

## OFFICIAL STATEMENT DATED APRIL 13, 2016

### NEW ISSUE-BOOK-ENTRY ONLY

**RATING: S&P: "AAA"**  
**(See "RATING" herein)**

*In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Authority (as defined herein) with certain covenants described herein, interest on the Series 2016 Bonds (as defined herein) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code") and is not treated as a preference item under Section 57 of the Code for purposes of calculating the Federal alternative minimum tax imposed on individuals and corporations; such interest on the Series 2016 Bonds is however, included in the adjusted current earnings of a corporation for purposes of the Federal alternative minimum tax imposed on corporations. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Series 2016 Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**\$19,160,000**

### **MIDDLESEX COUNTY IMPROVEMENT AUTHORITY (County of Middlesex, State of New Jersey)**

### **County-Guaranteed Open Space Trust Fund Revenue Refunding Bonds, Series 2016 (Callable)**

**Dated: Date of Delivery**

**Due: December 15, as shown on the inside front cover**

The \$19,160,000 aggregate principal amount of County-Guaranteed Open Space Trust Fund Revenue Refunding Bonds, Series 2016 ("Series 2016 Bonds") will be issued by the Middlesex County Improvement Authority ("Authority") as fully registered bonds and, when issued, will be registered in the name of Cede & Co. ("Cede"), as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and a clearing house for securities transactions, which will act as securities depository for the Series 2016 Bonds. Individual purchases will be made in book-entry only form, without certificates, in the principal amount of \$5,000 or any integral multiple thereof, except that these Series 2016 Bonds in excess of the largest principal amount thereof not equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof. See "DESCRIPTION OF THE SERIES 2016 BONDS-Book-Entry-Only System" herein."

The Series 2016 Bonds will be dated and shall bear interest from their date of delivery, and shall be payable semi-annually on June 15 and December 15 in each year, commencing December 15, 2016, until the Authority's obligation with respect to the payment of the Series 2016 Bonds is discharged. The principal of the Series 2016 Bonds will be payable upon presentation or surrender thereof at the principal corporate trust office of Amboy Bank, Old Bridge, New Jersey, as Trustee and Paying Agent ("Trustee" and "Paying Agent") for the Series 2016 Bonds, as set forth on the inside cover hereof. Interest on the Series 2016 Bonds is payable by check of the Trustee mailed to the registered owner of the Series 2016 Bonds, as described herein, provided, however, an owner of \$1,000,000 or more in principal amount of Series 2016 Bonds shall be entitled, upon five (5) Business Days' written notice to the Trustee in advance of the applicable Record Date (as defined herein), to receive interest payments by wire transfer of immediately available funds. Provided DTC, or its nominee Cede & Co., is the registered owner of the Series 2016 Bonds, payments of the principal of and interest on the Series 2016 Bonds will be made directly to DTC or its nominee, which is obligated to remit such principal and interest to DTC Direct Participants, as defined herein. DTC Direct Participants and Indirect Participants, as defined herein, will be responsible for remitting such payments to the beneficial owners of the Series 2016 Bonds. See "DESCRIPTION OF THE SERIES 2016 BONDS - Book-Entry Only System" herein.

The Series 2016 Bonds are subject to redemption prior to their stated maturity dates as set forth herein. See "DESCRIPTION OF THE SERIES 2016 BONDS – Redemption Provisions" herein.

The Series 2016 Bonds are being issued pursuant to: (i) a resolution of the Authority entitled, "Resolution of the Middlesex County Improvement Authority Authorizing the Issuance of County-Guaranteed Open Space Trust Fund Revenue Bonds" duly adopted on July 9, 2003 ("General Bond Resolution"), as amended and supplemented by a first supplemental resolution duly adopted on November 10, 2009 ("First Supplemental Resolution"), and as further amended and supplemented by a second supplemental resolution entitled, "Second Supplemental Resolution of the Middlesex County Improvement Authority Authorizing the Issuance of County-Guaranteed Open Space Trust Fund Revenue Refunding Bonds, Series 2016" duly adopted on March 9, 2016 ("Second Supplemental Resolution"); (ii) a certificate of the Chairman or Vice Chairman of the Authority, dated the date of original issuance of the Series 2016 Bonds, exercising powers delegated by the Second Supplemental Resolution ("Certificate"; together with the General Bond Resolution, the First Supplemental Resolution, and the Second Supplemental Resolution, the "Bond Resolution"); and (iii) the County Improvement Authorities Law, N.J.S.A. 40:37A-44 et seq., as amended and supplemented ("Act").

The Series 2016 Bonds are being issued by the Authority to provide funds which will be used to: (i) advance refund, on a crossover basis, and economically defease the principal of (but not the interest on) all of the Authority's outstanding callable County-Guaranteed Open Space Trust Fund Revenue Bonds, Series 2009B (Federally Taxable – Issuer Subsidy – Build America Bonds), dated December 23, 2009, originally issued in the aggregate principal amount of \$19,735,000 ("Series 2009 Bonds"), and maturing on December 15, 2024 and December 15, 2029 (collectively, the "Refunded Bonds"), on the first optional call date thereafter on December 15, 2019 ("Refunded Bonds Redemption Date"); (ii) defease the interest on the Series 2016 Bonds from their date of issuance to and including the Refunded Bonds Redemption Date; and (iii) pay certain costs of issuance incurred in connection with the issuance, sale and delivery of the Series 2016 Bonds.

The Series 2016 Bonds will be direct, special and limited obligations of the Authority and will be payable solely from Revenues (as defined herein) and secured by a lien on the Pledged Property (as defined herein) under the Bond Resolution including, but not limited to: (i) the Revenues, including the Authority's right to receive Loan Payments (as defined herein) from the County under the Loan and Security Agreement, dated as of May 10, 2016 ("Series 2016 Loan Agreement"), by and between the County and the Authority"; (ii) the Funds and Accounts (other than the Rebate Fund), including Investment Securities (as such terms are defined in the Bond Resolution) held in such Funds or Accounts, held and established under the Bond Resolution and specifically pledged to the holders of the Series 2016 Bonds; and (iii) all other moneys, securities or funds pledged under the Bond Resolution for the payment of the principal or Redemption Price (as defined in the Bond Resolution) of, and interest on the Series 2016 Bonds in accordance with the terms and provisions of the Bond Resolution and the Series 2016 Loan Agreement.

The Series 2016 Bonds will be further secured by a full and unconditional guaranty from the County ("Series 2016 Guaranty") to pay, when due, the principal of and interest on the Series 2016 Bonds (but not redemption premium, if any). As of the date hereof, the Series 2016 Guaranty was authorized by a Series 2016 Guaranty Ordinance (as herein defined) adopted by the County on March 17, 2016. The County has the power and the obligation to cause the levy of *ad valorem* taxes upon all taxable property within the County, without limitation as to rate or amount, for the payment of its obligations under the Series 2016 Guaranty. See "SECURITY FOR THE SERIES 2016 BONDS" herein.

**THE COUNTY'S OBLIGATION TO MAKE LOAN PAYMENTS UNDER THE SERIES 2016 LOAN AGREEMENT IS A DIRECT, SPECIAL AND LIMITED OBLIGATION OF THE COUNTY. THE COUNTY PLEDGES ANY AND ALL MONEY HERETOFORE DEPOSITED AND EXISTING IN THE "MIDDLESEX COUNTY OPEN SPACE, RECREATION AND FARMLAND AND HISTORIC PRESERVATION TRUST FUND" AS A RESULT OF THE APPROVAL GRANTED BY THE 2001 PROPOSITION (AS HEREIN DEFINED) AND THE APPROPRIATION OF UP TO TWO CENTS (\$0.02) PER ONE HUNDRED DOLLARS (\$100.00) OF EQUALIZED ASSESSED VALUATION ON ALL PROPERTY WITHIN THE COUNTY ("2001 LEVY"), TO ITS LOAN PAYMENT OBLIGATIONS UNDER THE SERIES 2016 LOAN AGREEMENT AND THE PAYMENT OF DEBT SERVICE ON ANY SERIES 2016 BONDS ISSUED UNDER THE BOND RESOLUTION BY THE AUTHORITY, TO THE EXTENT REQUIRED, UNTIL SUCH TIME AS ALL OBLIGATIONS HAVE BEEN DISCHARGED AND SATISFIED AND ANY SERIES 2016 BONDS ISSUED BY THE AUTHORITY UNDER THE BOND RESOLUTION ARE NO LONGER OUTSTANDING. SUCH PLEDGE INCLUDES MONEYS FROM THE 2001 LEVY ON DEPOSIT IN SUCH FUND AS OF THE DATE OF THE ISSUANCE OF THE SERIES 2016 BONDS AND ANY MONEYS FROM THE 2001 LEVY WHICH SHALL BE DEPOSITED IN SUCH FUND, TO THE EXTENT REQUIRED, DURING THE TERM OF THE SERIES 2016 LOAN AGREEMENT SO LONG AS THERE ARE ANY SERIES 2016 BONDS OUTSTANDING. THE COUNTY HAS AGREED PURSUANT TO THE SERIES 2016 GUARANTY TO UNCONDITIONALLY AND IRREVOCABLY GUARANTY THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON THE SERIES 2016 BONDS (BUT NOT ANY REDEMPTION PREMIUM, IF ANY). THE FULL FAITH AND CREDIT OF THE COUNTY ARE PLEDGED FOR THE FULL AND PUNCTUAL PERFORMANCE OF THE SERIES 2016 GUARANTY. SEE "SECURITY FOR THE SERIES 2016 BONDS" HEREIN.**

THE SERIES 2016 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY AND, TO THE EXTENT OF THE SERIES 2016 GUARANTY, THE COUNTY), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY AND, TO THE EXTENT OF THE SERIES 2016 GUARANTY, THE COUNTY), OR BE OR CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COUNTY, TO THE EXTENT OF THE SERIES 2016 GUARANTY). NEITHER THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COUNTY, TO THE EXTENT OF THE SERIES 2016 GUARANTY) IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2016 BONDS, BUT ALL SERIES 2016 BONDS SHALL BE PAYABLE SOLELY FROM REVENUES OR FUNDS PLEDGED OR AVAILABLE FOR THEIR PAYMENT, INCLUDING THE SERIES 2016 GUARANTY, AS AUTHORIZED BY THE ACT. THE AUTHORITY HAS NO TAXING POWER.

Prior to the issuance of the Series 2016 Bonds, the County will enter into an agreement with the Trustee, Disclosure Agent (defined herein) and the Authority for the benefit of the holders of the Series 2016 Bonds ("Disclosure Agreement") to comply with the secondary market disclosure requirements of the Securities and Exchange Commission's Rule 15c2-12. See "Appendix F - Form of the Disclosure Agreement" herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices attached hereto, to obtain information essential to their making an informed investment decision.

The Series 2016 Bonds are offered when, as and if issued and delivered to NW Capital Markets Inc. ("Underwriter"), subject to prior sale, withdrawal or modification of the offer without any notice, and to the unqualified approval of legality by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by Venezia & Nolan, P.C., Woodbridge, New Jersey, Counsel to the Authority, for the Underwriter by Parker McCay, P.A., Mount Laurel, New Jersey, and for the County by Kelso & Bradshaw, New Brunswick, New Jersey, County Counsel. Phoenix Advisors, LLC, Bordentown, New Jersey has served as financial advisor to the Authority in connection with the issuance of the Series 2016 Bonds. It is expected that the Series 2016 Bonds will be available for delivery to DTC in New York, New York on or about May 10, 2016.