sections. Articles and Sections mentioned by number are the respective Articles and Sections of this 2021 Supplemental Resolution so numbered unless otherwise indicated.

SECTION 106. Incorporation of Prior Resolutions. This 2021 Supplemental Resolution amends and supplements the General Bond Resolution. The General Bond Resolution is incorporated herein by reference thereto.

SECTION 107. Words. Words importing persons include firms, associations and corporations, and words importing the singular number include the plural number and vice versa.

SECTION 108. Successors and Assigns. Whenever in the Resolutions the Authority is named or referred to, it shall and shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations, and agreements by or on behalf of, and other provisions for the benefit of the Authority contained in the Resolutions shall bind and inure to the benefit of such successors and assigns and of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this 2021 Supplemental Resolution.

SECTION 109. Parties Interested Herein. Nothing in this 2021 Supplemental Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority; the Fiduciaries, the Dissemination Agent and the holders of the Refunding Bonds, any right, remedy or claim under or by reason of such resolution or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements in this 2021 Supplemental Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, the Dissemination Agent and the holders of the Bonds.

SECTION 110. Severability of Invalid Provision. If any one or more of the covenants or agreements made or provided for in the 2021 Supplemental Resolution to be performed on the part of the Authority, the Fiduciaries or the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this 2021 Supplemental Resolution or of the Bonds.

SECTION 111. Effective Date. This 2021 Supplemental Resolution shall be effective immediately.

(End of Article I)

ARTICLE II
DETERMINATIONS AND OBLIGATIONS OF THE AUTHORITY

SECTION 201. Authority for 2021 Supplemental Resolution. This 2021 Supplemental Resolution is adopted by virtue of and pursuant to the provisions of the Act and is intended to supplement the General Bond Resolution. The Authority has ascertained and hereby determines and declares that adoption of this 2021 Supplemental Resolution is necessary to carry out the powers and duties expressly provided by the Act, that each and every act, matter, thing of course of conduct as to which provision is made in this 2021 Supplemental Resolution is necessary or convenient in order to carry out and effectuate the purposes of the Authority in accordance with the Act and to carry out powers expressly given in the Act, and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better and to further secure the Bonds and are contracts or agreements necessary, useful and convenient to carry out and effectuate the corporate purposes of the Authority under the Act.

SECTION 202. Acquisition Project and Estimated Cost Thereof. The Authority hereby determines to undertake the financing of the Acquisition Project authorized by this 2021 Supplemental Resolution and the General Bond Resolution. The estimated cost of the Acquisition Project is \$17,000,000, inclusive of any original issue discount to be incurred upon the sale of the Bonds, underwriter's discount, bond insurance, if any, accrued interest from the dated date of the Bonds through, but not including the date of delivery of such Bonds, proceeds earned from investment of the Bonds funds and other cost of issuance of the Bonds.

SECTION 203. Bonds To Constitute Additional Bonds. The Bonds shall constitute Additional Bonds as such term is defined in the General Bond Resolution and shall be issued pursuant to and in accordance with the General Bond Resolution

SECTION 204. Resolutions to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Resolutions shall be part of the contract of the Authority with the holders of the Bonds and shall be deemed to be and shall constitute a contract between the Authority, the Trustee and the holders from time to time of the Bonds, and coupons, if any. The provisions, covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the holders of any and all of the Bonds and coupons, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons over any other thereof except as expressly provided herein.

SECTION 205. Obligation of the Bonds. The Bonds shall be direct and general obligations of the Authority, and the full faith and credit of the Authority are hereby pledged to the payment of the principal and Redemption Price of (as hereinafter defined) and interest on the Bonds.

SECTION 206. Provisions of 1973 Agreement. It is acknowledged that the agreement dated July 20, 1973 (the "1973 Agreement"), between the City and the Authority, is in full force and effect, and that the City has waived the right reserved to the City in the 1973 Agreement to

deposit monies with the Authority to redeem Bonds at any time on and after five (5) years from the date of issue of the Bonds, and that the Authority shall not be required by the 1973 Agreement to provide for the redemption of the Bonds on or after five (5) years from the date of issue of the Bond as set forth in a guaranty ordinance of the City adopted on or about September 14, 2021.

(End of Article II)

**ARTICLE III
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF THE BONDS**

SECTION 301. Purpose and Authorization of the Bonds. In accordance with the Act and subject to and pursuant to the provisions of the Resolutions and for the purpose of financing and raising funds to pay the cost of the Acquisition Project, the Bonds are hereby authorized to be issued by the Authority in the aggregate principal amount of \$17,000,000.

SECTION 302. Details of the Bonds.

(1) Description. (a) The Bonds shall be issued in fully registered form, with interest rates fixed to maturity, and shall each be entitled and designated, and be distinguished from all other Series by the title and designation, "City Guaranteed Parking Revenue Bonds, Acquisition Series 2021" or such other title as the Authority shall determine. The aggregate principal amount of the Bonds which may be issued under this 2021 Supplemental Resolution is limited to \$17,000,000.

(2) Delegation of Sale of Bonds. The Executive Director of the Authority is hereby designated as the individual who shall have the power to determine, among other things (a) the principal amount of Bonds to be issued, in an aggregate principal amount not to exceed \$17,000,000, on either a tax-exempt or taxable basis, in one or more series, (b) the time, date, series, denomination(s), maturity dates, redemption provisions, manner of sale and place of payment of the Bonds, (c) the rate of interest for such Bonds, and (d) such other terms and conditions as may be necessary or related to the sale of the Bonds, including the provision of Bond Insurance, and the funding of Bond Reserve Fund, which may be funded in the amount of -\$0-as permitted by and in accordance with the General Bond Resolution. The Bonds of the Authority may be sold at private sale to a financial institution or an underwriter selected by the Executive Director or sold to an underwriter at public sale (the purchaser hereinafter being known as the "Underwriter") Following such public or private sale, the Executive Director of the Authority is further authorized to execute any necessary documents, including a contract of purchase in connection with the sale of the Bonds (including the making of representations and warranties reasonably requested) and award the Bonds to the Underwriter, with such award being evidenced by the execution of a certificate by the Executive Director (the "Award Certificate"). The contract of purchase and the Award Certificate shall determine the terms and conditions relating to the sale of the Bonds, including the rate of interest to be borne by the Bonds and the Underwriter's discount, if any, which is payable to the underwriter in connection with the sale of the Bonds; provided however, that without the further authorization of the Authority, (i) the

average rate of interest to be borne by the Bonds shall not exceed six per centum (6.00%) per annum (ii) the Underwriter's total compensation for the public offering of the Bonds shall not exceed \$8 per \$1,000 principal amount of such Bonds, it being understood that the structure of this financing may include an Underwriter's discount, original issue discount or premium above the par amount of the Bonds and (iii) the size, structure, terms and conditions of the sale of the Bonds are not materially different from the terms and conditions set forth in the Authority's application to the Local Finance Board, dated as of August 18, 2021. The contract of purchase and the Award Certificate shall contain such other terms and conditions as shall be deemed to be necessary in connection with the sale of the Bonds. The Award Certificate shall be presented to the members of the Authority at the next regular meeting following such sale and award as evidence of the terms and details of the sale of the Bonds.

(3) **Denomination and Place of Payment.** The Bonds, may be issued through a direct purchase to a banking or financial institution through negotiated sale or may be issued in book-entry form only and, when issued, will be registered in the name of and held by Cede & Co., as nominee for DTC. The Bonds shall be issued in the form of one certificate for each maturity, in the aggregate principal amount of such maturity. As long as DTC or its nominee, Cede & Co., is the Registered Owner of the Bonds, payments of the principal of, Redemption Price (as defined herein), if any, and interest on the Bonds will be made by the Paying Agent directly to DTC or its nominee, Cede & Co., which will remit payments to DTC participants, which will remit such payments to the beneficial owners of the Bonds. All other terms and conditions with respect to the payment of the principal of, redemption premium, if any, and interest on the Bonds shall be as provided in the Award Certificate.

SECTION 303. Appointment of Trustee, Paying Agent, Registrar, Dissemination Agent and Escrow Agent. In accordance with the provisions of the General Bond Resolution, the Authority shall determine in the Award Certificate a bank which shall be appointed to serve as Trustee, Paying Agent, Registrar, Dissemination Agent and Escrow Agent for the Bonds and shall accept and carry out its duties and obligations as Trustee, Paying Agent, Registrar, Dissemination Agent and Escrow Agent as provided in and as required by the terms of the Resolutions or any supplemental contracts with the Authority executed by the Executive Director in connection with the sale of the Bonds.

SECTION 304. Form of the Bonds. Pursuant to Section 1207 of the General Bond Resolution, the Bonds shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and incorporated by reference herein.

SECTION 305. Depository Trust Company. The Chairman and the Executive Director of the Authority are hereby authorized to make representations and warranties, to enter into agreements and to make all arrangements with DTC, as may be necessary in order to provide that the Bonds will be eligible for deposit with DTC and to satisfy any obligation undertaken in connection therewith, if the Bonds are so registered with DTC.

SECTION 306. Authorization for Execution of Guaranty Agreement. Pursuant to and in accordance with the terms of the Act, the Authority and its Chairman and/or Executive Director are hereby authorized to execute a guaranty agreement with the City providing for the

guaranty by the City of the timely payment of the principal of and interest on any bonds which are issued by the Authority, including the Bonds, in an aggregate principal amount not exceeding \$17,000,000 for the purpose described herein, on such terms and with such interest rates as shall be determined by the Authority in a manner which is consistent with the provisions of the Act. The term "Bonds" in this Section 306 only shall include all Bonds issued for or with respect to these purposes or any Bonds issued to refund the Bonds issued for these purposes, provided that the total amount of Bonds outstanding entitled to the benefits of its guaranty shall not exceed \$17,000,000. Any Bonds which are no longer considered outstanding under the resolution of the Authority authorizing the Bonds shall not be considered outstanding for the purpose of this guaranty. The execution of a guaranty agreement by and between the Authority and the City, is hereby approved and incorporated by reference herein, including any such changes, insertions and omissions as deemed necessary and as approved by the Authority's Executive Director and attorney as are not inconsistent with this approval.

SECTION 307. Execution of Supplemental Agreements and Documents. The Chairman and Executive Director of the Authority are hereby authorized to make such representations and warranties and to enter into agreements, including a bond purchase agreement, and to make all arrangements for the provision of bond insurance, if necessary and the Bond Reserve Credit Facility, if necessary, the verification of calculations related to the Bonds and the Acquisition Project, to enter into any lease or sub-lease agreements, and to undertake such other actions, including but not limited to publications, printing and ratings, and to execute and attest such other documents, certificates or other paperwork which may be required for the sale and issuance of the Bonds.

SECTION 308. Provisions of General Bond Resolution. All of the provisions, covenants, or matters authorized, required or provided for, by or under the General Bond Resolution shall be for the equal benefit and security of the Bonds. Including and without limiting the generality of the foregoing, the pledge of Revenues and other funds made or provided for in or by Section 502 of the General Bond Resolution, the assignment of the City Guaranty made or provided for in or by Section 503 and the remedies and other provisions set forth in Article X of the General Bond Resolution as if, and by this reference they are, fully incorporated herein; however, notwithstanding anything to the contrary, the principal of all Bonds which are Outstanding and the interest accrued thereon shall not be declared due and payable and/or accelerated under Section 1002 of the General Bond Resolution, unless the City has not paid such principal and interest pursuant to the terms of the City Guaranty applicable to the Bonds.

SECTION 309. Covenant of Authority as to Compliance with Federal Tax Matters. The Authority hereby covenants that it will take all actions within its control that are necessary to assure that interest on the Bonds is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code") and the Authority will refrain from taking any action that would adversely affect the exclusion of interest on the Bonds from gross income under the provisions of the Code.

SECTION 310. Secondary Market Disclosure. (1) Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted

from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Authority shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

- (a) Within 270 days of the end of the Authority's fiscal year for each year beginning on January 1, 2021, for as long as the Refunding Bonds are outstanding, to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, annual financial information with respect to the Authority consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Authority and certain financial information, and operating data, if not in the audited financial statements. The audited financial information will be prepared in accordance with modified cash accounting as mandated by State statutory principles in effect from time to time or with generally accepted accounting principles as modified by governmental accounting standards as may be required by State law;
- (b) in a timely manner to EMMA, notice of the following events with respect to the Bonds, if material (herein "Material Events"):
 - (1) Principal and interest payment delinquencies
 - (2) Non-payment related defaults, if material
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
 - (7) Modifications to rights of security holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) Defeasances;
 - (10) Release, substitution, or sale of property securing repayment of the securities, if material;
 - (11) Rating changes;
 - (12) Bankruptcy, insolvency, receivership or similar event of the Authority;
 - (13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the

Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Agency or City, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the Project Note, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Agency or City, if any such event reflects financial difficulties.

For purposes of the events identified in subparagraphs (15) and (16) above, "Financial Obligation" means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(2) If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under this 2021 Supplemental Resolution, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

(3) The Executive Director shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Authority prior to their offering. Such officer is hereby authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in this 2021 Supplemental Resolution, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

(4) In the event that the Authority fails to comply with the Rule or the written contracts or undertakings specified herein, the Authority shall not be liable for monetary damages, remedy being hereby specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

(5) For the benefit of the holders of the Bonds and to assist the purchaser thereof in complying with the Rule, the Chairman and Executive Director of the Authority are hereby authorized to make representations and warranties and enter into a continuing disclosure agreement (the "Disclosure Agreement"), by and among the Authority, the City, and the dissemination agent as may be required.

SECTION 311. Distribution of Preliminary Official Statement; Approval of Official Statement.

(a) **Preliminary Official Statement.** The Authority hereby authorizes the preparation and distribution of a preliminary official statement (the “Preliminary Official Statement”) relating to the Bonds, substantially in such form as shall be approved by the Executive Director of the Authority in consultation with Bond Counsel. As of the date of such Preliminary Official Statement, the Executive Director of the Authority, in consultation with Bond Counsel, shall make the determination that the Authority deems such Preliminary Official Statement “final”, as that term is used in paragraph (b)(1) of Rule 15c2-12 of the Securities Exchange Act of 1934 (the “Rule”), except for the omission of no more than the information permitted by paragraph (b)(1) of the Rule. The Authority hereby authorizes said Preliminary Official Statement and the information contained therein to be used in connection with the offering and sale of the Bonds and authorizes the distribution of the Preliminary Official Statement, in electronic or hard copy form, to prospective purchasers of the Bonds.

(b) **Official Statement.** The Authority hereby authorizes the preparation of an official statement (the “Official Statement”) relating to the Bonds, to be substantially in the form of the Preliminary Official Statement with such changes therein as shall be approved by the Executive Director of the Authority, in consultation with Bond Counsel, and by the Underwriter. The Authority hereby authorizes the execution of the Official Statement by the Executive Director of the Authority, the delivery thereof to the Underwriter and the distribution of the Official Statement in connection with the offering and sale of the Bonds.

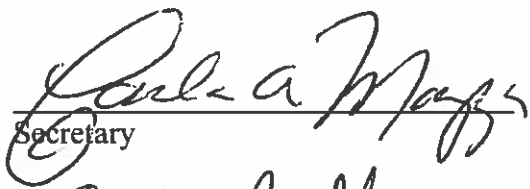
SECTION 312. Amendment. Any provision of this 2021 Supplemental Resolution may be amended in an Award Certificate prior to the issuance of the Bonds authorized herein.

(End of Article III)

CERTIFICATE

I, the undersigned, Secretary of the Parking Authority of the City of Elizabeth, a public body politic and corporate of the State of New Jersey, HEREBY CERTIFY that the foregoing resolution entitled "SUPPLEMENTAL BOND RESOLUTION OF THE PARKING AUTHORITY OF THE CITY OF ELIZABETH SUPPLEMENTING THE GENERAL BOND RESOLUTION AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$17,000,000 CITY GUARANTEED PARKING REVENUE BONDS, ACQUISITION SERIES 2021", is a true copy of an original resolution which was duly adopted by said Authority at a meeting thereof which was duly called and held on September 8, 2021, and at which a quorum was present and acted throughout, and that said copy has been compared by me with the original resolution recorded in the records of the Authority and that it is a correct transcript thereof and of the whole of said resolution, and that said original resolution has not been altered, amended or repealed but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this 8th day of September, 2021.


Secretary
Carla A. Mazza

Reso #12-2021.

The foregoing resolution was adopted by the following vote:

AYES: 6 Martinez (moved) Hernandez Maseda
 Rinaldo (second) Bustamante Bernal-Castro

NAYS: 0

1 Absent Taylor

III. Reports:

A. Executive Director, Carla A. Mazza Financial Reports

Resolution to Accept *Financial Reports*. A motion was made by Commissioner Matthew D. Rinaldo and seconded by Commissioner Maritza A. Maseda. On a roll call vote, motion carried 6 ayes.

IV. Old Business

V. New Business — There being no further business Commissioner Matthew D. Rinaldo made a motion, seconded by Chairman Felix Martinez to adjourn the meeting at 7:55 P.M. On a roll call vote, motion carried 6 ayes.

APPROVED: October 13, 2021

Felix Martinez
Chairman

Carla A. Mazza
Executive Director

ELIZABETH PARKING AUTHORITY
BUDGET TO ACTUAL FINANCIAL REPORT
FOR THE NINE MONTH PERIOD ENDED 9/30/21

REVENUES	Y-T-D ACTUAL	Y-T-D BUDGET	VARIANCE	ANNUAL BUDGET
PARKING FEES	\$ 2,193,218	\$ 2,569,500	\$ (376,282)	\$ 3,426,000
VIOLATIONS	107,784	206,250	(98,466)	275,000
RENTAL REVENUE	352,863	356,196	(3,333)	474,928
MISCELLANEOUS REVENUE	1,360,408	6,750	1,353,658	9,000
INTEREST INCOME	4,300	4,500	(200)	6,000
TOTAL REVENUE	\$ 4,018,573	\$ 3,143,196	\$ 875,377	\$ 4,190,928
EXPENSES				
SALARIES & EMPLOYEE BENEFITS	\$ 1,419,803	\$ 1,539,504	\$ 119,701	\$ 2,052,672
INSURANCE	206,222	206,250	28	275,000
OFFICE EXPENSES	76,481	82,500	6,019	110,000
OUTSIDE SERVICES	89,350	122,250	32,900	163,000
ADMINISTRATIVE EXPENSES	50,658	58,500	7,842	78,000
OPERATING EXPENSES	477,062	551,901	74,839	735,868
INTEREST/PRINCIPAL ON DEBT	577,008	577,008	-	769,344
TOTAL EXPENSES	\$ 2,896,584	\$ 3,137,913	\$ 241,329	\$ 4,183,884
PROJECTED INCREASE TO RESERVE	\$ 1,121,989	\$ 5,283	\$ 1,116,706	\$ 7,044