

ATTACHMENT 1

RESOLUTION

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

AUTHORIZING A SPECIAL EMERGENCY MEETING TO BE HELD ON MAY 30, 2013

WHEREAS, the Atlantic County Improvement Authority was formed by the Atlantic County Board of Freeholders pursuant to the New Jersey County Improvement Authorities Law; and

WHEREAS, the Atlantic County Improvement Authority is responsible for the financing and project management of major public development projects vital to the economic future of Atlantic County and New Jersey; and

WHEREAS, the Atlantic County Improvement Authority is authorized to issue loans for the new construction of low and moderate income housing units; and

WHEREAS, the Board of Commissioners of the Atlantic County Improvement Authority is authorized to issue loan commitments to for-profit and non-profit developers for the use of loan funds for the development of affordable housing projects; and

WHEREAS, a request was made to the Executive Director of the Atlantic County Improvement Authority on May 29, 2013 to schedule a Special Emergency meeting of the Board of Commissioners to consider a proposal for a loan in an amount not to exceed Nine Hundred Thousand Dollars (\$900,000.00) to RPM Development Group or an entity to be formed by RPM Development Group (the "Developer") to partially fund the construction of a sixty-six unit low-income residential and special needs housing development proposed to be constructed in Atlantic City, New Jersey referred to as Tennessee Green ; and

WHEREAS, the request for emergency action by the Developer is the recent availability of federal tax credits and the deadline to submit an application to the New Jersey Department of Community Affairs for funding from the Community Block Development Grant Disaster Recovery Relief Fund which is May 31, 2013; and

WHEREAS, as permitted by NJS 10:4-9 upon the affirmative vote of three quarters of the members present a public body may hold a meeting notwithstanding the failure to provide adequate notice if:

(1) such meeting is required in order to deal with matters of such urgency and importance that a delay for the purpose of providing adequate notice would be likely to result in substantial harm to the public interest; and

(2) the meeting is limited to discussion of and acting with respect to such matters of urgency and importance; and

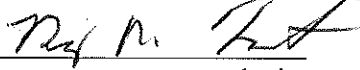
(3) notice of such meeting is provided as soon as possible following the calling of such meeting by posting written notice of the same in a public place and also by notifying the two newspapers described in section 3. d. by telephone, telegram, or by delivering a written notice of same to such newspapers; and

(4) the public body could not reasonably have foreseen the need for such meeting at a time when adequate notice could have been provided; and

WHEREAS, the need to provide adequate low - income and special needs housing within the City of Atlantic City following the devastation wrought by Super-storm Sandy is a matter of significant importance and in the interest of the public good

NOW THEREFORE BE IT RESOLVED, by an affirmative vote of not less than three -quarters (3/4) of the members present that the Board of

Commissioners of the Atlantic County Improvement Authority authorize this Special Emergency Meeting to be held at three o'clock pm on this 30th day of May, 2013 for the limited purpose of hearing a presentation from RPM Development Group and the request by that Group to consider a proposal for a loan from the Atlantic County Improvement Authority to partially fund the construction of a sixty-six unit low-income residential and special needs housing development proposed to be constructed in Atlantic City, New Jersey referred to as Tennessee Green, and for no other purpose.


Roy M. Foster, Chairman
Secretary


Edwin G. Blake,

I, _____ Assistant Secretary of the Atlantic County Improvement Authority, State of New Jersey, do hereby certify that the foregoing Resolution is a correct and true copy of a resolution which was adopted by roll call vote at a meeting of the Board of Commissioners of the Atlantic County Improvement Authority held on May 30, 2013.

30, 2013.

Resolution of the ATLANTIC COUNTY IMPROVEMENT AUTHORITY

AUTHORIZING A CONDITIONAL COMMITMENT FOR A LOAN FROM THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY TO SUPPORT THE NEW CONSTRUCTION OF AFFORDABLE HOUSING UNITS AT THE TENNESSEE GREEN DEVELOPMENT IN ATLANTIC CITY, NJ

WHEREAS, the Atlantic County Improvement Authority was formed by the Atlantic County Board of Freeholders pursuant to the New Jersey County Improvement Authorities Law; and

WHEREAS, the Atlantic County Improvement Authority is responsible for the financing and project management of major public development projects vital to the economic future of Atlantic County and New Jersey; and

WHEREAS, the Atlantic County Improvement Authority is authorized to issue loans for the new construction of low and moderate income housing units; and

WHEREAS, the Board of Commissioners of the Atlantic County Improvement Authority is authorized to issue loan commitments to for-profit and non-profit developers for the use of loan funds for the development of affordable housing projects; and

WHEREAS, a request has been made to the Executive Director of the Atlantic County Improvement Authority to submit to the Board of Commissioners a proposal for a loan in an amount not to exceed Nine Hundred Thousand Dollars (\$900,000.00) to RPM Development Group or an entity to be formed by RPM Development Group to partially fund the construction of a sixty-six unit low-income residential and special needs housing development proposed to be constructed in Atlantic City, New Jersey referred to as Tennessee Green; and

WHEREAS, at a Special Emergency Meeting held on this 30th day of May, 2013 a presentation was made to the Executive Director and the Board of Commissioners by representatives of RPM Development Group

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Atlantic County Improvement Authority as follows:

1. Subject to the terms and conditions set forth herein, the Board of Commissioners (hereinafter "Commissioners") of the Atlantic County Improvement Authority (hereinafter "Authority") hereby grants approval to the request by RPM Development Group (hereinafter sometimes referred to as "RPM") to fund an amount not to exceed Nine Hundred Thousand Dollars (\$900,000.00) to support the development of Tennessee Green, a 66-unit project serving low-income and special needs households in Atlantic City (hereinafter the "Project") and authorizes the Executive Director to undertake such due diligence as the Executive Director in conjunction with Counsel and financial consultants to the Authority deem necessary or desirable to evaluate the final project proposal and further subject to the conditions set forth in Paragraph 8 below; and

2. Subject to satisfaction of the conditions set forth herein satisfactory to the Authority and approval by the Commissioners and the Atlantic County Executive of final loan documents in a form acceptable to the Authority, its counsel and its financial advisor(s), the

Authority will provide a non-amortized 15 year loan to the Project to be paid in a single balloon payment due and payable in full fifteen (15) years from the date of the loan, if terms are approved; or on such other terms as the Authority may require as a final condition of the grant of the loan. The loan will be paid out of developer funds, remaining operating reserves and escrows, or other available funds.

3. During the term of the loan, if granted by ACIA as herein provided, twenty-five (25%) of available cash flow to the project will be paid to the ACIA, in equal proportion to RPM Development, upon terms acceptable to the Authority which shall be applied first to any accrued but unpaid interest and second, to reduce the principal amount due.

4. The interest rate on the loan will be 2% which shall accrue and be paid upon the maturity due date.

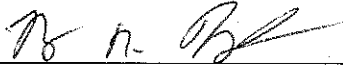
5. Subject to the terms of this Resolution, the Authority Mortgage and Note and the lien of the mortgage upon the property will be subordinate only to such CDBG Disaster relief funding as RPM may obtain. There shall be no other superior liens or encumbrances.

6. The loan will be further secured by a personal guaranty from Edward Martoglio, President of RPM, a company guarantee from RPM Development Group, and such other security as the Authority may require as a condition.


7. During the term of the Mortgage the project shall carry an operating reserve account in the minimum amount of Four Hundred Fifty Thousand Dollars (\$450,000.00) or such greater amount that the Authority may require after a financial review of the final pro forma, which account shall be fully maintained at that level by the developer on a quarterly basis.

8. In addition to the provisions set forth in Paragraph 1, this commitment of funds is made subject to the following conditions: 1) Receipt by the project of an allocation of 9% Low-Income Housing Tax Credits 2) Receipt by the project of CDBG Disaster Relief funding 3) Approval by the Local Finance Unit of the NJ Department of Community Affairs 4) conduct of such due diligence by the Authority as deemed necessary or desirable by its financial advisors, underwriters, and counsel; 5) to the extent practicable upon completion of due diligence and within 180 days of the date of the tax credit allocation, negotiation of loan documents in a form satisfactory to the Authority, its counsel and its financial advisor(s) (including all personal guarantees and other security interests) on terms acceptable to the Authority; and 6) final review of the loan documents by the Commissioners and approval of the Atlantic County Executive as required.

9. Notwithstanding the satisfaction of conditions 1 through 3 set forth in Paragraph 8, the satisfaction of such conditions imposes no absolute obligation upon the Authority to proceed with the grant of the Note and Mortgage unless the remaining conditions have been met to the satisfaction of the Authority.



Roy M. Foster, Chairman


Edwin G. Blake, Secretary

I, _____ Assistant Secretary of the Atlantic County Improvement Authority, State of New Jersey, do hereby certify that the foregoing Resolution is a correct and true copy of a resolution which was adopted by roll call vote at a meeting of the Board of Commissioners of the Atlantic County Improvement Authority held on May 30, 2013.