

MORRIS COUNTY IMPROVEMENT AUTHORITY

MINUTES of the Board Meeting held on November 10, 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
Glenn Roe, Commissioner
Frank Pinto, Commissioner
Stephen B. Pearlman Esq. - Inglesino, Pearlman, Wyciskala & Taylor LLC
Rich Preiss, Gabel Associates
Jennifer Edwards, Acacia Financial
Doug Bacher, NW Financial Group

Commissioner Bonanni, 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 Bonanni, Chairman, asked for “roll call” for the Authority. Three of the five Commissioners were in attendance; Mr. John Bonanni, Mr. Glenn Roe, and Mr. Frank Pinto, a quorum was established.

Approval of the October 27, 2011 special meeting, conference call minutes were considered, Commissioner Pinto made a motion to accept the minutes of the October 27th special meeting. Commissioner Roe seconded the motion.

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

Agenda item 6(i) was discussed - Resolution Adopting the Improvement Authority Budget. A representative from the State of NJ telephoned on November 10th, 2011 to advise that the 2012 Budget has been approved. 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. 11-53 “RESOLUTION ADOPTING THE 2012 AUTHORITY BUDGET FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2012 AND ENDING, DECEMBER 31, 2012” (NO. 11-53) was adopted.

Agenda item 6(ii) was discussed – Resolution authorizing the contract for Auditing Services. The firm of Ferraioli, Wielkoz, Cerullo and Cuva has been selected by the Authority. 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. 11-54 “RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT FOR AUDITING SERVICES” (NO. 11-54) was adopted.

Agenda item 6(iii) was discussed – Resolution concerning the Review of Findings and Recommendations of the Local Finance Board all in connection with the Authority’s County of Morris Guaranteed Loan Revenue Refunding Bonds in aggregate principal amount not to exceed \$7,000,000. 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. 11-55 “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 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. 11-55) was adopted.

Agenda item 6(iv) 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 Pinto seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution “Bill List” (NO. 11-56) was adopted.

7a. Discussion: Status of Renewable Energy Program – Phase II is on schedule. Rich Preiss, VP, Gabel Associates provided an update regarding the following local units: Randolph Board of Education expressed an interest in increasing the size of their system. Mine Hill will be included in Phase II. Morris School District will not be included in Phase II. A meeting was held at County College of Morris to discuss the potential size of the project and the options available to the college.

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 – Nothing at this time.

7f. Other items –ESIP (Energy Savings Improvement Program) Nothing at this time.

8. Further Official Action – Nothing at this time.

The November 10, 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 OF THE BOARD OF COMMISSIONERS
MORRIS COUNTY IMPROVEMENT AUTHORITY**

TITLE:

RESOLUTION ADOPTING THE 2012 AUTHORITY BUDGET FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2012 AND ENDING, DECEMBER 31, 2012

WHEREAS, the Annual Budget and Capital Budget/Program for the Morris County Improvement Authority for the fiscal year beginning, January 1, 2012 and ending, December 31, 2012 has been presented for adoption before the governing body of the Morris County Improvement Authority at its open public meeting of November 10, 2011; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, Annual Budget as presented for adoption reflects Total Revenues of \$23,623,046.55, Total Appropriations, including any Accumulated Deficit, if any, of \$23,623,046.55, and Total Unreserved Retained Earnings utilized of \$0.00; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$0.00 and Total Unreserved Retained Earnings planned to be utilized of \$0.00; and

NOW THEREFORE BE IT RESOLVED by the governing body of the Morris County Improvement Authority, at an open public meeting held on November 10, 2011 that the Annual Budget and Capital Budget/Program of the Morris County Improvement Authority for the fiscal year beginning, January 1, 2012 and ending, December 31, 2012 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on November 10, 2011 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 10th day of November, 2011

By: _____
Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of November 10, 2011

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

RESOLUTION NO. 11-54

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

TITLE:

**RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT
FOR AUDITING 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 needs to contract for the certain services, including hiring an auditor;

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, the Authority desires to appoint Ferraioli, Wielkotz, Cerullo & Cuva for a contract in an amount less than \$17,500;

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

Section 1. The Authority hereby awards a contract for an aggregate amount less than \$17,500 to the following firm to perform auditing services for the Authority for a one year period commencing November 10, 2011:

- a. Auditor: Ferraioli, Wielkocz, Cerullo & Cuva P.A.
401 Wanaque Avenue, Pompton Lakes, New Jersey
Contact Person: Thomas M. Ferry, CPA, RMA

Section 2. The Chairperson is hereby authorized and directed to execute a contract with Ferraioli, Wielkocz, Cerullo & Cuva on the following basis, 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.

- a. Auditor annual fee: \$3,400
- b. Additional charges, upon prior approval, pursuant to the contract as follows:
 - (i) Partner \$140
 - (ii) Manager \$ 100
 - (iii) Senior \$ 80
 - (iv) Staff \$ 60
 - (v) Administrative \$ 55

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Section 3. This resolution shall take effect immediately.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on November 10, 2011 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 10th day of November, 2011

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of November 10, 2011.

By: _____

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

RESOLUTION NO. 11-55

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

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 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 Local Finance Board at a meeting held on October 12, 2011, did issue favorable findings (the “*Findings*”) with respect to the Series 2011 Refunding 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 a meeting and hearing of the Local Finance Board on October 12, 2011 with respect to the Series 2011 Refunding Bonds, the Series 2011 Project and such other matters contemplated by the Authority's resolution adopted November 10, 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 LOAN REVENUE REFUNDING BONDS, SERIES 2011(POOLED ERI UNFUNDED LIABILITY PROJECT) [Federally Taxable] IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000 ".

<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 November, 2011.

Notary Public
State of New Jersey

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on November 10, 2011 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 10th day of November, 2011

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of November 10, 2011

By: _____

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

