

## MORRIS COUNTY IMPROVEMENT AUTHORITY

MINUTES of the Board Meeting held on September 28, 2011, at 6:00 p.m.,  
Knox Conference Room #525, Morris County  
Administration and Records Building, Morristown, New Jersey

At 6:00 p.m., John Bonanni, Chairman to the Morris County Improvement Authority called the meeting to order. The following persons were in attendance:

John Bonanni, Chairman (arrived at 6:15 p.m.)  
Christina Ramirez, Vice Chairman (left at 6:45 p.m.)  
Glenn Roe, Commissioner  
Ellen Sandman, Commissioner  
Frank Pinto, Commissioner  
Stephen B. Pearlman Esq. - Inglesino, Pearlman, Wyciskala & Taylor LLC  
Rich Preiss, Gabel Associates  
Cadence Bowen, Gabel Associates  
Jennifer Edwards, Acacia Financial  
Doug Bacher, NW Financial Group  
Jessica Vogel, Birdsell Engineering

Commissioner Ramirez, Vice Chairman, asked for the reading of the public statement in accordance with the Open Public Meetings Act which was then read by recording secretary Cynthia Rueter.

Commissioner Ramirez, Vice Chairman, asked for "roll call" for the Authority. All five Commissioners were in attendance; Mr. John Bonanni (arrived at 6:15 p.m.), Ms. Christina Ramirez (left at 6:45 p.m.), Mr. Glenn Roe, Mr. Frank Pinto and Ms. Ellen Sandman a quorum was established.

Approval of the August 17, 2011 minutes was considered, Commissioner Roe made a motion to accept the minutes of the August 17<sup>th</sup> meeting. Commissioner Ramirez seconded the motion; Commissioner Pinto was not in attendance at the August meeting, therefore he abstained.

The public portion of the meeting was opened. – No comment at this time.

Agenda item 6(i) was tabled until the October 19<sup>th</sup> meeting of the Morris County Improvement Authority. A committee was established to review the Request for Qualifications for General, Bond and Special Energy Counsel Services. The committee consists of Commissioner Frank Pinto (Chair) and Commissioner Christina Ramirez and Commissioner Ellen Sandman. Resolution No. 11-37 authorizing the execution of a contract for General, Bond and Special Energy Counsel Services will be discussed after the committee members review the Request For Qualifications that were received by two (2) firms and present their results/opinion to the Authority.

Agenda item 6(ii) was discussed – Resolution authorizing an application to the Local Finance Board. Commissioner Sandman made a motion to adopt this resolution; Commissioner Roe seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 11-38 "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE PREPARATION AND SUBMISSION OF AN APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO LOCAL AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW AND SEEKING CERTAIN OFFICIAL ACTIONS OF THE COUNTY OF MORRIS, ALL IN CONNECTION WITH THE AUTHORITY'S COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING BONDS (POOLED ERI UNFUNDED LIABILITY PROJECT) [Federally Taxable] IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000" (NO. 11-38) was adopted.

Agenda item 6(iii) was discussed – Resolution authorizing the issuance of renewable energy lease revenue notes and bonds for the Sussex County Solar Program. Commissioner Roe made a motion to adopt this resolution; Commissioner Sandman seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 11-39 “RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF SUSSEX GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2011 AND ADDITIONAL BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY” (NO. 11-39) was adopted.

Agenda item 6(iv) was discussed – Resolution determining the successful respondent for the Morris County Renewable Energy Program Phase II. Two Requests for Proposals were received and reviewed. The two (2) companies that responded to the Request for Proposals were: Sunlight General Capital/Power Partners Mas Tec and Sun Edison partnered with Ray Angelini, Inc. It was determined that Sunlight General Capital will be awarded the contract. Commissioner Sandman made a motion to adopt this resolution; Commissioner Pinto seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 11-40 “RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY DETERMINING THE SUCCESSFUL RESPONDENT TO THE SOLAR DEVELOPER REQUEST FOR PROPOSALS IN CONNECTION WITH THE AUTHORITY’S RENEWABLE ENERGY PROGRAM” (NO. 11-40) was adopted.

Agenda item 6(v) was discussed - Resolution authorizing the issuance of County of Morris Guaranteed Loan Revenue Refunding Bonds. Commissioner Roe made a motion to adopt this resolution; Commissioner Ramirez seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 11-41 “SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES 2011 (POOLED ERI UNFUNDED LIABILITY PROJECT) OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY [Federally Taxable]”(NO. 11-41) was adopted.

Agenda item 6(vi) was discussed - Resolution concerning the Review of Findings. Commissioner Sandman made a motion to adopt this resolution; Commissioner Ramirez seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 11-42 “RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY CONCERNING THE REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE LOCAL FINANCE BOARD PURSUANT TO LOCAL AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN CONNECTION WITH THE AUTHORITY’S COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE BONDS, SERIES 2011 (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000” (NO. 11-42) was adopted.

Agenda item 6(vii) was discussed – Resolution appointing an underwriter in connection with the Authority’s Guaranteed Loan revenue Refunding Bonds. It was determined that PNC Bank would be awarded the contract. Commissioner Roe made a motion to adopt this resolution; Commissioner Pinto seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 11-43 “RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY APPOINTING AN UNDERWRITER ALL IN CONNECTION WITH THE AUTHORITY’S COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES 2011(POOLED ERI UNFUNDED LIABILITY PROJECT) [Federally Taxable] IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000” (NO. 11-43) was adopted.

Agenda item 6(viii) was discussed – Resolution relating to the Power Purchase Agreement determining the amount to be paid by the Local Units to the Company for the purchase of renewable energy. And, the Department of Energy’s \$2 million Grant awarded to the Authority whereby the Grant funds shall be paid to the Company in exchange for a reduction in the Prior PPA Price. Commissioner

Sandman made a motion to adopt this resolution; Commissioner Pinto seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 11-44 "RESOLUTION AUTHORIZING CONSENT AND AGREEMENT NO. 2 IN CONNECTION WITH THE AUTHORITY'S INITIAL RENEWABLE ENERGY PROGRAM AND SERIES 2009A BONDS RELATED THERETO" (NO. 11-44) was adopted.

Agenda item 6(ix) was discussed - Resolution approving the payment of bills as listed on the Schedule of Warrants. Commissioner Roe made a motion to adopt this resolution; Commissioner Ramirez seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution "Bill List" (NO. 11-45) was adopted.

7a. Discussion: Status of Renewable Energy Program – The award of the Department of Energy's \$2 million Grant to the Authority was great news. As agreed, the funds will be given to Tioga Energy resulting in a better PPA Price to the Local Units.

Commissioner Bonanni advised the Commissioners that an Open Public Records Request (OPRA) has been received by the Authority requesting all information and e-mails related to the Renewable Energy (Solar) program.

Sussex County Renewable Energy Program has issued an RFP for Developer of Photovoltaic Systems on September 8<sup>th</sup>, 2011. Proposals are due from Respondents by 1:00 p.m., Eastern Time, October 13, 2011.

7b. Outreach meeting re: Tax Levy Cap – Nothing at this time.

7c. CGLP Activity – Nothing at this time

7d. Payment of Bills between Meetings – Nothing at this time

7e. Status of Other Inquiries and potential transactions – The Borough of Chester has indicated they would like to permanently refinance notes that are coming due at the end of November 2011 in the amount of approximately \$5 million. Lincoln Park also has notes coming due in the amount of approximately 1 million; they are also considering refinancing their notes next summer.

7f. Other items –ESIP (Energy Savings Improvement Program) Update received from Cadence Bowen, Gabel Associates: Gabel is currently revising their strategy regarding the ESIP Program and developing a new program.

Commissioner Pinto advised the Authority that due to damages caused by Hurricane Irene, there may be a potential for the Improvement Authority to assist the local municipalities in financing flood buyouts.

8. Further Official Action – Nothing at this time.

The September 28, 2011 meeting of the Morris County Improvement Authority was adjourned at 7:30 p.m. All Commissioners were in favor to adjourn the meeting.

Respectfully submitted,

Cynthia Rueter  
Recording Secretary



**RESOLUTION NO. 11-37**

**RESOLUTION OF THE BOARD OF COMMISSIONERS  
MORRIS COUNTY IMPROVEMENT AUTHORITY**

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***TITLE:***

**RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY  
AUTHORIZING THE EXECUTION OF A CONTRACT FOR GENERAL, BOND  
AND SPECIAL ENERGY COUNSEL SERVICES**

**WHEREAS**, the Morris County Improvement Authority (the “Authority”) has been duly created by resolution of the County of Morris (the “County”), State of New Jersey (the “State”) and exists in good standing as a public body corporate and politic under and pursuant to all applicable law, including the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, as amended from time to time (codified at N.J.S.A. 40:37A-44 et seq., the “Act”);

**WHEREAS**, in order to carry out the operations of the Authority, including without limitation the negotiation, sale and issuance of bonds, notes or other obligations of the Authority to finance projects permitted under the Act, the Authority needed to contract for the services of a general counsel, bond counsel and special energy counsel (the “Legal Counsel”);

**WHEREAS**, as of January 1, 2006, N.J.S.A. 19:44A-20.1 et seq., commonly known as the “State Pay to Play” law, enacted by the New Jersey State Legislature shall become effective;

**WHEREAS**, pursuant to N.J.S.A. 19:44A-20.1 et seq., an authority may not award contracts with a value in excess of \$17,500.00 to a business entity which has made reportable contributions in excess of \$300.00, in the aggregate, to the member municipality’s political parties or to any candidate’s committee of any person serving in an elective public office of the member municipality when such contract was awarded, unless said business entity is awarded a contract under a “fair and open process” pursuant to N.J.S.A. 19:44A-20.1 et seq.; and

**WHEREAS**, a “fair and open process” constitutes the following: (1) public advertisement on the Authority’s website or in the newspaper of a Request for Qualifications (hereinafter the “RFQ”) with ten (10) calendar days notice prior to the receipt of responses to the RFQ; (2) award of contract under a process that provides for public solicitation of qualifications; (3) award of contract under publicly disclosed criteria established, in writing, by the municipality prior to the solicitation of qualifications; and (4) the Authority shall publicly open and announce the qualifications when awarded (the “Fair and Open Process”);

**WHEREAS**, on September 16, 2011, a date ten days prior to the deadline for the Legal Counsel RFQ (the “RFQ Deadline”) the Authority posted invitations to submit proposals for Legal Counsel services on its website (the “RFQ Request”);

**WHEREAS**, on September 16, 2011 the responses to the RFQ Request were publicly read pursuant to the Fair and Open Process;

**WHEREAS**, the Authority desires to appoint Inglesino, Pearlman, Wyciskala & Taylor, LLC pursuant to a “fair and open process” pursuant to N.J.S.A. 19:44A-20.1 et seq. as General, Bond and Special Energy Counsel for a period of one (1) year;

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Authority as follows:

**Section 1.** The Authority hereby appoints the following firm to perform the following services for the Authority for a one year period commencing October 19, 2011:

a. General Counsel:

Inglesino, Pearlman Wyciskala & Taylor  
600 Parsippany Road  
Parsippany, New Jersey 07054  
Contact: Stephen B. Pearlman, Esq.

b. Bond Counsel:

Inglesino, Pearlman Wyciskala & Taylor  
600 Parsippany Road  
Parsippany, New Jersey 07054  
Contact: Stephen B. Pearlman, Esq.

c. Special Energy Counsel:

Inglesino, Pearlman Wyciskala & Taylor  
600 Parsippany Road  
Parsippany, New Jersey 07054  
Contact: Stephen B. Pearlman, Esq.

**Section 2.** The Chairperson is hereby authorized and directed to execute a contract with Inglesino, Pearlman, Wyciskala & Taylor, LLC in the form attached hereto as Exhibit A, provided that the Chairperson take all actions necessary for such contracts

to comply with the bidding exceptions to the Contracts Law, including the publication requirements therein.

**Section 3.** In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of Freeholders a certification from the respective Clerks stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

**Section 4.** This resolution shall be effective immediately, unless it has been vetoed in accordance with N.J.S.A. 40:37A-50(e) of the Act.

**MOVED/SECONDED:**

**Resolution moved by Commissioner \_\_\_\_\_.**

**Resolution seconded by Commissioner \_\_\_\_\_.**

**VOTE:**

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

**ATTESTATION:**

This Resolution was acted upon at the Regular Meeting of the Authority held on October 19, 2011 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this \_\_\_ day of \_\_\_\_\_, 2011

**By:** \_\_\_\_\_

**Secretary of the Authority**

**FORM and LEGALITY:**

This Resolution is approved as to form and legality as of October 19, 2011

**By:** \_\_\_\_\_

**Stephen B. Pearlman, Esq., Partner  
Inglesino, Pearlman, Wyciskala & Taylor, LLC  
Counsel to the Authority**



**Exhibit A**  
**Professional Services Agreement**

RESOLUTION NO. 11-38

**RESOLUTION OF THE BOARD OF COMMISSIONERS  
MORRIS COUNTY IMPROVEMENT AUTHORITY**

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**TITLE:**

**RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY  
AUTHORIZING THE PREPARATION AND SUBMISSION OF AN  
APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO LOCAL  
AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW  
AND SEEKING CERTAIN OFFICIAL ACTIONS OF THE COUNTY OF  
MORRIS, ALL IN CONNECTION WITH THE AUTHORITY'S  
COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING  
BONDS, SERIES 2011(POOLED ERI UNFUNDED LIABILITY PROJECT)  
[Federally Taxable]  
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000**

**WHEREAS**, The Morris County Improvement Authority (including any successors and assigns, the "*Authority*") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "*Board of Freeholders*") of the County of Morris (the "*County*") in the State of New Jersey (the "*State*") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with 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*") and other applicable law;

**WHEREAS**, on July 12, 2002, P.L. 2002, c. 42 (the "*ERI Refunding Law*") became the law of the State, by its terms authorizing municipalities, counties, school districts and certain other local governmental units ("*Local Units*") to issue refunding bonds (the "*Local Unit Refunding Bonds*") for the purpose of retiring the present value of their unfunded liability (the "*Unfunded ERI Liability*") for early retirement incentive benefits previously granted by the State to the Local Units pursuant to prior State law;

**WHEREAS**, in particular, municipal and county Local Units were authorized under the ERI Refunding Law to issue Local Unit Refunding Bonds (the "*Municipal and County Refunding Bonds*") under N.J.S.A. 40A:2-51.3 and other applicable provisions of the Local Bond Law for the purpose of retiring the present value of the Unfunded ERI Liability previously granted by the State to such Municipal and County Local Units pursuant to P.L. 1991, c.229, P.L.1991, c.230, P.L.1993, c.138, P.L. 1993, c181,

P.L.1993, c.99, and P.L.1999, c.59 (the “*Municipal and County Unfunded ERI Liability*”);

**WHEREAS**, in particular, school district Local Units were authorized under the ERI Refunding Law to issue Local Unit Refunding Bonds (the “*School District Refunding Bonds*”), (i) for type I school districts, under N.J.S.A. 18A:24-61.2 of the School Bond Law and other applicable provisions of the School Bond Law and the Local Bond Law, and (ii) for type II school districts, under N.J.S.A. 18A:24-61.2 of the School Bond Law and other applicable provisions of the School Bond Law, all for the purpose of retiring the present value of the Unfunded ERI Liability previously granted by the State to such School District Local Units pursuant to P.L.1991, c.231 and P.L.1993, c163 (the “*School District Unfunded ERI Liability*”);

**WHEREAS**, further pursuant to the ERI Refunding Law, which by its terms also amended the Act, the Authority’s purposes under N.J.S.A. 40:37A-54 were expanded to allow for the issuance and pooling of loans by the Authority to the Local Units secured by Local Unit Refunding Bonds in order to achieve more favorable interest rates and terms for the Local Units;

**WHEREAS**, on February 6, 2003, the Authority issued its \$16,890,000 original aggregate principal amount of “County of Morris Guaranteed Loan Revenue Bonds, Series 2003 (Pooled ERI Unfunded Liability Project)” (the “*Series 2003 Bonds*”) for the purpose, among other things, of the purchase of Local Unit Refunding Bonds (the “*Series 2003 Local Unit Refunding Bonds*”) of (i) Chester Board of Education, (ii) the County, (iii) Morris Plains Borough, (iv) Morris Township, (v) Mt. Olive Township, (vi) Mt. Olive Township Board of Education, (vii) Roxbury Township and (viii) Roxbury Township Board of Education (collectively, the “*Series 2003 Local Units*”) to finance their Unfunded ERI Liability (collectively the “*Series 2003 Loans*”);

**WHEREAS**, the 2003 Loans were secured through those certain “Loan Agreement (Pooled ERI Unfunded Liability Project)” dated as of February 1, 2003 (the “*Series 2003 Loan Agreement*”) between the Authority and each Series 2003 Local Unit, pursuant to which the Authority loaned the Series 2003 Local Units a portion of the proceeds of the Series 2003 Bonds for the respective Series 2003 Loans, which Series 2003 Loans were to be repaid by the Local Units in accordance with a debt service schedule set forth in Exhibit B to each Series 2003 Loan Agreement, as evidenced by each Series 2003 Local Unit Refunding Bond;

**WHEREAS**, the Series 2003 Bonds were issued pursuant to (i) a bond resolution of the Authority entitled “Resolution Authorizing the Issuance of County of Morris Guaranteed Loan Revenue Bonds (Pooled ERI Unfunded Liability Project) and Additional Bonds of the Morris County Improvement Authority”, which was duly adopted by the Authority at a meeting thereof duly called and held on December 11, 2002, as amended and supplemented by a Certificate of the Executive Director of the Authority dated February 6, 2003 issued pursuant to Section 2.02(1)(e) of the original

bond resolution (collectively, the “*Series 2003 Bond Resolution*”), (ii) the Act, and other applicable law;

**WHEREAS**, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2003 Bonds was fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$16,890,000 in accordance with (i) the terms of a guaranty ordinance of the County finally adopted by the Board of Freeholders and (ii) by a guaranty certificate executed by an authorized officer of the County on the face of each Series 2003 Bond (collectively, the “*Series 2003 County Guaranty*”), all pursuant to Section 37 (“*Section 37*”) of the Act (N.J.S.A. 40:37A-80) and other applicable law, which payments are included as part of the Trust Estate applicable to the Series 2003 Bonds pledged by the Authority to the Trustee under the Series 2003 Bond Resolution;

**WHEREAS**, the Series 2003 Bonds are presently Outstanding (as such term is defined in the Series 2003 Bond Resolution) in the aggregate principal amount of \$8,680,000, \$6,005,000 aggregate principal amount of which are scheduled to mature on or after March 1, 2014 and are to be refunded (the “*Series 2003 Bonds to be Refunded*”);

**WHEREAS**, (i) the 2003 Loans to the Borough of Morris Plains and the Chester Township Board of Education have been paid in full, and accordingly, there are no Series 2003 Bonds Outstanding under the Series 2003 Bond Resolution allocable to these Series 2003 Local Units; (ii) the 2003 Loans to Morris Township and Mt. Olive Township (each a Series 2003 Local Unit, and collectively, the “*Outstanding Series 2003 Local Units*”) are small and have one or a few payments remaining and therefore Morris Township and Mt. Olive Township shall continue to pay their Loans as they shall become due, and the \$705,000 aggregate principal amount of Series 2003 Bonds allocable to such Series 2003 Local Units shall remain Outstanding under the Series 2003 Bond Resolution (the “*Outstanding Series 2003 Bonds*”), and (iii) the County, Mt. Olive Township Board of Education, Roxbury Township and Roxbury Township Board of Education (each a Series 2003 Local Unit, and collectively, the “*Series 2011 Local Units*”, and together with the Outstanding Series 2003 Local Units, the “*Outstanding Local Units*”) each have loans Outstanding under the Series 2003 Bond Resolution that are eligible to be refunded;

**WHEREAS**, the Authority and the Series 2011 Local Units have determined that there are debt service savings to be achieved through the advance refunding of all or a portion of their allocable share of the Series 2003 Bonds to be Refunded (the “*Advance Refunding Project*”), which net savings shall in turn be passed on to the Series 2011 Local Units, through the application of a debt service credit for the benefit of each such Series 2011 Local Unit and their Series 2003 Local Unit Refunding Bonds, all pursuant to the terms of the Series 2011 Refunding Agreement (as hereinafter defined);

**WHEREAS**, pursuant to the terms of the Series 2003 Bond Resolution, the earliest date the Series 2003 Bonds to be Refunded can be redeemed is March 1, 2013 at par;

**WHEREAS**, in order to implement the Advance Refunding Project, and to pay the costs of issuance and fund any necessary reserves or other costs related thereto (collectively the “Series 2011 Project”), the Authority shall adopt a bond resolution entitled “SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES 2011 (POOLED ERI UNFUNDED LIABILITY PROJECT) OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY” (the “*Series 2011 Supplemental Bond Resolution* ” and together with the Series 2003 Bond Resolution, and any further amendments thereof or supplements thereto, the “*Bond Resolution*”);

**WHEREAS**, the Series 2011 Supplemental Bond Resolution shall authorize the issuance of “County of Morris Guaranteed Loan Revenue Refunding Bonds, Series 2011 (Pooled ERI Unfunded Liability Project)” in the aggregate principal amount not to exceed \$7,000,000 (the “*Series 2011 Refunding Bonds*”);

**WHEREAS**, the Advance Refunding Project shall be achieved through the deposit of a portion of the proceeds of the Series 2011 Refunding Bonds with the trustee authorized under the Bond Resolution (the “*Trustee*”), as escrow agent (the “*Escrow Agent*”) pursuant to an “Escrow Deposit Agreement” to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (the “*Escrow Deposit Agreement*”) between the Authority and the Escrow Agent;

**WHEREAS**, upon issuance of the Series 2011 Refunding Bonds, and the deposits with the Escrow Agent of a portion of the proceeds thereof in accordance with the terms of the Escrow Deposit Agreement, the Series 2003 Bonds to be Refunded shall no longer be Outstanding under the Bond Resolution, and only the Outstanding Series 2003 Bonds and the Series 2011 Refunding Bonds shall be Outstanding under the Bond Resolution;

**WHEREAS**, the Series 2011 Refunding Bonds shall be secured on a parity basis with the Outstanding Series 2003 Bonds, and any other Bonds issued under and as defined in the Bond Resolution (collectively, the “*Outstanding Bonds*”) , by the Trust Estate under and as defined in the Bond Resolution, including the Series 2011 Supplemental Bond Resolution, which Trust Estate shall consist, in material part, of the payment of the principal, redemption premium, if any, and interest on (i) the Series 2003 Local Unit Refunding Bonds of the Outstanding Series 2003 Local Units (the “*Outstanding Series 2003 Local Unit Refunding Bonds*”) and (ii) the Series 2003 Local Unit Refunding Bonds of the Series 2011 Local Units (which, from this point forward, after application of the debt service credit in accordance with the Series 2011 Refunding Agreement, shall be collectively referred to as the “*Series 2011 Local Unit Refunding Bonds*”; the Outstanding Series 2003 Local Unit Refunding Bonds and the Series 2011 Local Unit Refunding Bonds may be collectively referred to as the “*Outstanding Local Unit Refunding Bonds*” of the Outstanding Local Units);

**WHEREAS**, the Outstanding Local Unit Refunding Bonds shall be payable by the respective Outstanding Local Units, if necessary, from the levy of *ad valorem* taxes

upon all the taxable property within the jurisdiction of the Outstanding Local Unit, without limitation as to rate or amount;

**WHEREAS**, simultaneously with the issuance of the Series 2011 Refunding Bonds, the Series 2011 Local Units shall enter into that certain “Refunding Agreement (Pooled ERI Unfunded Liability Project)” (the “*Series 2011 Refunding Agreement*”) containing a revised Exhibit B to its 2003 Loan Agreement evidencing the credit to debt service on its Series 2011 Local Unit Refunding Bonds;

**WHEREAS**, the Series 2011 Refunding Agreement shall be authorized by a resolution of each Series 2011 Local Unit (the “*Series 2011 Local Unit Authorizing Resolution*”);

**WHEREAS**, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2011 Refunding Bonds shall be fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$7,000,000 in accordance with (i) the terms of a guaranty ordinance of the County to be finally adopted by the Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County on the face of each Series 2011 Refunding Bond and (iii) as may be required by any rating agency, underwriter, Series 2011 Refunding Bond purchaser or other entity that will allow the Authority to sell the Series 2011 Refunding Bonds at the lowest possible cost to the Local Unit, an agreement setting forth the County’s obligation to make any such guaranty payments in accordance with and within the parameters set forth in such ordinance (collectively, the “*Series 2011 County Guaranty*”, and together with the Series 2003 County Guaranty, the “*County Guaranty*”), all pursuant to Section 37 of the Act and other applicable law;

**WHEREAS**, accordingly, the Trust Estate under the Bond Resolution shall also include, (i) with respect to the Outstanding Series 2003 Bonds, the Series 2003 County Guaranty, and (ii) with respect to the Series 2011 Refunding Bonds, the Series 2011 County Guaranty;

**WHEREAS**, pursuant to the terms of the Loan Agreement, those Local Units constituting “materially obligated persons” within the meaning and for the purposes set forth in Rule 15c2-12 (“*Rule 15c-12*”) promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, will be required to enter into those certain “Local Unit Continuing Disclosure Agreements (Pooled Unfunded ERI Liability Project)” to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with their respective terms, the “*Local Unit Continuing Disclosure Agreements*”) with the Authority and the Trustee, as dissemination agent (the “*Dissemination Agent*”) in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution due to the County Guaranty, as a “materially obligated person” within the meaning and for the purposes set

forth in Rule 15c2-12, the County shall be required to enter into that certain “County Continuing Disclosure Agreement (Pooled Unfunded ERI Liability Project)” to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “*County Continuing Disclosure Agreement*”) with the Authority and the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution, the Authority (i) shall not be considered a “materially obligated person” within the meaning and for the purposes set forth in Rule 15c2-12 and (ii) shall be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority (a) may be required to enter into a separate continuing disclosure agreement, and (b) shall be required to provide such material events notices under the terms of the Local Unit Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12 (the “*Authority Continuing Disclosure Agreement*” and together with the Local Unit Continuing Disclosure Agreements and the County Continuing Disclosure Agreement, the “*Continuing Disclosure Agreements*”);

**WHEREAS**, in order to market and sell the Series 2011 Refunding Bonds, the Authority will have to (i) make an application (the “*Local Finance Board Application*”) to, and seek, obtain, and officially recognize the findings from the Local Finance Board (the “*Local Finance Board*”) in the Department of Local Government Services of the State Department of Community Affairs, all in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law, (ii) authorize the distribution of a preliminary official statement “deemed final” within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series 2011 Refunding Bonds, the Series 2011 Project and the other transactions contemplated hereby (the “*Preliminary Official Statement*”), (iii) enter into a bond purchase agreement with an underwriter to be selected from the Authority’s qualified underwriter list procured through a fair and open process (the “*Underwriter*”) by the Authority (the “*Bond Purchase Agreement*”), (iv) execute and deliver a final Official Statement incorporating the terms of the sale of the Series 2011 Refunding Bonds and certain other information into the Preliminary Official Statement (the “*Official Statement*” and together with the Preliminary Official Statement, the Bond Purchase Agreement, the “*Sale Documents*”);

**WHEREAS**, the Authority shall have no obligation with respect to the Series 2011 Project other than the financing thereof through the issuance of the Series 2011 Refunding Bonds and the application of debt service credits to the Outstanding Local Unit Bonds through the Series 2011 Refunding Agreement; accordingly, the payment of the principal of and interest on the Outstanding Bonds shall remain the sole responsibility of the Outstanding Local Units through their payment of the principal of and interest on the Outstanding Local Unit Refunding Bonds, as guaranteed by the County under the County Guaranty;

**WHEREAS**, in accordance with Section 13 (“*Section 13*”) of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Series 2011 Refunding Bonds, the Authority will have made a detailed report of the Series 2011 Project to the Board of Freeholders, which report will include, without limitation, descriptions of the Series 2011 Supplemental Bond Resolution, the Series 2011 Local Unit Authorizing Resolutions, the Series 2011 Refunding Bonds, the Series 2011 County Guaranty, the Refunding Agreement, the Escrow Deposit Agreement, the Continuing Disclosure Agreements, and if necessary, desirable or convenient as determined by the Authority, the County, and as applicable, the Local Unit, such other applicable agreements that may include one or more of the Local Finance Board Application or any Sale Documents (collectively, the “*Financing Documents*”); and

**WHEREAS**, the Authority believes: (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 County; (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 services for the needs of the inhabitants of the County and will not create an undue financial burden to be placed upon the Authority or the County.

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Authority as follows:

**Section 1.** The Chairperson and the Treasurer of the Authority (including their designees, each an “Authorized Officer”) are each hereby severally authorized to prepare and submit the Local Finance Board Application for the purpose of financing the Series 2011 Project through the issuance of the Series 2011 Refunding Bonds. The Authorized Officer shall act in consultation with the Authority's counsel, Inglesino, Pearlman, Wyciskala & Taylor, LLC, hereby confirmed to act as bond counsel to the Authority for this financing and Acacia Financial Group, hereby confirmed to act as financial advisor to the Authority for this financing (collectively, the “Consultants”), in the preparation and submission of the Local Finance Board Application. All actions taken to date by such parties in connection with the Local Finance Board Application are hereby ratified and approved. All of such parties are hereby authorized and directed to represent the Authority in matters pertaining thereto, including without limitation, the hearing to be held by the Local Finance Board relating to the Financing Documents, and the Series 2011 Project financed thereby required by N.J.S.A. 40A:5A-6.

**Section 2.** The Authorized Officers are each hereby severally authorized and directed to deliver or cause to be delivered to the governing body of the County a detailed report describing the applicable Financing Documents and the Series 2011 Project financed thereby, all in accordance with Section 13.

**Section 3.** Each Authorized Officer is hereby further authorized and directed to take all actions deemed necessary, convenient or desirable by any such Authorized Officer, in consultation with the Consultant, to obtain the resolutions of the governing



body of the County contemplated by Section 13 relating to the Financing Documents and the Series 2011 Project financed thereby.

**Section 4.** Each Authorized Officer is hereby further authorized and directed to take all actions deemed necessary, convenient or desirable by any such Authorized Officer, in consultation with the Consultants, to obtain the Series 2011 County Guaranty to be given by the County pursuant to Section 37.

**Section 5.** The Secretary of the Authority is hereby directed to prepare and cause counsel to the Authority to file a copy of this resolution with the Local Finance Board as part of the Local Finance Board Application.

**Section 6.** The Local Finance Board is hereby respectfully requested to consider the Local Finance Board Application and to record its findings and recommendations as provided by N.J.S.A. 40A:5A-7 of the Local Authorities Fiscal Control Law, and as applicable, the approvals required on behalf of the Local Unit under the Public School Bond Law.

**Section 7.** To the extent the Series 2011 Refunding Bonds are issued in any year other than 2011 or 2012, as the case may be, references herein to “2011” or “2012”, respectively, may without any further action be changed to the year of issuance of such Bonds.

**Section 8.** The Authority hereby severally authorizes its Authorized Officers and Consultants to assist the Series 2011 Local Units in any action to be taken by the Series 2011 Local Units with the Local Finance Board under any applicable law, as any such actions may be related to or coordinated with the Local Finance Board Application and the transactions contemplated hereby, including without limitation the submission to the Local Finance Board on behalf of the Series 2011 Local Units, the hearing in connection therewith and the actions of the Local Finance Board relating thereto, all relating to the Series 2011 Refunding Bonds.

**Section 9.** All actions of the Authorized Officers and the Consultants taken prior to the date of adoption hereof in connection with the Series 2011 Refunding Bonds, the Series 2011 Project or any of the foregoing transactions contemplated by this resolution are hereby ratified and approved.

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**Section 10.** This resolution shall take effect immediately. Notwithstanding the prior sentence, in accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of Freeholders a certification from the Clerk stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

***MOVED/SECONDED:***

**Resolution moved by Commissioner \_\_\_\_\_.**

**Resolution seconded by Commissioner \_\_\_\_\_.**

***VOTE:***

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

***ATTESTATION:***

This Resolution was acted upon at the Regular Meeting of the Authority held on September 28, 2011 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 28<sup>th</sup> day of September, 2011

**By: \_\_\_\_\_**  
**Secretary of the Authority**

***FORM and LEGALITY:***

This Resolution is approved as to form and legality as of September 28, 2011

**By: \_\_\_\_\_**  
**Stephen B. Pearlman, Esq.,**  
**Counsel to the Authority**

**RESOLUTION OF THE BOARD OF COMMISSIONERS  
MORRIS COUNTY IMPROVEMENT AUTHORITY**

---

*TITLE:*

**RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY  
DETERMINING THE SUCCESSFUL RESPONDENT TO THE SOLAR  
DEVELOPER REQUEST FOR PROPOSALS IN CONNECTION WITH THE  
AUTHORITY'S RENEWABLE ENERGY PROGRAM**

**WHEREAS**, the Morris County Improvement Authority (the “**Authority**”) has been duly created by ordinance of the Morris County Board of Chosen Freeholders (the “**Board**”), as public body corporate and politic of the State of New Jersey pursuant to and in accordance with the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, as amended and supplemented from time to time (the “**Act**”);

**WHEREAS**, the Authority has developed a program (the “*Renewable Energy Program*”) for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of renewable energy capital equipment and facilities such as solar panels, wind turbines, and hydro-electric, bio-diesel, geothermal, and bio-mass facilities, including any related electrical modifications, work related to the maintenance of roof warranties, or other work required, desirable or convenient for the installation of such systems (collectively, the renewable energy capital equipment and facilities, the “*Renewable Energy Projects*”) for and on behalf of the County and local governmental units within the County, including without limitation municipalities, boards of education for school districts, local authorities and any other local government instrumentalities, public bodies or other local government entities; collectively, including the County, the “*Local Units*”);

**WHEREAS**, on April 19, 2011, the Authority adopted a resolution pursuant to the Act, the competitive contracting provisions of the Local Public Contracts Law (codified at N.J.S.A. 40A:11-1 et seq., the “Contracts Law”) and all other applicable law, seeking proposals from qualified solar developers for the implementation of the Renewable Energy Program entitled “RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS PURSUANT TO THE LOCAL PUBLIC CONTRACTS LAW N.J.S.A. 40a:11-4.1(K) IN CONNECTION WITH THE AUTHORITY'S RENEWABLE ENERGY PROGRAM” (the “RFP Authorizing Resolution”);

**WHEREAS**, pursuant to the RFP Authorizing Resolution, the Authority issued that certain “Request for Proposals for a Developer of Photovoltaic Systems with respect to certain Local Government Facilities in the County of Morris, New Jersey” dated July 7, 2011 (as amended and supplemented, the “RFP”);

**WHEREAS**, on September 8, 2011, the due date for proposals pursuant to the RFP, the Authority received two (2) proposals (each a “Proposal”) in response to the RFP from: (1) SunEdison and Ray Angelini, Inc. (“SunEdison/RAI”) and (2) SunLight General Capital and Power Partners MasTec (“SunLight General Capital”; and the Proposals from SunEdison/RAI and SunLight General Capital, the “Proposals from the Potential Solar Developer Respondents”);

**WHEREAS**, upon review, each of the two (2) Proposals from the Potential Solar Developer Respondents were deemed compliant with the requirements of the RFP;

**WHEREAS**, the Authority’s evaluation team has evaluated the Proposals from the Potential Solar Developer Respondents in that certain “Solar Proposal Evaluation Report Morris County Renewable Energy Program Proposals of September 8, 2011 Prepared for Morris County Improvement Authority” dated September 28, 2011 (a copy of which is attached hereto as Exhibit A, the “Evaluation Report”) and has recommended the award of the Successful Respondent (as defined in the RFP) to Sunlight General Capital;

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Authority as follows:

**Section 1.** The Authority hereby determines that pursuant to Section 4 of the RFP Authorizing Resolution and in accordance with the competitive contracting provisions of the Local Public Law and the process contemplated in the preambles hereof, the Successful Respondent for the RFP shall be Sunlight General Capital in accordance with the Sunlight General Capital Proposal. This award shall not be binding on the Authority until the Program Documents (as defined in the RFP), including without limitation the incorporation of the terms of the Sunlight General Capital Proposal, shall have been executed, adopted and delivered by the Authority and the other parties thereto. The Chairman of the Authority, the Secretary of the Authority or their designee (each an, Authorized Officer”), are hereby severally authorized to (a) execute and deliver to the other parties thereto the Program Documents incorporating the terms of the Sunlight General Capital Proposal, (b) issue the Series 2011A Bonds and Series 2011B Note to finance the Renewable Energy Projects contemplated by and defined in the RFP and contemplated by the Sunlight General Capital Proposal, and (c) take such other action in connection with the matters set forth in clauses (a) and (b) above, including without limitation the execution and delivery of such other certificates, instruments or other document in connection therewith or otherwise contemplated thereby, as the Authorized Officer, after consultation with counsel, energy consultant or financing consultant (the “RFP Consultants”), shall determine to be in the best interests of the Authority, the

County, or the Series 2011 Local Units (as defined in the RFP) in implementing the Renewable Energy Program.

**Section 2.** All actions taken to date by the Authority, the Authorized Officers and the RFP Consultants, with respect to the matters set forth in or contemplated by this resolution, are hereby ratified and approved.

**Section 3.** This resolution shall take effect immediately. Notwithstanding the prior sentence, in accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of Freeholders a certification from the Clerk stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

***MOVED/SECONDED:***

**Resolution moved by Commissioner \_\_\_\_\_.**

**Resolution seconded by Commissioner \_\_\_\_\_.**

***VOTE:***

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

***ATTESTATION:***

This Resolution was acted upon at the Regular Meeting of the Authority held on September 28, 2011 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 28<sup>th</sup> day of September, 2011

**By:** \_\_\_\_\_

**Secretary of the Authority**

***FORM and LEGALITY:***

This Resolution is approved as to form and legality as of September 28, 2011

**By:** \_\_\_\_\_  
**Stephen B. Pearlman, Esq., Partner**  
**Inglesino, Pearlman, Wyciskala & Taylor, LLC**  
**Counsel to the Authority**

**Exhibit A**

Attach Evaluation Report

**THE MORRIS COUNTY IMPROVEMENT AUTHORITY**

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**SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF  
COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING BONDS,  
SERIES 2011 (POOLED ERI UNFUNDED LIABILITY PROJECT)  
OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY  
[Federally Taxable]**

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**Adopted: September 28, 2011,  
as amended and supplemented  
by a Certificate of an Authorized Officer of the Authority  
dated November \_\_, 2011**



**SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF  
COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING BONDS,  
SERIES 2011 (POOLED ERI UNFUNDED LIABILITY PROJECT)  
OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY  
[Federally Taxable]**

**WHEREAS**, The Morris County Improvement Authority (including any successors and assigns, the “*Authority*”) has been duly created by resolution no. 42 entitled “Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority” duly adopted by the Board of Chosen Freeholders (the “*Board of Freeholders*”) of the County of Morris (the “*County*”) in the State of New Jersey (the “*State*”) on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with 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*”) and other applicable law;

**WHEREAS**, on July 12, 2002, P.L. 2002, c. 42 (the “*ERI Refunding Law*”) became the law of the State, by its terms authorizing municipalities, counties, school districts and certain other local governmental units (“*Local Units*”) to issue refunding bonds (the “*Local Unit Refunding Bonds*”) for the purpose of retiring the present value of their unfunded liability (the “*Unfunded ERI Liability*”) for early retirement incentive benefits previously granted by the State to the Local Units pursuant to prior State law;

**WHEREAS**, in particular, municipal and county Local Units were authorized under the ERI Refunding Law to issue Local Unit Refunding Bonds (the “*Municipal and County Refunding Bonds*”) under N.J.S.A. 40A:2-51.3 and other applicable provisions of the Local Bond Law for the purpose of retiring the present value of the Unfunded ERI Liability previously granted by the State to such Municipal and County Local Units pursuant to P.L. 1991, c.229, P.L.1991, c.230, P.L.1993, c.138, P.L. 1993, c181, P.L.1993, c.99, and P.L.1999, c.59 (the “*Municipal and County Unfunded ERI Liability*”);

**WHEREAS**, in particular, school district Local Units were authorized under the ERI Refunding Law to issue Local Unit Refunding Bonds (the “*School District Refunding Bonds*”), (i) for type I school districts, under N.J.S.A. 18A:24-61.2 of the School Bond Law and other applicable provisions of the School Bond Law and the Local Bond Law, and (ii) for type II school districts, under N.J.S.A. 18A:24-61.2 of the School Bond Law and other applicable provisions of the School Bond Law, all for the purpose of retiring the present value of the Unfunded ERI Liability previously granted by the State to such School District Local Units pursuant to P.L.1991, c.231 and P.L.1993, c163 (the “*School District Unfunded ERI Liability*”);

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**WHEREAS**, further pursuant to the ERI Refunding Law, which by its terms also amended the Act, the Authority's purposes under N.J.S.A. 40:37A-54 were expanded to allow for the issuance and pooling of loans by the Authority to the Local Units secured by Local Unit Refunding Bonds in order to achieve more favorable interest rates and terms for the Local Units;

**WHEREAS**, on February 6, 2003, the Authority issued its \$16,890,000 original aggregate principal amount of "County of Morris Guaranteed Loan Revenue Bonds, Series 2003 (Pooled ERI Unfunded Liability Project)" (the "*Series 2003 Bonds*") for the purpose, among other things, of the purchase of Local Unit Refunding Bonds (the "*Series 2003 Local Unit Refunding Bonds*") of (i) Chester Board of Education, (ii) the County, (iii) Morris Plains Borough, (iv) Morris Township, (v) Mt. Olive Township, (vi) Mt. Olive Township Board of Education, (vii) Roxbury Township and (viii) Roxbury Township Board of Education (collectively, the "*Series 2003 Local Units*") to finance their Unfunded ERI Liability (collectively the "*Series 2003 Loans*");

**WHEREAS**, the 2003 Loans were secured through those certain "Loan Agreement (Pooled ERI Unfunded Liability Project)" dated as of February 1, 2003 (the "*Series 2003 Loan Agreement*") between the Authority and each Series 2003 Local Unit, pursuant to which the Authority loaned the Series 2003 Local Units a portion of the proceeds of the Series 2003 Bonds for the respective Series 2003 Loans, which Series 2003 Loans were to be repaid by the Local Units in accordance with a debt service schedule set forth in Exhibit B to each Series 2003 Loan Agreement, as evidenced by each Series 2003 Local Unit Refunding Bond;

**WHEREAS**, the Series 2003 Bonds were issued pursuant to (i) a bond resolution of the Authority entitled "Resolution Authorizing the Issuance of County of Morris Guaranteed Loan Revenue Bonds (Pooled ERI Unfunded Liability Project) and Additional Bonds of the Morris County Improvement Authority", which was duly adopted by the Authority at a meeting thereof duly called and held on December 11, 2002, as amended and supplemented by a Certificate of the Executive Director of the Authority dated February 6, 2003 issued pursuant to Section 2.02(1)(e) of the original bond resolution (collectively, the "*Series 2003 Bond Resolution*"), (ii) the Act, and other applicable law;

**WHEREAS**, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2003 Bonds was fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$16,890,000 in accordance with (i) the terms of a guaranty ordinance of the County finally adopted by the Board of Freeholders and (ii) by a guaranty certificate executed by an authorized officer of the County on the face of each Series 2003 Bond (collectively, the "*Series 2003 County Guaranty*"), all pursuant to Section 37 ("*Section 37*") of the Act (N.J.S.A. 40:37A-80) and other applicable law, which payments are included as part of the Trust Estate applicable to the Series 2003 Bonds pledged by the Authority to the Trustee under the Series 2003 Bond Resolution;

**WHEREAS**, the Series 2003 Bonds are presently Outstanding (as such term is defined in

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the Series 2003 Bond Resolution) in the aggregate principal amount of \$8,680,000, \$6,005,000 aggregate principal amount of which are scheduled to mature on or after March 1, 2014 and are to be refunded (the “*Series 2003 Bonds to be Refunded*”);

**WHEREAS**, (i) the 2003 Loans to the Borough of Morris Plains and the Chester Township Board of Education have been paid in full, and accordingly, there are no Series 2003 Bonds Outstanding under the Series 2003 Bond Resolution allocable to these Series 2003 Local Units; (ii) the 2003 Loans to Morris Township and Mt. Olive Township (each a Series 2003 Local Unit, and collectively, the “*Outstanding Series 2003 Local Units*”) are small and have one or a few payments remaining and therefore Morris Township and Mt. Olive Township shall continue to pay their Loans as they shall become due, and the \$705,000 aggregate principal amount of Series 2003 Bonds allocable to such Series 2003 Local Units shall remain Outstanding under the Series 2003 Bond Resolution (the “*Outstanding Series 2003 Bonds*”), and (iii) the County, Mt. Olive Township Board of Education, Roxbury Township and Roxbury Township Board of Education (each a Series 2003 Local Unit, and collectively, the “*Series 2011 Local Units*”, and together with the Outstanding Series 2003 Local Units, the “*Outstanding Local Units*”) each have loans Outstanding under the Series 2003 Bond Resolution that are eligible to be refunded;

**WHEREAS**, the Authority and the Series 2011 Local Units have determined that there are debt service savings to be achieved through the advance refunding of all or a portion of their allocable share of the Series 2003 Bonds to be Refunded (the “*Advance Refunding Project*”), which net savings shall in turn be passed on to the Series 2011 Local Units, through the application of a debt service credit for the benefit of each such Series 2011 Local Unit and their Series 2003 Local Unit Refunding Bonds, all pursuant to the terms of the Series 2011 Refunding Agreement (as hereinafter defined);

**WHEREAS**, pursuant to the terms of the Series 2003 Bond Resolution, the earliest date the Series 2003 Bonds to be Refunded can be redeemed is March 1, 2013 at par;

**WHEREAS**, in order to implement the Advance Refunding Project, and to pay the costs of issuance and fund any necessary reserves or other costs related thereto (collectively the “*Series 2011 Project*”), the Authority shall adopt a bond resolution entitled "SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES 2011 (POOLED ERI UNFUNDED LIABILITY PROJECT) OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (the “*Series 2011 Supplemental Bond Resolution* ” and together with the Series 2003 Bond Resolution, and any further amendments thereof or supplements thereto, the “*Bond Resolution*”);

**WHEREAS**, the Series 2011 Supplemental Bond Resolution shall authorize the issuance of “County of Morris Guaranteed Loan Revenue Refunding Bonds, Series 2011 (Pooled ERI Unfunded Liability Project)” in the aggregate principal amount not to exceed \$7,000,000 (the

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“*Series 2011 Refunding Bonds*”);

**WHEREAS**, the Advance Refunding Project shall be achieved through the deposit of a portion of the proceeds of the Series 2011 Refunding Bonds with the trustee authorized under the Bond Resolution (the “*Trustee*”), as escrow agent (the “*Escrow Agent*”) pursuant to an “Escrow Deposit Agreement” to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (the “*Escrow Deposit Agreement*”) between the Authority and the Escrow Agent;

**WHEREAS**, upon issuance of the Series 2011 Refunding Bonds, and the deposits with the Escrow Agent of a portion of the proceeds thereof in accordance with the terms of the Escrow Deposit Agreement, the Series 2003 Bonds to be Refunded shall no longer be Outstanding under the Bond Resolution, and only the Outstanding Series 2003 Bonds and the Series 2011 Refunding Bonds shall be Outstanding under the Bond Resolution;

**WHEREAS**, the Series 2011 Refunding Bonds shall be secured on a parity basis with the Outstanding Series 2003 Bonds, and any other Bonds issued under and as defined in the Bond Resolution (collectively, the “*Outstanding Bonds*”) , by the Trust Estate under and as defined in the Bond Resolution, including the Series 2011 Supplemental Bond Resolution, which Trust Estate shall consist, in material part, of the payment of the principal, redemption premium, if any, and interest on (i) the Series 2003 Local Unit Refunding Bonds of the Outstanding Series 2003 Local Units (the “*Outstanding Series 2003 Local Unit Refunding Bonds*”) and (ii) the Series 2003 Local Unit Refunding Bonds of the Series 2011 Local Units (which, from this point forward, after application of the debt service credit in accordance with the Series 2011 Refunding Agreement, shall be collectively referred to as the “*Series 2011 Local Unit Refunding Bonds*”; the Outstanding Series 2003 Local Unit Refunding Bonds and the Series 2011 Local Unit Refunding Bonds may be collectively referred to as the “*Outstanding Local Unit Refunding Bonds*” of the Outstanding Local Units);

**WHEREAS**, the Outstanding Local Unit Refunding Bonds shall be payable by the respective Outstanding Local Units, if necessary, from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Outstanding Local Unit, without limitation as to rate or amount;

**WHEREAS**, simultaneously with the issuance of the Series 2011 Refunding Bonds, the Series 2011 Local Units shall enter into that certain “Refunding Agreement (Pooled ERI Unfunded Liability Project)” (the “*Series 2011 Refunding Agreement*”) containing a revised Exhibit B to its 2003 Loan Agreement evidencing the credit to debt service on its Series 2011 Local Unit Refunding Bonds;

**WHEREAS**, the Series 2011 Refunding Agreement shall be authorized by a resolution of each Series 2011 Local Unit (the “*Series 2011 Local Unit Authorizing Resolution*”);

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**WHEREAS**, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2011 Refunding Bonds shall be fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$7,000,000 in accordance with (i) the terms of a guaranty ordinance of the County to be finally adopted by the Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County on the face of each Series 2011 Refunding Bond and (iii) as may be required by any rating agency, underwriter, Series 2011 Refunding Bond purchaser or other entity that will allow the Authority to sell the Series 2011 Refunding Bonds at the lowest possible cost to the Local Unit, an agreement setting forth the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in such ordinance (collectively, the "*Series 2011 County Guaranty*"), and together with the Series 2003 County Guaranty, the "*County Guaranty*"), all pursuant to Section 37 of the Act and other applicable law;

**WHEREAS**, accordingly, the Trust Estate under the Bond Resolution shall also include, (i) with respect to the Outstanding Series 2003 Bonds, the Series 2003 County Guaranty, and (ii) with respect to the Series 2011 Refunding Bonds, the Series 2011 County Guaranty;

**WHEREAS**, pursuant to the terms of the Loan Agreement, those Local Units constituting "materially obligated persons" within the meaning and for the purposes set forth in Rule 15c2-12 ("*Rule 15c-12*") promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, will be required to enter into those certain "Local Unit Continuing Disclosure Agreements (Pooled Unfunded ERI Liability Project)" to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with their respective terms, the "*Local Unit Continuing Disclosure Agreements*") with the Authority and the Trustee, as dissemination agent (the "*Dissemination Agent*") in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution due to the County Guaranty, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County shall be required to enter into that certain "County Continuing Disclosure Agreement (Pooled Unfunded ERI Liability Project)" to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Continuing Disclosure Agreement*") with the Authority and the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution, the Authority (i) shall not be considered a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12 and (ii) shall be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority (a) may be required to enter into a separate continuing disclosure agreement, and (b) shall be required to provide such material events notices under the terms of the Local Unit Continuing Disclosure Agreement, all in order to

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satisfy the secondary market disclosure requirements of Rule 15c2-12 (the “*Authority Continuing Disclosure Agreement*” and together with the Local Unit Continuing Disclosure Agreements and the County Continuing Disclosure Agreement, the “*Continuing Disclosure Agreements*”);

**WHEREAS**, in order to market and sell the Series 2011 Refunding Bonds, the Authority will have to (i) make an application (the “*Local Finance Board Application*”) to, and seek, obtain, and officially recognize the findings from the Local Finance Board (the “*Local Finance Board*”) in the Department of Local Government Services of the State Department of Community Affairs, all in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law, (ii) authorize the distribution of a preliminary official statement “deemed final” within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series 2011 Refunding Bonds, the Series 2011 Project and the other transactions contemplated hereby (the “*Preliminary Official Statement*”), (iii) enter into a bond purchase agreement with an underwriter to be selected from the Authority’s qualified underwriter list procured through a fair and open process (the “*Underwriter*”) by the Authority (the “*Bond Purchase Agreement*”), (iv) execute and deliver a final Official Statement incorporating the terms of the sale of the Series 2011 Refunding Bonds and certain other information into the Preliminary Official Statement (the “*Official Statement*” and together with the Preliminary Official Statement, the Bond Purchase Agreement, the “*Sale Documents*”);

**WHEREAS**, the Authority shall have no obligation with respect to the Series 2011 Project other than the financing thereof through the issuance of the Series 2011 Refunding Bonds and the application of debt service credits to the Outstanding Local Unit Bonds through the Series 2011 Refunding Agreement; accordingly, the payment of the principal of and interest on the Outstanding Bonds shall remain the sole responsibility of the Outstanding Local Units through their payment of the principal of and interest on the Outstanding Local Unit Refunding Bonds, as guaranteed by the County under the County Guaranty; 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 Series 2011 Refunding Bonds, the Authority will have made a detailed report of the Series 2011 Project to the Board of Freeholders, which report will include, without limitation, descriptions of the Series 2011 Supplemental Bond Resolution, the Series 2011 Local Unit Authorizing Resolutions, the Series 2011 Refunding Bonds, the Series 2011 County Guaranty, the Refunding Agreement, the Escrow Deposit Agreement, the Continuing Disclosure Agreements, and if necessary, desirable or convenient as determined by the Authority, the County, and as applicable, the Local Unit, such other applicable agreements that may include one or more of the Local Finance Board Application or any Sale Documents (collectively, the “*Financing Documents*”).

**NOW THEREFORE, BE IT RESOLVED BY THE MORRIS COUNTY IMPROVEMENT AUTHORITY AS FOLLOWS:**

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**ARTICLE I**

**DEFINITIONS AND AUTHORITY FOR SERIES 2011 SUPPLEMENTAL RESOLUTION**

**SECTION 1.0. Definitions.**

(A) As used in this Series 2011 Supplemental Bond Resolution, unless the context requires otherwise, all capitalized terms not defined herein shall have the meanings ascribed to such terms in Section 101 of the Series 2003 Bond Resolution, as amended and supplemented, except that for purposes of this Series 2011 Supplemental Resolution, the following terms shall have the meaning ascribed to such terms in the preambles hereof.

[insert defined terms from preambles]

(B) In addition, as used in this Series 2011 Supplemental Bond Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

“Bond Purchase Agreement” shall have the meaning ascribed to such term in Section 6.02 hereof.

“DTC” means The Depository Trust Company, New York, New York, an automated depository for securities and clearinghouse for securities transactions.

“DTC Representation Letter” means the agreement entered into between the Authority and the Trustee, and acknowledged by DTC, relating to the issuance of the Series 2011 Refunding Bonds and detailing the rights, duties and obligations of the parties thereto.

“Series 2011 Escrow Fund” means the fund so designated, created pursuant to Section 3.01 hereof.

“Series 2011 Rebate Account” means the account so designated, created pursuant to Section 3.01 hereof.

“Tax Certificate” means the certificate executed and delivered by the Chairman of the Authority or other Authority Officer on the date of issuance of the Series 2011 Refunding Bonds relating to compliance with the provisions of Sections 103 and 141 through 148 of the Code.

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**SECTION 1.02. Authority for Series 2011 Supplemental Bond Resolution.** This Series 2011 Supplemental Bond Resolution is adopted pursuant to and in accordance with the provisions of the Act and Sections 2.04, 2.05 and Article XI of the General Bond Resolution, as amended and supplemented.



**ARTICLE II**

**AUTHORIZATION AND DETAILS OF SERIES  
2011 BONDS; BOND INSURANCE**

**SECTION 2.01. Issuance of Series 2011 Refunding Bonds.** The Authority hereby declares the issuance of the Series 2011 Refunding Bonds to be authorized undertaking of the Authority pursuant to Sections 17(2) of the Act (N.J.S.A. 40:37A-60(2)) and Section 2.04(1)(b) of the Bond Resolution, as amended and supplemented. The Authority hereby appropriates moneys in an aggregate principal amount not to exceed \$7,000,000 for any or all of such purposes to be apportioned among such purposes in any manner in which an Authority Officer deems necessary or desirable to [refunding] and to the extent the Authority's capital budget is inconsistent with the terms hereof, said capital budget is hereby amended to conform to the terms hereof. The Authority hereby further authorizes and directs an Authority Officer to execute and deliver all documents necessary or desirable in connection therewith.

**SECTION 2.02. Authorization and Terms of the Series 2011 Refunding Bonds.**

**(A)** The Authority hereby authorizes the issuance of the Series 2011 Refunding Bonds in the aggregate principal amount not to exceed \$7,000,000 for the following purposes: (i) the Series 2011 Project in accordance with the preambles, (ii) payment of certain expenses incurred in connection with the issuance of the Series 2011 Refunding Bonds and (iii) to the extent an Authority Officer delivers a written certificate authorizing the payment of the following upon the issuance of the Series 2011 Refunding Bonds.

**(B)** The Series 2011 Refunding Bonds shall bear interest from [November \_\_, 2011] until final maturity based upon the Outstanding principal amount thereof at the per annum interest rates set forth below payable to the Registered Owners thereof as of each applicable Record Date and payable initially on September 1, 20\_\_ and semi-annually thereafter on March 1 and September 1 in each year until final maturity. Interest on the Series 2011 Refunding Bonds shall be calculated on the basis of a 360 day year consisting of twelve thirty day months. The Series 2011 Refunding Bonds shall mature in the principal amounts and on September 1 in each of the years set forth below, or earlier as provided in the Bond Resolution. The principal of and interest on the Series 2011 Refunding Bonds shall, except as provided in this subsection (B), subsection (C) and Section 2.07 below, be payable as otherwise provided in the Bond Resolution. Except as provided in subsection (C) and Section 2.07 below, interest shall be paid to the Registered Owner as of the applicable Record Date by check mailed on any applicable interest payment date.

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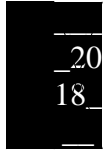
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(C) The Series 2011 Refunding Bonds shall be dated [November \_\_, 2011], shall be numbered with the prefix R and such additional letter corresponding to the serial or term maturities of the Series 2011 Refunding Bonds as appropriately required by the Trustee or the Paying Agent, and from 1 consecutively upward and will be issued in fully registered form. When issued, the Series 2011 Refunding Bonds will be registered in the name of and held by Cede & Co., as the Registered Owner thereof and nominee for DTC. Upon issuance, the Series 2011 Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2011 Refunding Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or any integral multiple thereof. The Series 2011 Refunding Bonds will be issued in denominations of \$5,000 each or any integral multiple thereof.

Notwithstanding any other provision in the Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the Registered Owner of the Series 2011 Refunding Bonds, payments of the principal of and interest on the Series 2011 Refunding Bonds will be made directly to Cede & Co., as nominee of DTC in accordance with the provisions of the DTC Representation Letter, and interest shall be paid on the interest payment date by wire transfer from the Paying Agent to DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2011 Refunding Bonds is the responsibility of the DTC participants.

(D) The Series 2011 Refunding Bonds shall be issued in one or more series and each shall be designated a “County of Morris Guaranteed Loan Revenue Refunding Bonds, Series 2011 (Pooled ERI Unfunded Liability Project)”.

**SECTION 2.03. Redemption of Series 2011 Refunding Bonds.**

(A) **[No] Optional Redemption.** [The Series 2011 Refunding Bonds maturing before September 1, [\_\_\_], shall not be subject to optional redemption prior to their stated maturities. The Series 2011 Refunding Bonds maturing on or after September 1, [\_\_\_] shall be subject to redemption prior to their stated maturities at the option of the Authority (on its own direction or at the direction of the County), either in whole or in part on any date, on or after September 1, [\_\_\_], at par upon notice and upon such other terms as provided in the Bond Resolution, by selection of maturities by the Authority (on its own direction or at the direction of the County) or by lot or in any customary manner within any maturity as determined by the Trustee from amounts on deposit in the Debt Service Fund established under the Bond Resolution of the Redemption Price equal to the sum of the principal amount of the Series 2011 Refunding Bonds to be redeemed and accrued thereon to the date fixed for redemption] [The Series 2011 Refunding Bonds shall not be subject to optional redemption prior to their stated maturities].

(B) **[No] Mandatory Sinking Fund Redemption.** [The Series 2011 Refunding Bonds shall not be subject to mandatory sinking fund redemption prior to their stated maturities]

(C) **Notice of Redemption.** Except as provided in this subsection (C), redemption of any of the Series 2011 Refunding Bonds shall otherwise be effected in accordance with Article IV and other applicable provisions of the General Bond Resolution, as amended and supplemented. Notwithstanding the preceding sentence, for this Series of Bonds only, if at the time of mailing of any notice of optional redemption authorized under subsection (A) above the Authority shall not have deposited with the Trustee or the Paying Agent moneys sufficient to redeem all the Series 2011 Refunding Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee or the Paying Agent not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited.

**SECTION 2.04. Form of Series 2011 Refunding Bonds.** The Series 2011 Refunding Bonds shall be in substantially the “Form of Registered Bond” set forth in Section 14.01 of the General Bond Resolution, as amended and supplemented, with such insertions, omissions or variations as may be necessary or appropriate to effectuate the purposes of this Series 2011 Supplemental Bond Resolution, including without limitation the redemption and DTC provisions set forth herein.

**SECTION 2.05. Execution, Authentication and Delivery.** The Chairman or Vice-Chairman of the Authority are each hereby severally authorized to execute the Series 2011 Refunding Bonds, and the Chairman, and if the Chairman is unavailable, the Vice-Chairman, is hereby directed to execute and the Secretary of the Authority is hereby authorized and directed to affix the corporate seal of the Authority on and attest thereto on the Series 2011 Refunding Bonds all in accordance with Section 3.03 of the General Bond Resolution, as amended and supplemented. Following execution of the Series 2011 Refunding Bonds, any Authority Officer

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is hereby authorized to deliver the Series 2011 Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2011 Refunding Bonds in accordance with Section 3.03 of the General Bond Resolution, as amended and supplemented and thereafter deliver the Series 2011 Refunding Bonds to the Authority or purchaser thereof in accordance with a Certificate of Authority Officer, but such delivery shall not occur unless the provisions of Section 2.05 of the General Bond Resolution, as amended and supplemented have been complied with.

**SECTION 2.06. Additional Bonds.** After execution of the Series 2011 Refunding Bonds by the Authority as provided in the Bond Resolution and after the authentication and delivery thereof as also provided in the Bond Resolution, the Series 2011 Refunding Bonds shall constitute Additional Bonds and shall therefore have equal rank with all Outstanding Prior Bonds, if any, and any other Series of Additional Bonds to be issued.

**SECTION 2.07. Book-Entry Format.**

(A) Except as provided in paragraphs (B) and (C) of this Section, the Registered Owner of all of the Series 2011 Refunding Bonds shall be Cede & Co., as nominee of DTC and the Series 2011 Refunding Bonds shall be registered in the name of Cede & Co. Payment of semiannual interest for any Series 2011 Refunding Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer to the account of Cede & Co. on the interest payment date for the Series 2011 Refunding Bonds and the at the address indicated on the Record Date for Cede & Co. in the registry books of the Authority kept by the Registrar.

(B) The Series 2011 Refunding Bonds shall be initially issued in the form of separate single authenticated fully registered Bonds, each in the principal amount of each separate stated maturity of the Series 2011 Refunding Bonds. Upon initial issuance, the ownership of each such Series 2011 Refunding Bond shall be registered in the registry book of the Authority kept by the Registrar in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar, the Paying Agent and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2011 Refunding Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the Series 2011 Refunding Bonds selecting the Series 2011 Refunding Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Bond Resolution, registering the transfer of Series 2011 Refunding Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Trustee, the Paying Agent nor the Authority shall be affected by any notice to the contrary. Neither the Trustee, the Paying Agent nor the Authority shall have any responsibility or obligation to any DTC participant, any person claiming a beneficial ownership interest in the Series 2011 Refunding Bonds under or through DTC or any DTC participant, or any other person which is not shown on the registration books of the Authority kept by the Registrar as being a Bondholder. The Authority, the Trustee, the Registrar and the Paying Agent shall have no responsibility with respect to the accuracy of any records maintained by DTC, Cede & Co. or any DTC participant with respect to any ownership interest

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in either the Series 2011 Refunding Bonds; the payment by DTC or any DTC participant to any beneficial owner of any amount in respect of the principal or Redemption Price of or interest on the Series 2011 Refunding Bonds; the delivery to any DTC participant or any beneficial owner of any notice which is permitted or required to be given to Bondholders under the Bond Resolution; the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Series 2011 Refunding Bonds or other action taken by DTC as Bondholder. The Paying Agent shall pay all principal of and premium, if any, and interest on the Series 2011 Refunding Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State of New Jersey) Cede & Co., as nominee of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority’s obligations with respect to the principal of and premium, if any, and interest on the Series 2011 Refunding Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee and the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word “Cede & Co.” in this Series Resolution shall refer to such new nominee of DTC.

(C) In the event the Authority determines that it is in the best interest of the beneficial owners of the Series 2011 Refunding Bonds that they be able to obtain Bond certificates, the Authority may notify in writing DTC and the Trustee of the availability through DTC of Series 2011 Refunding Bond certificates. In such event, the Trustee shall issue, transfer and exchange Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2011 Refunding Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and Trustee shall be obligated to deliver Bond certificates as described in the Bond Resolution in accordance with instructions from DTC. The Authority and the Trustee shall be entitled to rely upon such instructions from DTC as to the Registered Owners entitled to receive Bond certificates. In the event Bond certificates are issued to Bondholders other than DTC, the provisions of the Bond Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2011 Refunding Bonds to any DTC participant having Series 2011 Refunding Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2011 Refunding Bonds.

(D) Notwithstanding any other provision of the Bond Resolution to the contrary, so long as any Series 2011 Refunding Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Series 2011 Refunding Bond, and all notices with respect to such Series 2011 Refunding Bond, shall be made and given to DTC as provided in the representation letter to be entered into on or

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prior to the date of issuance and delivery of each of the Series 2011 Refunding Bonds by and among DTC, the Authority and the Paying Agent.

(E) In connection with any notice or other communication to be provided to Bondholders pursuant to the Bond Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, so long as any Series 2011 Refunding Bond is registered in the name of Cede & Co., as nominee of DTC, the Authority, together with the Trustee, shall establish a record date for such consent or other action and give DTC written notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

**ARTICLE III**

**ESTABLISHMENT OF FUND AND ACCOUNTS;  
APPLICATION OF SERIES 2011 REFUNDING BOND  
PROCEEDS AND OTHER MONEYS**

**SECTION 3.01. Establishment of Fund and Accounts.** In addition to the funds and accounts established under the Bond Resolution, the Trustee is hereby authorized and directed to establish (i) the "Series 2011 Escrow Fund" and (ii) pursuant to a written certificate in accordance with Section 2.02(A) hereof, the "Series 2011 Rebate Account" within the Rebate Fund, to be held, maintained and applied by the Trustee in accordance with the Bond Resolution; provided, however, that the Trustee shall not be required to establish the Series 2011 Rebate Account or maintain records therefor until the first date moneys are required to be deposited therein pursuant to the Bond Resolution or the Tax Certificate.

**SECTION 3.02. Application of the Proceeds of the Series 2011 Refunding Bonds and Other Moneys.** The proceeds of the Series 2011 Refunding Bonds of \_\_\_\_\_ (which amount is equal to the par amount of the Series 2011 Refunding Bonds of \$\_\_\_\_\_, plus original issue premium of \_\_\_\_\_, less an Underwriters' discount of \_\_\_\_\_, less \_\_\_\_\_ to be paid by the Underwriter to the Bond Insurer on behalf of the Authority), shall be deposited into the funds as described below, provided that the origin of moneys for such funds may be changed by written direction of an Authority Officer delivered to the Trustee at closing in order to assure compliance with the Bond Resolution and the Code, as long as the requirements of said funds, as provided hereunder, are fully met at closing. The aggregate amount of \_\_\_\_\_ shall be applied by the Trustee as follows:

(A) from the proceeds of the Series 2011 Refunding Bonds for deposit in the Costs of Issuance Account, an amount equal to \_\_\_\_\_, which amount represents an amount sufficient to pay all or a portion of the costs of issuing the Series 2011 Refunding Bonds,;

(B) from the proceeds of the Series 2011 Refunding Bonds \_\_\_\_\_, for deposit in the Series 2011 Escrow Account, an amount sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2003 Bonds to be Refunded on the redemption date therefore, all in accordance with Section 6.08 hereof.

**SECTION 3.03. Tax Status of Series 2011 Refunding Bonds.** [Add taxable bond language][ The Authority covenants to comply with the provisions of the Code applicable to the Series 2011 Refunding Bonds and covenants not to take any action, nor fail to take any action which would cause the interest on the Series 2011 Refunding Bonds to become includable in gross income of the owners of the Series 2011 Refunding Bonds for Federal income tax purposes under Section 103 of the Code or to become an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In accordance therewith, the Authority hereby authorizes and directs an Authority Officer to execute a Tax Certificate prior to

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the issuance of the Series 2011 Refunding Bonds in such form as specified by bond counsel to the Authority, but only upon receipt of an executed County Tax Letter of Representations regarding the County's compliance regarding the Code in connection with the Series 2011 Refunding Bonds.]

**ARTICLE IV**

**APPOINTMENT OF TRUSTEE, REGISTRAR  
AND PAYING AGENT**

**SECTION 4.01. Appointment of Trustee.** \_\_\_\_\_ is hereby appointed Trustee for the holders of the Series 2011 Refunding Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Bond Resolution by executing the certificate of authentication endorsed upon the Series 2011 Refunding Bonds, upon the original issuance thereof. The replacement of the Trustee and all other provisions relating thereto shall be subject to the relevant provisions set forth in Article X or otherwise of the General Bond Resolution, as amended and supplemented.

**SECTION 4.02. Appointment of Registrar and Paying Agent.** \_\_\_\_\_ is hereby appointed as Registrar and Paying Agent for the Series 2011 Refunding Bonds. The Registrar and Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Bond Resolution by executing and delivering a written acceptance thereof to the Authority and to the Trustee. The Trustee may be appointed and may serve as Registrar and Paying Agent for the Series 2011 Refunding Bonds.

**ARTICLE V**

**AMENDMENTS TO GENERAL BOND RESOLUTION**

**SECTION 5.01. Amendments to General Bond Resolution.**

(A) All amendments to the General Bond Resolution, if any, that have been previously set forth in other bond resolutions amendatory thereof or supplemental thereto and that relate to Bonds other than of the specific series authorized by any such supplemental bond resolution are by this reference specifically incorporated herein and therefore shall continue to apply to the Series 2011 Refunding Bonds, in addition to all other Outstanding Bonds, if any.

(B) For purposes of this Supplemental Resolution and the Series 2011 Refunding Bonds[, there are no further amendments to the Bond Resolution other than as shall be expressly set forth in this Series 2011 Supplemental Bond Resolution, if any].

## ARTICLE VI

### MISCELLANEOUS

**SECTION 6.01. Terms and Conditions of the Refunding Agreement and the Continuing Disclosure Agreement.** The Authority shall enter into the Refunding Agreement and the Continuing Disclosure Agreement, in the manner, on the terms and conditions and upon the submission of the documents required by this Article V.

**SECTION 6.02. Form of the Refunding Agreement and the Continuing Disclosure Agreements.** The Authority hereby approves the Refunding Agreement and the Continuing Disclosure Agreements, each in substantially the form attached hereto as Exhibit A. The Authority further severally authorizes the Chairman, Secretary and Chairman (each an “Authorized Officer”) to enter into the Refunding Agreement and the Continuing Disclosure Agreements, in either substantially the form thereof attached hereto as Exhibit A or in such form as the Chairman shall determine, as the case may be, with such changes thereto or in such form thereof as shall be within the constraints set forth herein, particularly Section 6.08 hereof regarding amendments to this Series 2011 Supplemental Bond Resolution, and as shall be determined exclusively by the Authorized Officer, after consultation with the Authority’s professional consultants, including counsel, which determination shall be conclusively evidenced by the Authorized Officer’s execution and delivery thereof. The Chairman and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by the Chairman or any such other Authorized Officer to consummate the transactions contemplated hereby and by such the Refunding Agreement and the Continuing Disclosure Agreement; provided, however, that each of the Refunding Agreement and the Continuing Disclosure Agreement, shall in any event conform in all material respects to the provisions of this Article VI.

**SECTION 6.03. Loan Payments.** The Authority shall establish or maintain, as applicable, Lease Payments under the Lease, as modified by the Refunding Agreement, in such amounts and payable at such times that, together with any amounts available under the Bond Resolution or any other Financing Document, shall be sufficient to pay the principal and redemption premium, if any, of and interest on the Series 2011 Refunding Bonds, and any other Outstanding Series of Bonds, including any 2003 Bonds not designated as 2003 Bonds to be Refunded, if any, as the same become due and payable from time to time under the Bond Resolution.

**SECTION 6.04. Approval of the Continuing Disclosure Agreements, Preliminary Official Statement and the Official Statement.**

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(A) The Chairman is hereby authorized and directed, upon the satisfaction of all the legal conditions precedent to the delivery of each of a continuing disclosure agreement and the preliminary official statement relating to the Series 2011 Refunding Bonds by the Authority as determined by the Chairman in consultation with the Chairman of and counsel to the Authority, to deliver each of a continuing disclosure agreement and a preliminary official statement in the form and with such provisions as the Chairman, after consultation with counsel to the Authority, deems in his sole discretion to be necessary or desirable to effect the transaction contemplated hereby and to satisfy all applicable law, including rules 10(b)(5) and 15(c)2-12 of the Securities and Exchange Commission, which delivery thereof by the Chairman shall conclusively evidence his consent to the provisions thereof.

(B) The Chairman is hereby authorized and directed to execute any certificate or document relating to any statutes, rules or other procedures of the Securities and Exchange Commission, Municipal Securities Rulemaking Board or any state securities entity that the Chairman, after consultation with counsel to the Authority, deems necessary or desirable to effect the issuance of the Series 2011 Refunding Bonds and the transactions contemplated by the preliminary official statement.

(C) The Chairman and the Vice Chairman are hereby severally authorized and directed to execute and deliver a final official statement in substantially similar form to the preliminary official statement, with such changes to reflect the final pricing as set forth in the bond purchase agreement as the Chairman, after consultation with the Chairman of and counsel to the Authority, deems necessary or desirable to effect the issuance of the Series 2011 Refunding Bonds and the transactions contemplated by the final official statement.

**SECTION 6.05. Approval of Purchase Contract.** Any Authority Officer is hereby authorized and directed to execute and deliver on behalf of the Authority a purchase contract for the purchase of the Series 2011 Refunding Bonds with an underwriter or a direct purchaser, with such terms and in the form solely determined by an Authority Officer, after consultation with the Chairman of the Authority and counsel to the Authority, but nevertheless within the parameters set forth herein, including without limitation the parameters set forth in the hereinafter defined Local Finance Board Application.

**SECTION 6.06. Approval of DTC Representation Letter.** Any Authority Officer is hereby authorized and directed to execute and deliver on behalf of the Authority DTC Representation Letter with DTC relating to the issuance of the Series 2011 Refunding Bonds in book-entry-only form in the form solely determined by an Authority Officer, after consultation with the counsel to the Authority, but nevertheless within the parameters set forth herein.

**SECTION 6.07. Series 2011 County Guaranty.** The timely payment of the principal of and interest on the Series 2011 Refunding Bonds shall be guaranteed by the County pursuant to the Series 2011 County Guaranty. A summary of the Series 2011 County Guaranty shall be printed on each of the Series 2011 Refunding Bonds as set forth in the Form of Registered Bond

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found in Section 14.01 of the General Bond Resolution, as amended and supplemented and shall be executed by the manual or facsimile signature of the County Executive of the County. An Authorized Officer is hereby authorized and directed to execute any documents and take any action necessary or desirable in connection with the application of such Series 2011 County Guaranty to the Series 2011 Refunding Bonds.

**SECTION 6.08. Certificate of Authorized Officer amending and supplementing this Series 2011 Supplemental Bond Resolution.** Notwithstanding any other provision herein, (A) the Series 2011 Refunding Bonds shall not be issued until the Trustee receives a Certificate of Authorized Officer of the Authority setting forth, at a minimum, (i) the aggregate principal amount of Bonds to be issued as Series 2011 Refunding Bonds or any other term required or deemed necessary, convenient or desirable by the Bond Insurer, if any, and/or any national rating agency, (ii) the interest rates, principal amount maturing, dated date, term of capitalized interest, if any, redemption terms, if any, including redemption premiums applicable to, sinking fund installments, sinking fund payment dates, and any other redemption terms and any other financial terms applicable to the Series 2011 Refunding Bonds, (iii) the determination of whether a Bond Insurance Policy to be issued by a Bond Insurer shall provide additional security for the Series 2011 Refunding Bonds, (iv) the selection of the Series 2003 Bonds to be Refunded, which may be all or a portion of the Series 2003 Bonds to be Refunded, (v) a letter of instructions or other escrow agreement executed by an Authorized Officer of the Authority and executed or acknowledged by an authorized officer of the Trustee providing irrevocable instructions from the Authority to the Trustee regarding the current refunding of the Series 2003 Bonds to be Refunded, including without limitation the amount of Series 2011 Refunding Bonds deposited in the Series 2011 Escrow Account therefore, instructions regarding investment prior to the redemption of the Series 2003 Bonds to be Refunded, the establishment of the redemption date of the Series 2003 Bonds to be Refunded, notice regarding the foregoing, a determination of whether a verification report shall accompany any such letter of instructions, and the application of funds regarding the foregoing in order to redeem, at the redemption price, the Series 2003 Bonds to be Refunded on such redemption date, and (vi) subject to the parameters set forth in the definition of Series 2011 Refunding Bonds herein and in the Authority's application to the Local Finance Board in the Division of Local Government Services of the Department of Community Affairs dated September 21, 2011, as the same may be immaterially amended or supplemented by an Authority Officer or materially amended by further action of the board of the Authority (the "Local Finance Board Application") and upon the advice of Authority counsel and its professional advisors, the addition to, deletion from or modification of any provision of this Series 2011 Supplemental Bond Resolution, as originally adopted on September 21, 2011, the contents of which certificate may be incorporated in this Series 2011 Supplemental Bond Resolution without the compliance with any other provision of the Bond Resolution, including without limitation Article XI of the General Bond Resolution, as amended and supplemented. All of the foregoing determinations shall be made, in addition to any specific parameters referenced therein, in such manner as any such Authority Officer, in their sole discretion, after consultation with the Authority's professional consultants for the Series 2011 Refunding Bonds, shall determine to be in the best interests of the Authority, the Borrower and/or the County in

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order to issue the Series 2011 Refunding Bonds and implement the Series 2011 Project. The Authorized Officer executing any such certificate shall report the substance of such certificate to the members of the Authority at their next public meeting.

**SECTION 6.09. Series 2011 Supplemental Bond Resolution to Govern.** To the extent that the provisions of this Series 2011 Supplemental Bond Resolution are inconsistent with the provisions of the 2003 Bond Resolution or of this Series 2011 Supplemental Bond Resolution adopted April 22, 2011, as amended and supplemented, the provisions of this Series 2011 Supplemental Bond Resolution shall control.

**SECTION 6.010. Publication of Notice of Adoption.** Any Authority Officer is hereby authorized and directed to publish the notice of adoption relating to this Series 2011 Supplemental Bond Resolution in accordance with the provisions of Section 19 of the Act (N.J.S.A. 40:37A-62).

**SECTION 6.11. Incidental Action.** The Authority Officers are hereby authorized and directed to execute and deliver such other certificates, documents or instruments and to take such other action as may be necessary, convenient, desirable or appropriate in order (i) to effectuate the execution and delivery of the Purchase Contracts and the sale and issuance of the Series 2011 Refunding Bonds, (ii) to maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2011 Refunding Bonds (including the preparation and filing of any information reports or other documents with respect to the Series 2011 Refunding Bonds as may at any time be required under Section 149 of the Code), and (iii) to obtain Bond Insurance from the Bond Insurer, if applicable, and/or obtain ratings from the applicable national rating agencies.

**SECTION 6.12. Series 2011 Supplemental Bond Resolution Amendments.** This Series 2011 Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2011 Refunding Bonds by a Certificate of Authority Officer contemplated by Section 6.07 hereof, without any further compliance with Article XI of the General Bond Resolution, as amended and supplemented, or otherwise, or by Supplemental Resolution adopted pursuant to the provisions of Article XI of the General Bond Resolution, as amended and supplemented.

**SECTION 6.13. Reference to Date.** To the extent the Series 2011 Refunding Bonds are issued in any year other than 2011, references herein to “2011” may without any further action be changed to the year of issuance of such Series 2011 Refunding Bonds.

**SECTION 6.14. Effective Date.** This resolution shall take effect immediately. Notwithstanding the prior sentence, in accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of

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the Board of Freeholders a certification from the Clerk stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

[00019363-]



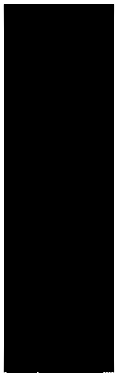
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***MOVED/SECONDED:***

**Resolution moved by Commissioner \_\_\_\_\_.**

**Resolution seconded by Commissioner \_\_\_\_\_.**

***VOTE:***



***ATTESTATION:***

This Resolution was acted upon at the Regular Meeting of the Authority held on October \_\_, 2011 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 28th day of September, 2011

**By:** \_\_\_\_\_

**Secretary of the Authority**

***FORM and LEGALITY:***

This Resolution is approved as to form and legality as of October \_\_, 2011

**By:** \_\_\_\_\_

**Stephen B. Pearlman, Esq., Partner**

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**Inglesino, Pearlman, Wyciskala & Taylor, LLC**  
**Counsel to the Authority**

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**EXHIBIT A**

[Attach Forms of the Refunding Agreement and the Continuing Disclosure Agreements]

[00019363-]

**RESOLUTION OF THE BOARD OF COMMISSIONERS  
MORRIS COUNTY IMPROVEMENT AUTHORITY**

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**TITLE:**

**RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY  
CONCERNING THE REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE  
LOCAL FINANCE BOARD PURSUANT TO LOCAL AUTHORITIES FISCAL  
CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN CONNECTION WITH  
THE AUTHORITY'S COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY  
PROGRAM LEASE REVENUE BONDS, SERIES 2011 (FEDERALLY TAXABLE) IN  
AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000**

**WHEREAS**, The Morris County Improvement Authority (including any successors and assigns, the "Authority") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "Board of Freeholders") of the County of Morris (the "County") in the State of New Jersey (the "State") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with 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") and other applicable law;

**WHEREAS**, the Authority has developed a program (the "*Renewable Energy Program*") for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of renewable energy capital equipment and facilities such as solar panels, wind turbines, and hydro-electric, bio-diesel, geothermal, and bio-mass facilities, including any related electrical modifications, work related to the maintenance of roof warranties, or other work required, desirable or convenient for the installation of such systems (collectively, the renewable energy capital equipment and facilities, the "*Renewable Energy Projects*") for and on behalf of the County and local governmental units within the County, including without limitation municipalities, boards of education for school districts, local authorities and any other local government instrumentalities, public bodies or other local government entities; collectively, including the County, the "*Local Units*";

**WHEREAS**, the Renewable Energy Projects procured under the Renewable Energy Program are to be installed on, in, affixed or adjacent to and/or for any other Local Unit controlled buildings, other structures, lands or other properties of the Local Units (collectively, the "*Local Unit Facilities*");

**WHEREAS**, it may be necessary, desirable or convenient, in connection with the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects, to finance, design, permit, acquire, construct, renovate and install certain capital improvements to the Local Unit Facilities, including without limitation, improvements to or replacement of, roofing systems, if any (the “*Capital Improvement Projects*” and together with the Renewable Energy Projects and any Completion Project as defined in the hereinafter defined Bond Resolution, the “*Projects*”), and to the extent no Capital Improvement Projects are so financed, references herein shall have no meaning;

**WHEREAS**, the primary goal of the Renewable Energy Program is to expand the use of renewable energy sources available and utilized by the Local Units for their Local Unit Facilities, with the attendant environmental and financial benefits associated thereby, and to reduce the energy related operating costs to the Local Units for their Local Unit Facilities, all intended to be offered at no net cost to the Local Units;

**WHEREAS**, on February 18, 2010 the Authority issued its \$21,600,000 aggregate principal amount of “County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2009A [Federally Taxable]”, to finance the initial tranche (the “*Initial Tranche*”) of the Authority’s Renewable Energy Program;

**WHEREAS**, the Authority is presently funding the engineering, energy consulting, legal, financial advisory and other preliminary costs of the second tranche (the “*Second Tranche*”) of its Renewable Energy Program necessary, desirable or convenient for the development and implementation of the Renewable Energy Program (the “*Preliminary Program Costs*”) prior to the issuance of the Authority’s hereinafter defined Series 2011 Bonds;

**WHEREAS**, in order to implement the Second Tranche of the Renewable Energy Program, the Authority has determined to finance the respective Renewable Energy Projects and Capital Improvement Projects, if any, on, in or about the respective Local Unit Facilities, all as set forth on Exhibits B, C, and A to the hereinafter defined Local Unit License Agreement for each of the following participating Local Units:

- (i) Township of Hanover and Township of Parsippany-Troy Hills (collectively, the “*Municipal Series 2011 Local Units*”); and
- (ii) Chester School District, Kinnelon Board of Education, Mine Hill Board of Education, Montville Township Board of Education, Morris Knolls School District, Morris Plains Board of Education, Morris School District, Randolph Board of Education and Washington Township Board of Education (collectively, the “*Board of Education Series 2011 Local Units*”); and
- (iii) County College of Morris (the “*County Series 2011 Local Units*”);

(each a “*Series 2011 Local Unit*”, and together with any additional local governmental units within the County that might be added by the Authority to the Second Tranche pursuant to the hereinafter defined Local Finance Board Application or otherwise, collectively, the “*Series 2011 Local Units*”), through the issuance by the Authority of one or more series of bonds and notes entitled “County of Morris Guaranteed Renewable Energy Program Lease Revenue [Notes] Bonds, Series 2011 (Federally Taxable)” dated their date of delivery, Outstanding (as defined in the Bond Resolution upon issuance) in the aggregate principal amount (including Sinking Fund Installments, if any, as such term is defined in the Bond Resolution) not to exceed \$60,000,000 (the “*Series 2011 Bonds*”);

**WHEREAS**, in order to finance the Renewable Energy Projects for the Series 2011 Local Units on, in or about their Local Unit Facilities, the Authority may sell one or more series of Series 2011 Bonds, (i) one series by either a competitive process or by negotiated sale after a competitive process an underwriter (the “Underwriter”) the terms of which sale shall be as set forth in that certain Bond Purchase Agreement between the Underwriter and the Authority (the “Series 2011A Bonds”), and (ii) two series of notes (collectively, the “*Series 2011B Notes*”, and together with the Series 2011A Bonds, the previously defined “*Series 2011 Bonds*”), either by the same sale method as the Series 2011A Bonds or by direct sale to the County; provided, however that the aggregate principal amount of the Series 2011A Bonds and the Series 2011B Bonds together with any other bonds issued under the Bond Resolution shall not exceed \$60,000,000;

**WHEREAS**, any notes issued as Series 2011 Bonds may be refunded through the issuance of one or more series of notes or bonds issued as Series 2011 Bonds, so long as (i) the principal amount of such notes or bonds, each issued as Series 2011 Bonds and Outstanding in the aggregate at any one time under and as defined in the hereinafter defined Bond Resolution, does not exceed \$60,000,000 and (ii) the interest rates thereon do not exceed the maximum interest rates set forth in the Local Finance Board Application;

**WHEREAS**, the Series 2011 Bonds shall also finance all other costs associated with the Renewable Energy Program that the Authority determines to be necessary, convenient or desirable for the successful implementation of the Renewable Energy Program, including without limitation (i) all or a portion of the Preliminary Program Costs, Administrative Expenses and Company Development Fees and Expenses (as such terms are defined in the hereinafter defined Bond Resolution), (ii) costs incurred in connection with the issuance of the Series 2011 Bonds, (iii) costs incurred or to be incurred in connection with the design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects for the Series 2011 Local Units, (iv) costs incurred or to be incurred in connection with the design, permitting, acquisition, construction, renovation, and installation of the Capital Improvement Projects for the Series 2011 Local Units, if any, (v) capitalized interest and/or reserves, if any, and (vi) such other amounts as shall be set forth in the Bond Resolution (collectively, the *Series 2011 Project*”);

**WHEREAS**, the Series 2011 Bonds, and any Additional Bonds defined under the Bond Resolution (collectively, the “*Bonds*”) shall be issued pursuant to the terms of that certain “RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS

GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2011 AND ADDITIONAL BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY” to be adopted by the governing body of the Authority, as amended and supplemented from time to time in accordance with its terms, including by one or more Certificates of an Authorized Officer of the Authority, each dated the date of issuance of the respective series of Series 2011 Bonds (the “*Bond Resolution*”), all in accordance with Sections 17-19 of the Act (N.J.S.A. 40:37A-60, 61 and 62) and all other applicable law;

**WHEREAS**, pursuant to N.J.S.A. 40:37A-77 of the Act, N.J.S.A. 40A:65-4 of the Uniform Shared Services and Consolidation Act (as amended and supplemented from time to time, the “*Shared Services Act*”) and other applicable law, upon or prior to the issuance of the Series 2011 Bonds, the Authority shall have entered into a “License and Access Agreement (Morris County Renewable Energy Program, Series 2011)” to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, each agreement shall constitute a “*Local Unit License Agreement*”, and collectively, the “*Local Unit License Agreements*”) with each Series 2011 Local Unit that would, among other things, provide the Authority and/or its assignees the right and obligation to (i) access the Local Unit Facilities of each such Series 2011 Local Unit, most particularly their roofs and electrical systems (the “*Local Unit License*”), (ii) finance, design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects on, in, affixed or adjacent to, or for the benefit of such Local Unit Facilities, (iii) finance, design, permit, acquire, construct, renovate, and install, the Capital Improvement Projects, if any, on, in, affixed or adjacent to, or for the benefit of such Local Unit Facilities, (iv) receive the right to the renewable energy produced from the Renewable Energy Projects financed by the Series 2011 Bonds, and (v) sell all or a portion of the renewable energy produced from such Renewable Energy Projects through the Authority to the respective Series 2011 Local Units, pursuant to an assignment (under each Local Unit License Agreement) from the Authority to the Series 2011 Local Units of the Power Purchase Agreement (as hereinafter defined), the terms of which Power Purchase Agreement could be entered into directly by the Series 2011 Local Units under N.J.S.A. 40A:11-15(45) of the Local Public Contracts Law (for the Municipal and County Series 2011 Local Units) and under N.J.S.A. 18A:18A-42(o) of the Public Schools Contracts Law (for the Board of Education Series 2011 Local Units);

**WHEREAS**, upon or prior to the issuance of the Series 2011 Bonds, and in accordance with (i) N.J.S.A. 40A:11-4.1(k) of the Local Public Contracts Law, (ii) Local Finance Board Notice 2008-20, December 3, 2008, *Contracting for Renewable Energy Services*, (iii) the State Board of Public Utilities (“*BPU*”) protocol for measuring energy savings in PPA agreements dated February 20, 2009 (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines*), (iv) Local Finance Board Notice 2009-10 dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements*, and (v) all other applicable law, and pursuant to a competitive contracting process governed thereby, which shall include a request for solar developer proposals to be issued by the Authority (the “*Company RFP*”) and the receipt of proposals from prospective solar developers, including that (the “*Company Proposal*”) of the successful respondent (the “*Company*”), the Authority shall select the Company to (y) design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects and (z) design, permit, acquire, construct, renovate, and install the

Capital Improvement Projects, if any, in both cases for the designated Local Unit Facilities of such Series 2011 Local Units, with such Program terms to be set forth in the following Company Documents to be entered into between the Company and, at a minimum, the Authority, or acknowledged by the Company, as applicable:

- (a) Pursuant to N.J.S.A. 40:37A-78 of the Act, a “Lease Purchase Agreement (Morris County Renewable Energy Program, Series 2011)” to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the “*Company Lease Agreement*”) between the Authority, as owner and lessor, and the Company, as lessee, (I) conveying to the Company a leasehold interest in and to the Renewable Energy Projects, (II) assigning to the Company a license of the necessary portion of each Series 2011 Local Units’ Local Unit Facilities (obtained by the Authority through the Local Unit License Agreements) in order for the Company to design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects, and to design, permit, acquire, construct, renovate, and install the Capital Improvement Projects, if any, in both cases, for such Series 2011 Local Units, and (III) obligating the Company to operate and maintain, or cause the operation and maintenance of, the Renewable Energy Projects for the Series 2011 Local Units;
  
- (b) That certain “Power Purchase Agreement (Morris County Renewable Energy Program, Series 2011)” to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the “*Power Purchase Agreement*”) authorized pursuant to N.J.S.A. 40:37A-77 and -78 of the Act, N.J.S.A. 40A:65-4 of the Shared Services Act, N.J.S.A. 40A:11-15(45) of the Local Public Contracts Law (regarding that portion to be assigned to the municipal/County Series 2011 Local Unit under the applicable Local Unit License Agreement), N.J.S.A. 18A:18A-42(o) of the Public Schools Contracts Law (regarding that portion to be assigned to the board of education Series 2011 Local Units under the applicable Local Unit License Agreements) and the guidelines applicable to such contracts promulgated by the State Board of Public Utilities (the “*BPU*”), whereby, among other things,

(I) The Company shall establish a power purchase price based, in part, on the Authority’s covenant in the Company Lease Agreement to issue the Series 2011 Bonds to finance the Renewable Energy Projects, and if applicable, the Capital Improvement Projects, for the Series 2011 Local Units, and the Company shall be entitled to draw a dedicated portion of the net proceeds of the Series 2011 Bonds for the design, permitting, acquisition



construction, renovation, and installation of such Projects on a requisition basis,

(II) The Company shall establish a power purchase price based, in part, on the Authority's covenant in the Company Lease Agreement, as nominal owner of the Renewable Energy Projects for State law purposes, to assign to the Company all or a portion of the Authority's rights to the Solar Renewable Energy Certificates ("SRECs") generated by the Renewable Energy Projects for the Series 2011 Local Units, and

(III) The Company shall sell to the Authority for the benefit of the Series 2011 Local Units, for a term of fifteen (15) years, plus extensions if applicable, for a fixed power purchase price per kilowatt hour, as escalated under the terms thereof (such terms to be established pursuant to the Company Proposal), the renewable energy generated by the Renewable Energy Projects, which Authority obligation to purchase shall be assigned to the Series 2011 Local Units as part of the Local Unit License Agreements; and

- (c) The Company Lease Agreement, the Power Purchase Agreement, the hereinafter defined Company Disclosure Agreement, and the hereinafter defined Company Pledge Agreement, may be collectively defined as the "*Company Documents*";

**WHEREAS**, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2011 Bonds, shall be secured by the Trust Estate as defined under and in accordance with the terms of the Bond Resolution, which shall include, among other things, (i) Basic Lease Payments to be made by the Company under, and as defined in, the Company Lease Agreement, (ii) certain Additional Lease Payments to be made by the Company under, and as defined in, the Company Lease Agreement, which Additional Lease Payments shall be attributable to (a) the Purchase Option Price payable in accordance with Section 701 of the Company Lease Agreement upon any optional redemption of the Series 2011 Bonds or (b) the Mandatory Purchase Price payable in accordance with Section 702 of the Company Lease Agreement upon any acceleration of the Series 2011 Bonds, and (iii) payments by the County under the hereinafter defined County Guaranty to the extent other funds (including the Basic Lease Payments) are not available to make the Series 2011 Bond debt service payments on time and in full, all in accordance with the terms of the Bond Resolution;

**WHEREAS**, the payment of the principal (including mandatory sinking fund installments, if any) in an aggregate principal amount not to exceed \$60,000,000 of, and interest (at interest rates not to exceed the maximum rates set forth in the Local Finance Board Application) on the Series 2011 Bonds, but not any redemption premium, shall be fully, unconditionally and irrevocably guaranteed in accordance with (i) the terms of a guaranty

ordinance of the County to be finally adopted by the Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County within each Series 2011 Bond and (iii) a “County Guaranty Agreement (Morris County Renewable Energy Program, Series 2011)” to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “*County Guaranty Agreement*”) by and between the County and the Authority, as acknowledged by the Company and the Credit Facility Provider, if any (as hereinafter defined) setting forth, among other things, the County’s obligation to make any such guaranty payments in accordance with and within the parameters set forth in the guaranty ordinance and the Bond Resolution (collectively, the “*County Guaranty*”), all pursuant to Section 37 (“*Section 37*”) of the Act (N.J.S.A. 40:37A-80);

**WHEREAS**, the holders of any Additional Bonds issued under the terms of the Bond Resolution, the Act and all other applicable law shall also be entitled to the pledge of the Trust Estate under the Bond Resolution on a pro-rata basis with the holders of any Outstanding Bonds as defined therein, including the Series 2011 Bonds, although the guaranty of the County shall only extend to any such Series of Additional Bonds to the extent (i) the aggregate principal amount of all such Series of Additional Bonds, when taken together with the aggregate principal amount of the Series 2011 Bonds, shall not exceed \$60,000,000, or (ii) the County adopts and executes similar official action and documents constituting the County Guaranty;

**WHEREAS**, under the County Guaranty Agreement, the Company RFP, and as applicable, the Company Proposal, the Authority shall be obligated to obtain a letter of credit, cash, a covenant to provide same, or other form of security acceptable to and issued for the benefit of the County (the “*County Security*”) to be issued by a sufficiently rated banking or other financial institution, or if the County Security is provided in the form of immediately available funds or the right to same, then the Company (in any such case, the “*County Security Provider*”), all to secure, in part, the County’s payment obligations under the County Guaranty (but not to secure the payment of debt service on the Series 2011 Bonds, as any such County Security shall be deposited in the County Security Fund under the Bond Resolution, which Fund shall not be a part of the Trust Estate pledged for the payment of the Series 2011 Bonds), the terms of which County Security shall be set forth in a letter of credit and reimbursement or other agreement to be dated the first day of the month of issuance of the applicable series of Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “*County Security Agreement*”) among the Company, the County Security Provider, and the Authority, and acknowledged by the County, the provisions of which County Security Agreement, to the extent the County Security is in the form of immediately available funds or the right to same deposited in the County Security Fund created under the Bond Resolution, shall (i) not be set forth in an independent County Security Agreement, and accordingly (ii) be set forth in the Bond Resolution, the County Guaranty Agreement and the Company Lease Agreement;

**WHEREAS**, should the Company fail to make its Basic Lease Payments on time and in full, thereby causing the County to make payments to the Series 2011 Bondholders under the County Guaranty, which in turn causes the County Security to be drawn upon to reimburse the County for all or a portion of any such County Guaranty repayments, (i) the County Security Agreement, if any, shall provide that the Authority assign and pledge the Reimbursement

Collateral (as defined in the Bond Resolution) to the County Security Provider, as reimbursement security for any such draw on the County Security, or (ii) to the extent the County Security is in the form of immediately available funds or the right to same deposited in the County Security Fund created under the Bond Resolution, in which case no County Security Agreement shall exist, then the Company, as County Security Provider in such instance, shall only be entitled to such excess County Security, as Reimbursement Collateral, if any shall remain available, after and to the extent the County has been fully paid under its County Guaranty;

**WHEREAS**, the Authority, with the consent of the County, may, depending on the Company Proposal, determine to (i) waive County Security due to the strength of the Company Proposal or otherwise, in which case the terms County Security, County Security Fund, County Security Fund Requirement, County Security Provider and Reimbursement Collateral shall have no effect, or (ii) initially accept as County Security, in lieu of a County Security Agreement, immediately available funds in such amount (defined under the Bond Resolution as the County Security Fund Requirement) as set forth in the Company Proposal, to be funded by the Company in accordance with the terms of the Company Lease Agreement, all as contemplated by the Company Proposal, and all to secure, in part, the County's payment obligations under its County Guaranty should such County Guaranty ever be drawn upon, and which County Security Fund Requirement monies would then be deposited by the Trustee in the County Security Fund created and defined in the Bond Resolution, and which County Security Fund would be specifically excepted from the pledge of the Trust Estate and would not be available to secure the payment of debt service on the Series 2011 Bonds;

**WHEREAS**, in the event the Company provides the County Security Fund Requirement through such a covenant to provide immediately available funds, if applicable, but in any event to secure other Company obligations under the Company Documents, the Authority shall require the Company to further secure such obligations by pledging certain property interests of the Company and its managing member's interest in and to the Company to the Trustee, all as shall be set forth in the Company Lease Agreement and that certain "Pledge and Security Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Company Pledge Agreement*"), and issued by the managing member of the Company, in favor of the Trustee, and acknowledged and accepted by the Company;

**WHEREAS**, the Company as a potential "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12 ("*Rule 15c-12*") promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, may be required to enter into that certain "Company Continuing Disclosure Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*Company Continuing Disclosure Agreement*") with the Authority and the Trustee, as dissemination agent (the "*Dissemination Agent*") in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County will be required to enter into that certain "County Continuing Disclosure Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of

issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “*County Continuing Disclosure Agreement*” and together with the Company Continuing Disclosure Agreement, the “*Continuing Disclosure Agreements*”) with the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution and/or the Continuing Disclosure Agreements, the Authority shall (i) not be considered a “materially obligated person” within the meaning and for the purposes set forth in Rule 15c2-12, and (ii) be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority shall be required to provide such material events notices under the terms of the Company Continuing Disclosure Agreement and the County Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, prior to the issuance of the Series 2011 Bonds and in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law, the Authority shall have made an application (the “*Local Finance Board Application*”) to, and seek, obtain, and officially recognize the findings from, the Local Finance Board (the “*Local Finance Board*”) in the Department of Local Government Services of the State Department of Community Affairs;

**WHEREAS**, in order to market and sell the Series 2011 Bonds, the Authority shall determine to either (i) privately place the Series 2011 Bonds with any of the County, the State or State affiliate, or other third party, either directly, or through a private placement agent (“*Private Placement Agent*”), or (ii) alternatively, by negotiated or competitive sale, publicly offer the Series 2011 Bonds, in which public offering case the Authority shall need to:

- (a) Authorize the distribution of a preliminary official statement “deemed final” within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series 2011 Bonds, the Series 2011 Project and the other transactions contemplated hereby (the “*Preliminary Official Statement*”);
- (b) If the Series 2011 Bonds shall be sold by:
  - (I) Competitive sale, authorize the distribution of a notice of sale (“*Notice of Sale*”), pursuant to which the Authority shall select an underwriter to purchase all of the Series 2011 Bonds (the “*Underwriter*”), or
  - (II) Negotiated sale, enter into a bond purchase agreement (the “*Bond Purchase Agreement*”) with an underwriter to be selected by the Authority through a fair and open process (alternatively, the “*Underwriter*”) to purchase all of the Series 2011 Bonds; and
- (c) Execute and deliver a final Official Statement incorporating the terms of the sale of the Series 2011 Bonds and certain other information into the

Preliminary Official Statement (the “*Official Statement*, and together with the Preliminary Official Statement, the Notice of Sale or the Bond Purchase Agreement, as applicable, and any of the same or other offering or sale documents that may be required by any Private Placement Agent or direct purchaser under the private sale methodology in clause (i) above, the “*Sale Documents*”);

**WHEREAS**, prior to the issuance of the Series 2011 Bonds and in accordance with Section 13 (“*Section 13*”) of the Act (N.J.S.A. 40:37A-56), the Authority shall have made a detailed report regarding the Renewable Energy Program to the Board of Freeholders, which report shall include, without limitation, descriptions of the Series 2011 Bonds, the Bond Resolution, the Company Lease Agreement, the County Guaranty (including the County Guaranty Agreement), the Power Purchase Agreement, the Company Pledge Agreement, the Continuing Disclosure Agreements, the Local Unit License Agreements, and if and as applicable, the Sale Documents (collectively, the “*Program Documents*”), and which report and amended report shall be accepted by the County by resolution adopted by the Board of Freeholders pursuant to Section 13;

**WHEREAS**, the Local Finance Board at meetings held on June 8, 2011, did issue favorable findings (the "Findings") with respect to the Series 2011 Bonds, the Series 2011 Project and the other matters contemplated herein, a copy of which Findings are attached hereto as Exhibit A; and

**WHEREAS**, N.J.S.A. 40A:5A-7 requires, among other things, that the Commissioners of the Authority, within forty-five (45) days of receipt of the Findings, shall certify to the Local Finance Board by adoption of this resolution and by execution and delivery of that certain group affidavit attached hereto as Exhibit B and incorporated herein as if fully set forth at length (the "Group Affidavit") that such Commissioners have personally reviewed the Findings; and

**WHEREAS**, failure to comply with this requirement may subject the members of the Authority to the penalty provisions of N.J.S.A. 52:27BB-52.

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Authority as follows:

**Section 1.** Each Commissioner of the Authority, having personally reviewed the Findings, is hereby authorized to execute the Group Affidavit to such effect set forth in Exhibit B attached hereto.

**Section 2.** After execution of the Group Affidavit, the Authority will have complied with the requirements of N.J.S.A. 40A:5A-7 with respect to the Findings; accordingly, the Authority does hereby severally authorize and direct the Secretary of the Authority or Inglesino, Pearlman, Wyciskala & Taylor, LLC, counsel to the Authority, to submit to the Local Finance Board a certified copy of this resolution and such fully authorized and executed Group Affidavit evidencing the Authority's compliance therewith.

**Section 3.** This resolution shall take effect immediately.

**EXHIBIT A**

**COPY OF LOCAL FINANCE BOARD FINDINGS**

**EXHIBIT B**

**GROUP AFFIDAVIT**

State of New Jersey :  
County of Morris :

We, the members of **THE MORRIS COUNTY IMPROVEMENT AUTHORITY**, being of full age and being duly sworn according to law, upon our oath depose and say:

1. We, the undersigned, are the duly appointed Commissioners of the Morris County Improvement Authority.

2. We, the undersigned, certify that, pursuant to N.J.S.A. 40A:5A-7, we have personally reviewed the findings and recommendations of the Local Finance Board issued pursuant to meetings and hearings of the Local Finance Board on June 8, 2011 with respect to the Series 2011 Bonds, the Series 2011 Project and such other matters contemplated by the Authority's resolution adopted September 28, 2011 and entitled, "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY CONCERNING THE REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE LOCAL FINANCE BOARD PURSUANT TO LOCAL AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN CONNECTION WITH THE AUTHORITY'S COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE BONDS, SERIES 2011 (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000".

<u>Name</u>	<u>Signature</u>
John Bonanni	_____
Frank T. Pinto, Jr.	_____
Christina Ramirez	_____
Glenn Roe	_____
Ellen Sandman	_____

Sworn to and subscribed before me  
this \_\_\_\_ day of September, 2011.

\_\_\_\_\_  
Notary Public  
State of New Jersey



**MOVED/SECONDED:**

Resolution moved by Commissioner \_\_\_\_\_.

Resolution seconded by Commissioner \_\_\_\_\_.

**VOTE:**

**Co  
m  
mis  
sio  
ner**

<b>Ye</b>	<b>No</b>	<b>Ab</b>	<b>Ab</b>	<b>_</b>	<b>_Pi</b>	<b>_R</b>	<b>_R</b>	<b>_Sa</b>
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**ATTESTATION:**

This Resolution was acted upon at the Regular Meeting of the Authority held on September 28, 2011 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 28<sup>th</sup> day of September, 2011

**By:** \_\_\_\_\_

**Secretary of the Authority**

**FORM and LEGALITY:**

This Resolution is approved as to form and legality as of September 28, 2011

**By:** \_\_\_\_\_

**Stephen B. Pearlman, Esq., Partner  
Inglesino, Pearlman, Wyciskala & Taylor, LLC  
Counsel to the Authority**

## RESOLUTION NO. 11-43

**RESOLUTION OF THE BOARD OF COMMISSIONERS  
MORRIS COUNTY IMPROVEMENT AUTHORITY**

---

**TITLE:****RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY  
APPOINTING AN UNDERWRITER ALL IN CONNECTION WITH THE  
AUTHORITY'S COUNTY OF MORRIS GUARANTEED LOAN REVENUE  
REFUNDING BONDS, SERIES 2011(POOLED ERI UNFUNDED LIABILITY  
PROJECT) [Federally Taxable]  
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000**

**WHEREAS**, The Morris County Improvement Authority (including any successors and assigns, the "*Authority*") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "*Board of Freeholders*") of the County of Morris (the "*County*") in the State of New Jersey (the "*State*") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with 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*") and other applicable law;

**WHEREAS**, on July 12, 2002, P.L. 2002, c. 42 (the "*ERI Refunding Law*") became the law of the State, by its terms authorizing municipalities, counties, school districts and certain other local governmental units ("*Local Units*") to issue refunding bonds (the "*Local Unit Refunding Bonds*") for the purpose of retiring the present value of their unfunded liability (the "*Unfunded ERI Liability*") for early retirement incentive benefits previously granted by the State to the Local Units pursuant to prior State law;

**WHEREAS**, in particular, municipal and county Local Units were authorized under the ERI Refunding Law to issue Local Unit Refunding Bonds (the "*Municipal and County Refunding Bonds*") under N.J.S.A. 40A:2-51.3 and other applicable provisions of the Local Bond Law for the purpose of retiring the present value of the Unfunded ERI Liability previously granted by the State to such Municipal and County Local Units pursuant to P.L. 1991, c.229, P.L.1991, c.230, P.L.1993, c.138, P.L. 1993, c.181, P.L.1993, c.99, and P.L.1999, c.59 (the "*Municipal and County Unfunded ERI Liability*");

**WHEREAS**, in particular, school district Local Units were authorized under the ERI Refunding Law to issue Local Unit Refunding Bonds (the "*School District Refunding Bonds*"), (i) for type I school districts, under N.J.S.A. 18A:24-61.2 of the School Bond Law and other applicable provisions of the School Bond Law and the Local Bond Law, and (ii) for type II school districts, under N.J.S.A. 18A:24-61.2 of the School Bond Law and other applicable

provisions of the School Bond Law, all for the purpose of retiring the present value of the Unfunded ERI Liability previously granted by the State to such School District Local Units pursuant to P.L.1991, c.231 and P.L.1993, c163 (the “*School District Unfunded ERI Liability*”);

**WHEREAS**, further pursuant to the ERI Refunding Law, which by its terms also amended the Act, the Authority’s purposes under N.J.S.A. 40:37A-54 were expanded to allow for the issuance and pooling of loans by the Authority to the Local Units secured by Local Unit Refunding Bonds in order to achieve more favorable interest rates and terms for the Local Units;

**WHEREAS**, on February 6, 2003, the Authority issued its \$16,890,000 original aggregate principal amount of “County of Morris Guaranteed Loan Revenue Bonds, Series 2003 (Pooled ERI Unfunded Liability Project)” (the “*Series 2003 Bonds*”) for the purpose, among other things, of the purchase of Local Unit Refunding Bonds (the “*Series 2003 Local Unit Refunding Bonds*”) of (i) Chester Board of Education, (ii) the County, (iii) Morris Plains Borough, (iv) Morris Township, (v) Mt. Olive Township, (vi) Mt. Olive Township Board of Education, (vii) Roxbury Township and (viii) Roxbury Township Board of Education (collectively, the “*Series 2003 Local Units*”) to finance their Unfunded ERI Liability (collectively the “*Series 2003 Loans*”);

**WHEREAS**, the 2003 Loans were secured through those certain “Loan Agreement (Pooled ERI Unfunded Liability Project)” dated as of February 1, 2003 (the “*Series 2003 Loan Agreement*”) between the Authority and each Series 2003 Local Unit, pursuant to which the Authority loaned the Series 2003 Local Units a portion of the proceeds of the Series 2003 Bonds for the respective Series 2003 Loans, which Series 2003 Loans were to be repaid by the Local Units in accordance with a debt service schedule set forth in Exhibit B to each Series 2003 Loan Agreement, as evidenced by each Series 2003 Local Unit Refunding Bond;

**WHEREAS**, the Series 2003 Bonds were issued pursuant to (i) a bond resolution of the Authority entitled “Resolution Authorizing the Issuance of County of Morris Guaranteed Loan Revenue Bonds (Pooled ERI Unfunded Liability Project) and Additional Bonds of the Morris County Improvement Authority”, which was duly adopted by the Authority at a meeting thereof duly called and held on December 11, 2002, as amended and supplemented by a Certificate of the Executive Director of the Authority dated February 6, 2003 issued pursuant to Section 2.02(1)(e) of the original bond resolution (collectively, the “*Series 2003 Bond Resolution*”), (ii) the Act, and other applicable law;

**WHEREAS**, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2003 Bonds was fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$16,890,000 in accordance with (i) the terms of a guaranty ordinance of the County finally adopted by the Board of Freeholders and (ii) by a guaranty certificate executed by an authorized officer of the County on the face of each Series 2003 Bond (collectively, the “*Series 2003 County Guaranty*”), all pursuant to Section 37 (“*Section 37*”) of the Act (N.J.S.A. 40:37A-80) and other applicable law, which payments are included as part of the Trust Estate applicable to the Series 2003 Bonds pledged by the Authority to the Trustee under the Series 2003 Bond Resolution;

**WHEREAS**, the Series 2003 Bonds are presently Outstanding (as such term is defined in the Series 2003 Bond Resolution) in the aggregate principal amount of \$8,680,000, \$6,005,000 aggregate principal amount of which are scheduled to mature on or after March 1, 2014 and are to be refunded (the “*Series 2003 Bonds to be Refunded*”);

**WHEREAS**, (i) the 2003 Loans to the Borough of Morris Plains and the Chester Township Board of Education have been paid in full, and accordingly, there are no Series 2003 Bonds Outstanding under the Series 2003 Bond Resolution allocable to these Series 2003 Local Units; (ii) the 2003 Loans to Morris Township and Mt. Olive Township (each a Series 2003 Local Unit, and collectively, the “*Outstanding Series 2003 Local Units*”) are small and have one or a few payments remaining and therefore Morris Township and Mt. Olive Township shall continue to pay their Loans as they shall become due, and the \$705,000 aggregate principal amount of Series 2003 Bonds allocable to such Series 2003 Local Units shall remain Outstanding under the Series 2003 Bond Resolution (the “*Outstanding Series 2003 Bonds*”), and (iii) the County, Mt. Olive Township Board of Education, Roxbury Township and Roxbury Township Board of Education (each a Series 2003 Local Unit, and collectively, the “*Series 2011 Local Units*”, and together with the Outstanding Series 2003 Local Units, the “*Outstanding Local Units*”) each have loans Outstanding under the Series 2003 Bond Resolution that are eligible to be refunded;

**WHEREAS**, the Authority and the Series 2011 Local Units have determined that there are debt service savings to be achieved through the advance refunding of all or a portion of their allocable share of the Series 2003 Bonds to be Refunded (the “*Advance Refunding Project*”), which net savings shall in turn be passed on to the Series 2011 Local Units, through the application of a debt service credit for the benefit of each such Series 2011 Local Unit and their Series 2003 Local Unit Refunding Bonds, all pursuant to the terms of the Series 2011 Refunding Agreement (as hereinafter defined);

**WHEREAS**, pursuant to the terms of the Series 2003 Bond Resolution, the earliest date the Series 2003 Bonds to be Refunded can be redeemed is March 1, 2013 at par;

**WHEREAS**, in order to implement the Advance Refunding Project, and to pay the costs of issuance and fund any necessary reserves or other costs related thereto (collectively the “*Series 2011 Project*”), the Authority shall adopt a bond resolution entitled "SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES 2011 (POOLED ERI UNFUNDED LIABILITY PROJECT) OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (the “*Series 2011 Supplemental Bond Resolution* ” and together with the Series 2003 Bond Resolution, and any further amendments thereof or supplements thereto, the “*Bond Resolution*”);

**WHEREAS**, the Series 2011 Supplemental Bond Resolution shall authorize the issuance of “County of Morris Guaranteed Loan Revenue Refunding Bonds, Series 2011 (Pooled ERI Unfunded Liability Project)” in the aggregate principal amount not to exceed \$7,000,000 (the “*Series 2011 Refunding Bonds*”);

**WHEREAS**, the Advance Refunding Project shall be achieved through the deposit of a

portion of the proceeds of the Series 2011 Refunding Bonds with the trustee authorized under the Bond Resolution (the “*Trustee*”), as escrow agent (the “*Escrow Agent*”) pursuant to an “Escrow Deposit Agreement” to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (the “*Escrow Deposit Agreement*”) between the Authority and the Escrow Agent;

**WHEREAS**, upon issuance of the Series 2011 Refunding Bonds, and the deposits with the Escrow Agent of a portion of the proceeds thereof in accordance with the terms of the Escrow Deposit Agreement, the Series 2003 Bonds to be Refunded shall no longer be Outstanding under the Bond Resolution, and only the Outstanding Series 2003 Bonds and the Series 2011 Refunding Bonds shall be Outstanding under the Bond Resolution;

**WHEREAS**, the Series 2011 Refunding Bonds shall be secured on a parity basis with the Outstanding Series 2003 Bonds, and any other Bonds issued under and as defined in the Bond Resolution (collectively, the “*Outstanding Bonds*”) , by the Trust Estate under and as defined in the Bond Resolution, including the Series 2011 Supplemental Bond Resolution, which Trust Estate shall consist, in material part, of the payment of the principal, redemption premium, if any, and interest on (i) the Series 2003 Local Unit Refunding Bonds of the Outstanding Series 2003 Local Units (the “*Outstanding Series 2003 Local Unit Refunding Bonds*”) and (ii) the Series 2003 Local Unit Refunding Bonds of the Series 2011 Local Units (which, from this point forward, after application of the debt service credit in accordance with the Series 2011 Refunding Agreement, shall be collectively referred to as the “*Series 2011 Local Unit Refunding Bonds*”; the Outstanding Series 2003 Local Unit Refunding Bonds and the Series 2011 Local Unit Refunding Bonds may be collectively referred to as the “*Outstanding Local Unit Refunding Bonds*” of the Outstanding Local Units);

**WHEREAS**, the Outstanding Local Unit Refunding Bonds shall be payable by the respective Outstanding Local Units, if necessary, from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Outstanding Local Unit, without limitation as to rate or amount;

**WHEREAS**, simultaneously with the issuance of the Series 2011 Refunding Bonds, the Series 2011 Local Units shall enter into that certain “Refunding Agreement (Pooled ERI Unfunded Liability Project)” (the “*Series 2011 Refunding Agreement*”) containing a revised Exhibit B to its 2003 Loan Agreement evidencing the credit to debt service on its Series 2011 Local Unit Refunding Bonds;

**WHEREAS**, the Series 2011 Refunding Agreement shall be authorized by a resolution of each Series 2011 Local Unit (the “*Series 2011 Local Unit Authorizing Resolution*”);

**WHEREAS**, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2011 Refunding Bonds shall be fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$7,000,000 in accordance with (i) the terms of a guaranty ordinance of the County to be finally adopted by the Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County on the face of each Series 2011 Refunding Bond and (iii) as may be required by any rating agency, underwriter, Series 2011 Refunding Bond purchaser or other entity that will allow the

Authority to sell the Series 2011 Refunding Bonds at the lowest possible cost to the Local Unit, an agreement setting forth the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in such ordinance (collectively, the "*Series 2011 County Guaranty*"), and together with the Series 2003 County Guaranty, the "*County Guaranty*"), all pursuant to Section 37 of the Act and other applicable law;

**WHEREAS**, accordingly, the Trust Estate under the Bond Resolution shall also include, (i) with respect to the Outstanding Series 2003 Bonds, the Series 2003 County Guaranty, and (ii) with respect to the Series 2011 Refunding Bonds, the Series 2011 County Guaranty;

**WHEREAS**, pursuant to the terms of the Loan Agreement, those Local Units constituting "materially obligated persons" within the meaning and for the purposes set forth in Rule 15c2-12 ("*Rule 15c-12*") promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, will be required to enter into those certain "Local Unit Continuing Disclosure Agreements (Pooled Unfunded ERI Liability Project)" to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with their respective terms, the "*Local Unit Continuing Disclosure Agreements*") with the Authority and the Trustee, as dissemination agent (the "*Dissemination Agent*") in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution due to the County Guaranty, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County shall be required to enter into that certain "County Continuing Disclosure Agreement (Pooled Unfunded ERI Liability Project)" to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Continuing Disclosure Agreement*") with the Authority and the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution, the Authority (i) shall not be considered a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12 and (ii) shall be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority (a) may be required to enter into a separate continuing disclosure agreement, and (b) shall be required to provide such material events notices under the terms of the Local Unit Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12 (the "*Authority Continuing Disclosure Agreement*" and together with the Local Unit Continuing Disclosure Agreements and the County Continuing Disclosure Agreement, the "*Continuing Disclosure Agreements*");

**WHEREAS**, in order to market and sell the Series 2011 Refunding Bonds, the Authority will have to (i) make an application (the "*Local Finance Board Application*") to, and seek, obtain, and officially recognize the findings from the Local Finance Board (the "*Local Finance Board*") in the Department of Local Government Services of the State Department of Community Affairs, all in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law, (ii) authorize the distribution of a preliminary official statement "deemed final" within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series

2011 Refunding Bonds, the Series 2011 Project and the other transactions contemplated hereby (the “*Preliminary Official Statement*”), (iii) enter into a bond purchase agreement with an underwriter to be selected from the Authority’s qualified underwriter list procured through a fair and open process (the “*Underwriter*”) by the Authority (the “*Bond Purchase Agreement*”), (iv) execute and deliver a final Official Statement incorporating the terms of the sale of the Series 2011 Refunding Bonds and certain other information into the Preliminary Official Statement (the “*Official Statement*” and together with the Preliminary Official Statement, the Bond Purchase Agreement, the “*Sale Documents*”);

**WHEREAS**, the Authority shall have no obligation with respect to the Series 2011 Project other than the financing thereof through the issuance of the Series 2011 Refunding Bonds and the application of debt service credits to the Outstanding Local Unit Bonds through the Series 2011 Refunding Agreement; accordingly, the payment of the principal of and interest on the Outstanding Bonds shall remain the sole responsibility of the Outstanding Local Units through their payment of the principal of and interest on the Outstanding Local Unit Refunding Bonds, as guaranteed by the County under the County Guaranty;

**WHEREAS**, in accordance with Section 13 (“*Section 13*”) of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Series 2011 Refunding Bonds, the Authority will have made a detailed report of the Series 2011 Project to the Board of Freeholders, which report will include, without limitation, descriptions of the Series 2011 Supplemental Bond Resolution, the Series 2011 Local Unit Authorizing Resolutions, the Series 2011 Refunding Bonds, the Series 2011 County Guaranty, the Refunding Agreement, the Escrow Deposit Agreement, the Continuing Disclosure Agreements, and if necessary, desirable or convenient as determined by the Authority, the County, and as applicable, the Local Unit, such other applicable agreements that may include one or more of the Local Finance Board Application or any Sale Documents (collectively, the “*Financing Documents*”);

**WHEREAS**, in order to purchase the Series 2011 Refunding Bonds from the Authority on a negotiated basis pursuant to a Bond purchase agreement (the “**Bond Purchase Agreement**”), market and resell the Series 2011 Refunding Bonds to the public as part of an initial public offering, all as permitted pursuant to N.J.S.A. 40:37A-62 of the Act, the Authority needs to contract for the services of an underwriter for its 2011 Refunding Bonds (the “**Underwriter RFP**”);

**WHEREAS**, as of January 1, 2006, N.J.S.A. 19:44A-20.1 *et seq.*, commonly known as the “**State Pay to Play Law**” became effective;

**WHEREAS**, pursuant to the State Pay to Play Law, the Authority may not award contracts with a value in excess of \$17,500.00, including the Bond Purchase Agreement, to a business entity, including an underwriter, which has made reportable contributions in excess of \$300.00, in the aggregate, to certain political parties or candidate committees of persons serving in an elective public office when such contract was awarded, unless said business entity is awarded a contract under a “fair and open process” pursuant to the State Pay to Play Law;

**WHEREAS**, a “fair and open process” constitutes the following: (i) public advertisement on the Authority’s website or in the newspaper of a Request for Qualifications (hereinafter the “**Fair and Open RFQ**”) with ten (10) calendar days notice prior to the receipt of responses to the RFQ; (ii) award of contract under a process that provides for public solicitation of qualifications; (iii) award of contract under publicly disclosed criteria established, in writing, by the Authority prior to the solicitation of qualifications; and (iv) the Authority shall publicly open and announce the qualifications when awarded;

**WHEREAS**, by resolution no 02-10 adopted July 24, 2002 and entitled “Resolution Adopting a Policy for the Selection of Underwriters and other Ancillary Service Providers in connection with the Sale of Securities,” the Authority has adopted a policy directing that a request for underwriting qualifications (“**Policy RFQ**”) be issued by the Authority from time to time as the initial action required under the Policy for the selection of underwriters in connection with the issuance of Securities to finance Projects;

**WHEREAS**, pursuant to the Policy and a Authority resolution adopted April 19, 2011 and entitled “RESOLUTION APPROVING A QUALIFIED LIST OF UNDERWRITERS FOR AUTHORITY SECURITIES TRANSACTION IN ACCORDANCE WITH THE AUTHORITY’S UNDERWRITER SELECTION POLICY AND A FAIR AN OPEN PROCESS”, the Authority established the 2011 qualified list of underwriters (the “**2011 Qualified List**”); and

**WHEREAS**, the Authority desires to appoint an underwriter for the purchase of the 2011 Refunding Bonds pursuant to the Bond Purchase Agreement through a “fair and open process” and in accordance with the Policy and the 2011 Qualified List the terms thereof, all to be governed by the State Pay to Play Law, the Policy and other applicable law.

**NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority as follows:**

**Section 1.** PNC Capital Markets, LLC is hereby designated the Underwriter in connection with the Series 2011 Refunding Bonds.

**Section 2.** Notwithstanding the award made by this resolution, there shall be no binding contract unless and until the authorization, execution and delivery of a Bond Purchase Agreement by the Authority and PNC Capital Markets, LLC.

**Section 3.** All actions taken to date by the Authority, the Authorized Officers and the Consultants, with respect to the matters set forth in or contemplated by this resolution, are hereby ratified and approved.

**Section 4.** In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of



Freeholders a certification from the respective Clerks stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

**Section 5.** This resolution shall be effective immediately, unless it has been vetoed in accordance with N.J.S.A. 40:37A-50(e) of the Act.

***MOVED/SECONDED:***

**Resolution moved by Commissioner \_\_\_\_\_.**

**Resolution seconded by Commissioner \_\_\_\_\_.**

***VOTE:***

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

***ATTESTATION:***

This Resolution was acted upon at the Regular Meeting of the Authority held on September 28, 2011 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 28<sup>th</sup> day of September, 2011

**By:** \_\_\_\_\_

**Secretary of the Authority**

***FORM and LEGALITY:***

This Resolution is approved as to form and legality as of September 28, 2011

**By:** \_\_\_\_\_

**Stephen B. Pearlman, Esq., Partner  
Inglesino, Pearlman, Wyciskala & Taylor, LLC  
Counsel to the Authority**



## RESOLUTION NO. 11-43

**RESOLUTION OF THE BOARD OF COMMISSIONERS  
MORRIS COUNTY IMPROVEMENT AUTHORITY**

---

**TITLE:****RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY  
APPOINTING AN UNDERWRITER ALL IN CONNECTION WITH THE  
AUTHORITY'S COUNTY OF MORRIS GUARANTEED LOAN REVENUE  
REFUNDING BONDS, SERIES 2011(POOLED ERI UNFUNDED LIABILITY  
PROJECT) [Federally Taxable]  
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000**

**WHEREAS**, The Morris County Improvement Authority (including any successors and assigns, the "*Authority*") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "*Board of Freeholders*") of the County of Morris (the "*County*") in the State of New Jersey (the "*State*") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with 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*") and other applicable law;

**WHEREAS**, on July 12, 2002, P.L. 2002, c. 42 (the "*ERI Refunding Law*") became the law of the State, by its terms authorizing municipalities, counties, school districts and certain other local governmental units ("*Local Units*") to issue refunding bonds (the "*Local Unit Refunding Bonds*") for the purpose of retiring the present value of their unfunded liability (the "*Unfunded ERI Liability*") for early retirement incentive benefits previously granted by the State to the Local Units pursuant to prior State law;

**WHEREAS**, in particular, municipal and county Local Units were authorized under the ERI Refunding Law to issue Local Unit Refunding Bonds (the "*Municipal and County Refunding Bonds*") under N.J.S.A. 40A:2-51.3 and other applicable provisions of the Local Bond Law for the purpose of retiring the present value of the Unfunded ERI Liability previously granted by the State to such Municipal and County Local Units pursuant to P.L. 1991, c.229, P.L.1991, c.230, P.L.1993, c.138, P.L. 1993, c.181, P.L.1993, c.99, and P.L.1999, c.59 (the "*Municipal and County Unfunded ERI Liability*");

**WHEREAS**, in particular, school district Local Units were authorized under the ERI Refunding Law to issue Local Unit Refunding Bonds (the "*School District Refunding Bonds*"), (i) for type I school districts, under N.J.S.A. 18A:24-61.2 of the School Bond Law and other applicable provisions of the School Bond Law and the Local Bond Law, and (ii) for type II school districts, under N.J.S.A. 18A:24-61.2 of the School Bond Law and other applicable

provisions of the School Bond Law, all for the purpose of retiring the present value of the Unfunded ERI Liability previously granted by the State to such School District Local Units pursuant to P.L.1991, c.231 and P.L.1993, c163 (the “*School District Unfunded ERI Liability*”);

**WHEREAS**, further pursuant to the ERI Refunding Law, which by its terms also amended the Act, the Authority’s purposes under N.J.S.A. 40:37A-54 were expanded to allow for the issuance and pooling of loans by the Authority to the Local Units secured by Local Unit Refunding Bonds in order to achieve more favorable interest rates and terms for the Local Units;

**WHEREAS**, on February 6, 2003, the Authority issued its \$16,890,000 original aggregate principal amount of “County of Morris Guaranteed Loan Revenue Bonds, Series 2003 (Pooled ERI Unfunded Liability Project)” (the “*Series 2003 Bonds*”) for the purpose, among other things, of the purchase of Local Unit Refunding Bonds (the “*Series 2003 Local Unit Refunding Bonds*”) of (i) Chester Board of Education, (ii) the County, (iii) Morris Plains Borough, (iv) Morris Township, (v) Mt. Olive Township, (vi) Mt. Olive Township Board of Education, (vii) Roxbury Township and (viii) Roxbury Township Board of Education (collectively, the “*Series 2003 Local Units*”) to finance their Unfunded ERI Liability (collectively the “*Series 2003 Loans*”);

**WHEREAS**, the 2003 Loans were secured through those certain “Loan Agreement (Pooled ERI Unfunded Liability Project)” dated as of February 1, 2003 (the “*Series 2003 Loan Agreement*”) between the Authority and each Series 2003 Local Unit, pursuant to which the Authority loaned the Series 2003 Local Units a portion of the proceeds of the Series 2003 Bonds for the respective Series 2003 Loans, which Series 2003 Loans were to be repaid by the Local Units in accordance with a debt service schedule set forth in Exhibit B to each Series 2003 Loan Agreement, as evidenced by each Series 2003 Local Unit Refunding Bond;

**WHEREAS**, the Series 2003 Bonds were issued pursuant to (i) a bond resolution of the Authority entitled “Resolution Authorizing the Issuance of County of Morris Guaranteed Loan Revenue Bonds (Pooled ERI Unfunded Liability Project) and Additional Bonds of the Morris County Improvement Authority”, which was duly adopted by the Authority at a meeting thereof duly called and held on December 11, 2002, as amended and supplemented by a Certificate of the Executive Director of the Authority dated February 6, 2003 issued pursuant to Section 2.02(1)(e) of the original bond resolution (collectively, the “*Series 2003 Bond Resolution*”), (ii) the Act, and other applicable law;

**WHEREAS**, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2003 Bonds was fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$16,890,000 in accordance with (i) the terms of a guaranty ordinance of the County finally adopted by the Board of Freeholders and (ii) by a guaranty certificate executed by an authorized officer of the County on the face of each Series 2003 Bond (collectively, the “*Series 2003 County Guaranty*”), all pursuant to Section 37 (“*Section 37*”) of the Act (N.J.S.A. 40:37A-80) and other applicable law, which payments are included as part of the Trust Estate applicable to the Series 2003 Bonds pledged by the Authority to the Trustee under the Series 2003 Bond Resolution;

**WHEREAS**, the Series 2003 Bonds are presently Outstanding (as such term is defined in the Series 2003 Bond Resolution) in the aggregate principal amount of \$8,680,000, \$6,005,000 aggregate principal amount of which are scheduled to mature on or after March 1, 2014 and are to be refunded (the “*Series 2003 Bonds to be Refunded*”);

**WHEREAS**, (i) the 2003 Loans to the Borough of Morris Plains and the Chester Township Board of Education have been paid in full, and accordingly, there are no Series 2003 Bonds Outstanding under the Series 2003 Bond Resolution allocable to these Series 2003 Local Units; (ii) the 2003 Loans to Morris Township and Mt. Olive Township (each a Series 2003 Local Unit, and collectively, the “*Outstanding Series 2003 Local Units*”) are small and have one or a few payments remaining and therefore Morris Township and Mt. Olive Township shall continue to pay their Loans as they shall become due, and the \$705,000 aggregate principal amount of Series 2003 Bonds allocable to such Series 2003 Local Units shall remain Outstanding under the Series 2003 Bond Resolution (the “*Outstanding Series 2003 Bonds*”), and (iii) the County, Mt. Olive Township Board of Education, Roxbury Township and Roxbury Township Board of Education (each a Series 2003 Local Unit, and collectively, the “*Series 2011 Local Units*”, and together with the Outstanding Series 2003 Local Units, the “*Outstanding Local Units*”) each have loans Outstanding under the Series 2003 Bond Resolution that are eligible to be refunded;

**WHEREAS**, the Authority and the Series 2011 Local Units have determined that there are debt service savings to be achieved through the advance refunding of all or a portion of their allocable share of the Series 2003 Bonds to be Refunded (the “*Advance Refunding Project*”), which net savings shall in turn be passed on to the Series 2011 Local Units, through the application of a debt service credit for the benefit of each such Series 2011 Local Unit and their Series 2003 Local Unit Refunding Bonds, all pursuant to the terms of the Series 2011 Refunding Agreement (as hereinafter defined);

**WHEREAS**, pursuant to the terms of the Series 2003 Bond Resolution, the earliest date the Series 2003 Bonds to be Refunded can be redeemed is March 1, 2013 at par;

**WHEREAS**, in order to implement the Advance Refunding Project, and to pay the costs of issuance and fund any necessary reserves or other costs related thereto (collectively the “*Series 2011 Project*”), the Authority shall adopt a bond resolution entitled "SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED LOAN REVENUE REFUNDING BONDS, SERIES 2011 (POOLED ERI UNFUNDED LIABILITY PROJECT) OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (the “*Series 2011 Supplemental Bond Resolution* ” and together with the Series 2003 Bond Resolution, and any further amendments thereof or supplements thereto, the “*Bond Resolution*”);

**WHEREAS**, the Series 2011 Supplemental Bond Resolution shall authorize the issuance of “County of Morris Guaranteed Loan Revenue Refunding Bonds, Series 2011 (Pooled ERI Unfunded Liability Project)” in the aggregate principal amount not to exceed \$7,000,000 (the “*Series 2011 Refunding Bonds*”);

**WHEREAS**, the Advance Refunding Project shall be achieved through the deposit of a

portion of the proceeds of the Series 2011 Refunding Bonds with the trustee authorized under the Bond Resolution (the “*Trustee*”), as escrow agent (the “*Escrow Agent*”) pursuant to an “Escrow Deposit Agreement” to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (the “*Escrow Deposit Agreement*”) between the Authority and the Escrow Agent;

**WHEREAS**, upon issuance of the Series 2011 Refunding Bonds, and the deposits with the Escrow Agent of a portion of the proceeds thereof in accordance with the terms of the Escrow Deposit Agreement, the Series 2003 Bonds to be Refunded shall no longer be Outstanding under the Bond Resolution, and only the Outstanding Series 2003 Bonds and the Series 2011 Refunding Bonds shall be Outstanding under the Bond Resolution;

**WHEREAS**, the Series 2011 Refunding Bonds shall be secured on a parity basis with the Outstanding Series 2003 Bonds, and any other Bonds issued under and as defined in the Bond Resolution (collectively, the “*Outstanding Bonds*”) , by the Trust Estate under and as defined in the Bond Resolution, including the Series 2011 Supplemental Bond Resolution, which Trust Estate shall consist, in material part, of the payment of the principal, redemption premium, if any, and interest on (i) the Series 2003 Local Unit Refunding Bonds of the Outstanding Series 2003 Local Units (the “*Outstanding Series 2003 Local Unit Refunding Bonds*”) and (ii) the Series 2003 Local Unit Refunding Bonds of the Series 2011 Local Units (which, from this point forward, after application of the debt service credit in accordance with the Series 2011 Refunding Agreement, shall be collectively referred to as the “*Series 2011 Local Unit Refunding Bonds*”; the Outstanding Series 2003 Local Unit Refunding Bonds and the Series 2011 Local Unit Refunding Bonds may be collectively referred to as the “*Outstanding Local Unit Refunding Bonds*” of the Outstanding Local Units);

**WHEREAS**, the Outstanding Local Unit Refunding Bonds shall be payable by the respective Outstanding Local Units, if necessary, from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Outstanding Local Unit, without limitation as to rate or amount;

**WHEREAS**, simultaneously with the issuance of the Series 2011 Refunding Bonds, the Series 2011 Local Units shall enter into that certain “Refunding Agreement (Pooled ERI Unfunded Liability Project)” (the “*Series 2011 Refunding Agreement*”) containing a revised Exhibit B to its 2003 Loan Agreement evidencing the credit to debt service on its Series 2011 Local Unit Refunding Bonds;

**WHEREAS**, the Series 2011 Refunding Agreement shall be authorized by a resolution of each Series 2011 Local Unit (the “*Series 2011 Local Unit Authorizing Resolution*”);

**WHEREAS**, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2011 Refunding Bonds shall be fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$7,000,000 in accordance with (i) the terms of a guaranty ordinance of the County to be finally adopted by the Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County on the face of each Series 2011 Refunding Bond and (iii) as may be required by any rating agency, underwriter, Series 2011 Refunding Bond purchaser or other entity that will allow the

Authority to sell the Series 2011 Refunding Bonds at the lowest possible cost to the Local Unit, an agreement setting forth the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in such ordinance (collectively, the "*Series 2011 County Guaranty*"), and together with the Series 2003 County Guaranty, the "*County Guaranty*"), all pursuant to Section 37 of the Act and other applicable law;

**WHEREAS**, accordingly, the Trust Estate under the Bond Resolution shall also include, (i) with respect to the Outstanding Series 2003 Bonds, the Series 2003 County Guaranty, and (ii) with respect to the Series 2011 Refunding Bonds, the Series 2011 County Guaranty;

**WHEREAS**, pursuant to the terms of the Loan Agreement, those Local Units constituting "materially obligated persons" within the meaning and for the purposes set forth in Rule 15c2-12 ("*Rule 15c-12*") promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, will be required to enter into those certain "Local Unit Continuing Disclosure Agreements (Pooled Unfunded ERI Liability Project)" to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with their respective terms, the "*Local Unit Continuing Disclosure Agreements*") with the Authority and the Trustee, as dissemination agent (the "*Dissemination Agent*") in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution due to the County Guaranty, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County shall be required to enter into that certain "County Continuing Disclosure Agreement (Pooled Unfunded ERI Liability Project)" to be dated as of the first day of the month of issuance of the Series 2011 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Continuing Disclosure Agreement*") with the Authority and the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

**WHEREAS**, pursuant to the terms of the Bond Resolution, the Authority (i) shall not be considered a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12 and (ii) shall be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority (a) may be required to enter into a separate continuing disclosure agreement, and (b) shall be required to provide such material events notices under the terms of the Local Unit Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12 (the "*Authority Continuing Disclosure Agreement*" and together with the Local Unit Continuing Disclosure Agreements and the County Continuing Disclosure Agreement, the "*Continuing Disclosure Agreements*");

**WHEREAS**, in order to market and sell the Series 2011 Refunding Bonds, the Authority will have to (i) make an application (the "*Local Finance Board Application*") to, and seek, obtain, and officially recognize the findings from the Local Finance Board (the "*Local Finance Board*") in the Department of Local Government Services of the State Department of Community Affairs, all in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law, (ii) authorize the distribution of a preliminary official statement "deemed final" within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series



2011 Refunding Bonds, the Series 2011 Project and the other transactions contemplated hereby (the “*Preliminary Official Statement*”), (iii) enter into a bond purchase agreement with an underwriter to be selected from the Authority’s qualified underwriter list procured through a fair and open process (the “*Underwriter*”) by the Authority (the “*Bond Purchase Agreement*”), (iv) execute and deliver a final Official Statement incorporating the terms of the sale of the Series 2011 Refunding Bonds and certain other information into the Preliminary Official Statement (the “*Official Statement*” and together with the Preliminary Official Statement, the Bond Purchase Agreement, the “*Sale Documents*”);

**WHEREAS**, the Authority shall have no obligation with respect to the Series 2011 Project other than the financing thereof through the issuance of the Series 2011 Refunding Bonds and the application of debt service credits to the Outstanding Local Unit Bonds through the Series 2011 Refunding Agreement; accordingly, the payment of the principal of and interest on the Outstanding Bonds shall remain the sole responsibility of the Outstanding Local Units through their payment of the principal of and interest on the Outstanding Local Unit Refunding Bonds, as guaranteed by the County under the County Guaranty;

**WHEREAS**, in accordance with Section 13 (“*Section 13*”) of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Series 2011 Refunding Bonds, the Authority will have made a detailed report of the Series 2011 Project to the Board of Freeholders, which report will include, without limitation, descriptions of the Series 2011 Supplemental Bond Resolution, the Series 2011 Local Unit Authorizing Resolutions, the Series 2011 Refunding Bonds, the Series 2011 County Guaranty, the Refunding Agreement, the Escrow Deposit Agreement, the Continuing Disclosure Agreements, and if necessary, desirable or convenient as determined by the Authority, the County, and as applicable, the Local Unit, such other applicable agreements that may include one or more of the Local Finance Board Application or any Sale Documents (collectively, the “*Financing Documents*”);

**WHEREAS**, in order to purchase the Series 2011 Refunding Bonds from the Authority on a negotiated basis pursuant to a Bond purchase agreement (the “**Bond Purchase Agreement**”), market and resell the Series 2011 Refunding Bonds to the public as part of an initial public offering, all as permitted pursuant to N.J.S.A. 40:37A-62 of the Act, the Authority needs to contract for the services of an underwriter for its 2011 Refunding Bonds (the “**Underwriter RFP**”);

**WHEREAS**, as of January 1, 2006, N.J.S.A. 19:44A-20.1 *et seq.*, commonly known as the “**State Pay to Play Law**” became effective;

**WHEREAS**, pursuant to the State Pay to Play Law, the Authority may not award contracts with a value in excess of \$17,500.00, including the Bond Purchase Agreement, to a business entity, including an underwriter, which has made reportable contributions in excess of \$300.00, in the aggregate, to certain political parties or candidate committees of persons serving in an elective public office when such contract was awarded, unless said business entity is awarded a contract under a “fair and open process” pursuant to the State Pay to Play Law;

**WHEREAS**, a “fair and open process” constitutes the following: (i) public advertisement on the Authority’s website or in the newspaper of a Request for Qualifications (hereinafter the “**Fair and Open RFQ**”) with ten (10) calendar days notice prior to the receipt of responses to the RFQ; (ii) award of contract under a process that provides for public solicitation of qualifications; (iii) award of contract under publicly disclosed criteria established, in writing, by the Authority prior to the solicitation of qualifications; and (iv) the Authority shall publicly open and announce the qualifications when awarded;

**WHEREAS**, by resolution no 02-10 adopted July 24, 2002 and entitled “Resolution Adopting a Policy for the Selection of Underwriters and other Ancillary Service Providers in connection with the Sale of Securities,” the Authority has adopted a policy directing that a request for underwriting qualifications (“**Policy RFQ**”) be issued by the Authority from time to time as the initial action required under the Policy for the selection of underwriters in connection with the issuance of Securities to finance Projects;

**WHEREAS**, pursuant to the Policy and a Authority resolution adopted April 19, 2011 and entitled “RESOLUTION APPROVING A QUALIFIED LIST OF UNDERWRITERS FOR AUTHORITY SECURITIES TRANSACTION IN ACCORDANCE WITH THE AUTHORITY’S UNDERWRITER SELECTION POLICY AND A FAIR AN OPEN PROCESS”, the Authority established the 2011 qualified list of underwriters (the “**2011 Qualified List**”); and

**WHEREAS**, the Authority desires to appoint an underwriter for the purchase of the 2011 Refunding Bonds pursuant to the Bond Purchase Agreement through a “fair and open process” and in accordance with the Policy and the 2011 Qualified List the terms thereof, all to be governed by the State Pay to Play Law, the Policy and other applicable law.

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Authority as follows:

**Section 1.** \_\_\_\_\_ is hereby designated the Underwriter in connection with the Series 2011 Refunding Bonds.

**Section 2.** Notwithstanding the award made by this resolution, there shall be no binding contract unless and until the authorization, execution and delivery of a Bond Purchase Agreement by the Authority and \_\_\_\_\_.

**Section 3.** All actions taken to date by the Authority, the Authorized Officers and the Consultants, with respect to the matters set forth in or contemplated by this resolution, are hereby ratified and approved.

**Section 4.** In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of

Freeholders a certification from the respective Clerks stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

**Section 5.** This resolution shall be effective immediately, unless it has been vetoed in accordance with N.J.S.A. 40:37A-50(e) of the Act.

***MOVED/SECONDED:***

**Resolution moved by Commissioner \_\_\_\_\_.**

**Resolution seconded by Commissioner \_\_\_\_\_.**

***VOTE:***

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

***ATTESTATION:***

This Resolution was acted upon at the Regular Meeting of the Authority held on September 28, 2011 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 28<sup>th</sup> day of September, 2011

**By:** \_\_\_\_\_

**Secretary of the Authority**

***FORM and LEGALITY:***

This Resolution is approved as to form and legality as of September 28, 2011

**By:** \_\_\_\_\_

**Stephen B. Pearlman, Esq., Partner  
Inglesino, Pearlman, Wyciskala & Taylor, LLC  
Counsel to the Authority**



**RESOLUTION OF THE BOARD OF COMMISSIONERS  
MORRIS COUNTY IMPROVEMENT AUTHORITY**

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**TITLE:**

**RESOLUTION AUTHORIZING CONSENT AND  
AGREEMENT NO. 2 IN CONNECTION WITH  
THE AUTHORITY'S INITIAL RENEWABLE ENERGY PROGRAM AND  
SERIES 2009A BONDS RELATED THERETO**

**WHEREAS**, the Authority has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "*Board of Freeholders*") of the County in the State on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with 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*") and other applicable law;

**WHEREAS**, the Authority issued its \$21,600,000 aggregate principal amount of "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2009A" dated February 18, 2010 (the "*Series 2009A Bonds*") pursuant to that certain "RESOLUTION AUTHORIZING THE ISSUANCE OF County Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2009A AND ADDITIONAL BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" adopted by the governing body of the Authority on June 10, 2009, as amended and supplemented from time to time in accordance with its terms, including by a Certificate of an Authorized Officer of the Authority dated February 18, 2010 (the "*Bond Resolution*");

**WHEREAS**, in connection with the issuance of the Series 2009A Bonds the Authority and Tioga Solar Morris County 1, LLC (the "*Company*") entered into that certain "Power Purchase Agreement (Morris County Renewable Energy Program) dated as of February 1, 2010 as amended by the Consent and Agreement No. 1 (collectively, the "*Prior Power Purchase Agreement*" and together with the Consent No. 2, the "*Power Purchase Agreement*") which Prior Power Purchase Agreement was acknowledged by each of the Series 2009A Local Units, as defined in the Bond Resolution, including the County; and

**WHEREAS**, the Prior Power Purchase Agreement establishes, among other things, the amount to be paid by the Local Units to the Company for the purchase of renewable energy in connection with the Authority's renewable energy program, as set forth in Section 6.2 (the "*Prior PPA Price*");

**WHEREAS**, the Authority has applied for and been conditionally awarded the congressionally directed program grant, DE-EE0003171, by the United States Department of Energy in the amount of \$2,000,000 (the “*DOE Grant*”) in connection with Catalogue of Federal Domestic Assistance Number 91.117, Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance; and

**WHEREAS**, the Company, the Authority, and the Local Units intend to enter into the Consent and Agreement No. 2 (the “*Consent No. 2*”), amending the Prior Power Purchase Agreement to reflect the anticipated arrangement between the Company, the Authority and the Local Units whereby the DOE Grant funds shall be paid to the Company in exchange for a reduction in the Prior PPA Price.

**NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority as follows:**

**Section 1.** The Chairperson, Vice-Chairperson and the Treasurer of the Authority (including their designees, each an “*Authorized Officer*”) are each hereby severally authorized and directed to negotiate, execute and deliver the Consent No. 2 in substantially the form attached as **Exhibit A** hereto, with such changes to the Consent No. 2 from the attached form as any such Authorized Officer, in his or her sole discretion shall determine to be necessary, desirable or convenient to promote the best interests of the Authority, and any such Authorized Officer’s execution and delivery of the Consent No. 2 shall be full and complete evidence of the authorization by the Authority of any such changes to the Prior Power Purchase Agreement. The Authorized Officer is hereby further authorized to take all such further actions in connection therewith in accordance with all applicable law, including without limitation the execution of such other certificates, instruments or documents, as any such Authorized Officer, in consultation with counsel, shall deem necessary, convenient or desirable by any such Authorized Officer to implement the Consent No. 2 to the Power Purchase Agreement.

**Section 2.** The Secretary and the Assistant Secretary of the Authority are hereby authorized and directed, where required, to affix the corporate seal of the Authority and to attest to the signature of the Authorized Officer on any such Consent No. 2 including such other certificates, instruments or documents contemplated herein. Thereafter the Authorized Officer is hereby authorized and directed to deliver any such fully authorized, executed, delivered, and if applicable, attested and sealed certificates, instruments and documents to any interested party.

**Section 3.** All actions taken to date in connection with the Consent No. 2 by the Authority and the Authority’s counsel, Inglesino, Pearlman, Wyciskala & Taylor, LLC, are hereby ratified, confirmed and approved.

**Section 4.** In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of

Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of Freeholders a certification from the respective Clerks stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

**Section 5.** This Resolution shall take effect immediately.

[Remainder of this page intentionally left blank.]



**Section 5.** This resolution shall be effective immediately, unless it has been vetoed in accordance with N.J.S.A. 40:37A-50(e) of the Act.

***MOVED/SECONDED:***

**Resolution moved by Commissioner \_\_\_\_\_.**

**Resolution seconded by Commissioner \_\_\_\_\_.**

***VOTE:***

<b>Commissioner</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
<b>Pinto</b>				
<b>Ramirez</b>				
<b>Roe</b>				
<b>Sandman</b>				
<b>Bonanni</b>				

***ATTESTATION:***

**This Resolution was acted upon at the Regular Meeting of the Authority held on April 19th at the Authority’s principal corporate office in Morristown, New Jersey.**

**Attested to this 28<sup>th</sup> day of September, 2011**

**By: \_\_\_\_\_**

**Secretary of the Authority**

***FORM and LEGALITY:***

**This Resolution is approved as to form and legality as of April 19, 2011**

**By: \_\_\_\_\_**

**Stephen B. Pearlman, Esq., Partner  
Inglesino, Pearlman, Wyciskala & Taylor, LLC  
Counsel to the Authority**

**EXHIBIT A**

**[Attach copy of Consent No. 2]**