

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

TITLE

**RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY
AUTHORIZING THE PREPARATION AND SUBMISSION OF A LETTER
APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO LOCAL
AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN
CONNECTION WITH THE RENEWAL OF THE AUTHORITY'S COUNTY
GUARANTEED LEASING PROGRAM AND CERTAIN OTHER RELATED MATTERS**

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 is authorized by the Act, including without limitation Section 11 thereof (N.J.S.A. 40:37A-54(a)), to purchase, lease or otherwise acquire public facilities, including capital equipment (the "Equipment") for the benefit of certain local governmental units located within the County, including (i) the County, (ii) municipalities within the County (collectively, the "Municipal Local Units"), (iii) school districts that provide service to one or more Municipal Local Units (the "School District Local Units") and (iv) other local governmental units that provide service to one or more Municipal Local Units, including County, municipal or regional authorities (the "Other Local Units" and together with the County, the Municipal Local Units and the School District Local Units, the "Local Units");

WHEREAS, the Authority created a county guaranteed leasing program (the "County Guaranteed Leasing Program", the "Program" or "CGLP") whereby a Local Unit can submit a request (the "Application") to the Authority to borrow funds from or on behalf of the Authority under the Authority's CGLP to finance or refinance the lease purchase of certain capital equipment and, if applicable, other personal property (the "Equipment;" the financing of the Equipment under the CGLP may be referred to herein as the "Project"), pursuant to which Program the Authority can provide a low cost, efficient means for financing Projects of the Local Unit;

WHEREAS, pursuant to the Act, specifically Section 34 thereof (N.J.S.A. 40:37A-77), a private lessor, including without limitation a leasing finance company procured through a competitive process (the "Finance Company"), may sell, lease, lend, grant or convey to the Authority or permit the Authority or its Local Unit lessees to use, maintain or operate any real or personal property, including without limitation the Equipment;

WHEREAS, pursuant to the Act, including without limitation Section 35 thereof (N.J.S.A. 40:37A-78), the Authority is authorized, without public bidding, to enter into and perform any lease, sublease or other agreement with, among others, a Local Unit, for the lease to or use by the Local Unit of all or any part of any public facility or facilities as determined in Section 11 of the Act (N.J.S.A. 40:37A-54(l)), including without limitation the Equipment;

WHEREAS, the Authority created the CGLP to provide low cost, timely and turnkey lease purchase financing to Local Units desiring to lease finance or refinance their Equipment needs;

WHEREAS, under the CGLP, from time to time, as Local Units express the desire to enter into the Program and take the required authorization actions (the "Local Unit Official Action") therefore, the Lessor provides funds, at tax-exempt rates to the Local Units against purchase orders or other evidence of such Local Units' Equipment needs within the hereinafter defined Overall Maximum Program Amount, whereupon the Equipment will be owned by the Finance Company, leased to the Authority under the Master Lease (defined below), and subleased by the Authority, as lessor, to the Local Unit, as lessee, which Local Unit will have the right to quiet use of and be obligated to maintain, the Equipment, all under a sublease purchase agreement (the "Sublease") to be entered into by the Authority and each such Local Unit in accordance with all applicable law, including without limitation Section 35 of the Act (N.J.S.A. 40:37A-78);

WHEREAS, upon expiration of the Sublease, the Equipment will be sold by the Finance Company through the Authority to the Local Unit for nominal consideration, which Local Unit will thereafter possess clear title to the Equipment;

WHEREAS, under the Master Lease and the Sublease, (i) the County and the Municipal Local Units make general obligation Sublease payments directly to the Finance Company, as assignee under the Master Lease of such payments otherwise due the Authority under the Sublease, and (ii) the School District Local Units and the Other Local Units make contractually obligated, subject to appropriation, Sublease payments directly to the Finance Company, as assignee under the Master Lease of such payments otherwise due the Authority under the Sublease;

WHEREAS, under the CGLP and applicable law, including without limitation Section 34 of the Act (N.J.S.A. 40:37A-77), the Authority, as lessee, entered into a master lease purchase agreement (the "Original Master Lease") with the Finance Company for the lease of Equipment to be determined in accordance with each Sublease (as hereinafter defined) entered into with Local Units under the Program, in an original maximum Program amount (until increased or renewed by the Authority, the County and the Local Finance Board in the Division of Local Government Services of the State Department Community of Affairs (the "Local Finance Board"), the "Original Maximum Program Amount") in an amount not to exceed \$10,000,000;

WHEREAS, the Authority issued to the Finance Company a performance bond (the “Original Bond”) in a principal amount up to the Original Maximum Program Amount, which Original Bond was issued directly to the Finance Company as sole Bondholder, and which Bond will be payable to the Finance Company only upon a deficiency in Sublease payments due and owing by the respective Local Units, in which case the County will have fully, unconditionally and irrevocably guaranteed the payment of the principal of the Original Bond up to the Original Maximum Program Amount, plus interest thereon, through (i) the final adoption of a guaranty ordinance by the Board of Freeholders, (ii) the execution by an authorized officer of the County of a guaranty certificate on the face of each bond and (iii) as may be required by any rating agency, Finance Company or other entity giving approval to the CGLP, an agreement setting forth the County’s obligation to make any such guaranty payments in accordance with and within the parameters set forth in the guaranty ordinance, all in accordance with all applicable law, including Section 37 of the Act (N.J.S.A. 40:37A-80), (collectively, the “Original County Guaranty”);

WHEREAS, the Original Bond was authorized by the Act, all other applicable law, and a bond resolution (the “Original Bond Resolution”) of the Authority adopted pursuant to N.J.S.A. 40:37A-60 and -62 of the Act;

WHEREAS, on June 14, 2006 the Authority obtained the approval of the Local Finance Board for (i) the extension of the Program until July 31, 2007 and (ii) an additional \$10,000,000 authorization thereby increasing the Original Maximum Program Amount (until further increased or renewed by the Authority, the County and the Local Finance Board, the “2006 Increased Program Amount”) in an amount not to exceed \$20,000,000;

WHEREAS, the Authority, entered into an amendment No. 1 to Master Lease (the “Amendment No. 1 to Master Lease”) with the Finance Company for the lease of Equipment to be determined in accordance with each Sublease entered into with Local Units under the Program, in the 2006 Increased Program Amount in an amount not to exceed \$20,000,000;

WHEREAS, the Authority issued to the Finance Company a performance bond (the “2006 Amended Bond”) in a principal amount up to the 2006 Increased Program Amount, which 2006 Amended Bond was issued directly to the Finance Company as sole Bondholder, and which 2006 Amended Bond was payable to the Finance Company only upon a deficiency in Sublease payments due and owing by the respective Local Units, in which case the County will have fully, unconditionally and irrevocably guaranteed the payment of the principal of the Revised Bond up to the 2006 Increased Program Amount, plus interest thereon, through (i) the final adoption of an amendment to the original guaranty ordinance by the Board of Freeholders, and (ii) the execution by an authorized officer of the County of a guaranty certificate on the face of the Amended Bond, all in accordance with all applicable law, including Section 37 of the Act (N.J.S.A. 40:37A-80), (collectively, the “2006 Amended County Guaranty”);

WHEREAS, the 2006 Amended Bond was authorized by the Act, all other applicable law, and a supplemental bond resolution amended and supplementing the terms of the Original Bond Resolution (the “2006 Supplemental Bond Resolution”) of the Authority adopted pursuant to N.J.S.A. 40:37A-60 and -62 of the Act;

WHEREAS, on June 13, 2007 the Authority obtained the approval of the Local Finance Board for (i) the extension of the Program until July 31, 2008 and (ii) an additional \$10,000,000 authorization thereby increasing the Original Maximum Program Amount (until further increased or renewed by the Authority, the County and the Local Finance Board, the “Overall Maximum Program Amount”) in an amount not to exceed \$30,000,000;

WHEREAS, the Authority, entered into an amendment No. 2 to Master Lease (the “Amendment No. 2 to Master Lease”) with the Finance Company for the lease of Equipment to be determined in accordance with each Sublease entered into with Local Units under the Program, in the Overall Maximum Program Amount in an amount not to exceed \$30,000,000;

WHEREAS, the Authority issued to the Finance Company a performance bond (the “2007 Amended Bond”) in a principal amount up to the Overall Maximum Program Amount, which 2007 Amended Bond was issued directly to the Finance Company as sole Bondholder, and which 2007 Amended Bond was payable to the Finance Company only upon a deficiency in Sublease payments due and owing by the respective Local Units, in which case the County will have fully, unconditionally and irrevocably guaranteed the payment of the principal of the Revised Bond up to the Overall Maximum Program Amount, plus interest thereon, through (i) the final adoption of an amendment to the original guaranty ordinance by the Board of Freeholders and (ii) the execution by an authorized officer of the County of a guaranty certificate on the face of the Amended Bond, all in accordance with all applicable law, including Section 37 of the Act (N.J.S.A. 40:37A-80), (collectively, the “2007 Amended County Guaranty”);

WHEREAS, the 2007 Amended Bond was authorized by the Act, all other applicable law, and a supplemental bond resolution amended and supplementing the terms of the Original Bond Resolution (the “2007 Supplemental Bond Resolution”) of the Authority adopted pursuant to N.J.S.A. 40:37A-60 and -62 of the Act;

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2009 (the “2008 Program Extension”);

WHEREAS, the Local Finance Board, at a meeting held on June 9, 2008 did issue favorable Findings with respect to the 2008 Program Extension;

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2010 (the “2009 Program Extension”);

WHEREAS, the Local Finance Board, at a meeting held on August 12, 2009 did issue favorable Findings with respect to the 2009 Program Extension;

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2011 (the “2010 Program Extension”);

WHEREAS, the Local Finance Board, at a meeting held on June 9, 2010 did issue favorable Findings with respect to the 2010 Program Extension;

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2012 (the “2011 Program Extension”);

WHEREAS, the Local Finance Board, at a meeting held on May 11, 2011 did issue favorable Findings with respect to the 2011 Program Extension;

WHEREAS, the Program has been successful in lending the proceeds of a portion of the Overall Maximum Program Amount to Local Units;

WHEREAS, the Authority made an application to the Local Finance Board for the extension of the Program until July 31, 2013 (the "2012 Program Extension");

WHEREAS, the Local Finance Board, at a meeting held on July 11, 2012 did issue favorable Findings with respect to the 2012 Program Extension;

WHEREAS, the Authority intends to seek the findings for the renewal of the Program until July 31, 2014 (the "2013 Extension") from the Local Finance Board based on a letter application of the Authority (the "Local Finance Board Application") to be prepared by the Authority's counsel, Inglesino, Pearlman, Wyciskala & Taylor, LLC, and the Authority's financial advisor, Acacia Financial Group, Inc. (collectively, the "Consultants") and based on a hearing thereon to be held by the Local Finance Board;

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 Morris County Improvement 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 an application to the Local Finance Board for the purpose of the 2013 Extension. The Authorized Officer shall act in consultation with 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 2013 Extension.

Section 2. 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 3. 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.

Section 4. All actions of the Authorized Officers and the Consultants taken prior to

the date of adoption hereof in connection with the Program, the 2013 Extension or any of the foregoing transactions contemplated by this resolution are hereby ratified and approved.

Section 5. 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 County 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 6. 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:

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 April 17, 2013 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this **17th** day of **April**, 2013

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of April 17, 2013

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