

RESOLUTION NO. 14-13

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

TITLE:

**RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY
AUTHORIZING THE PREPARATION AND SUBMISSION OF AN
APPLICATION OR LETTER IN LIEU OF APPLICAIOTN 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 POOLED
PROGRAM BONDS, SERIES 2014 IN AN AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED \$1,000,000**

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 "Morris County Board of Freeholders") of the County of Morris (the "County of Morris") 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 law, to purchase, lease or otherwise acquire public facilities for the benefit of certain local governmental units located within, without and including the County of Morris;

WHEREAS, the Authority is authorized by law to finance public facilities through the acquisition of debt, including without limitation lease revenue bonds of the Authority;

WHEREAS, on August 30, 2011 the Authority issued its County of Morris Guaranteed Pooled Program Bonds, Series 2011" (the "Series 2011 Pooled Program Bonds") and "County of Morris Guaranteed Pooled Program Notes, Series 2011" (the "Series 2011 Pooled Program Notes" and together with the Series 2011 Pooled Program Bonds, the "Series 2011 Obligations") for the acquisition of, respectively, the Authority's "Lease Revenue Bonds, Series 2011A" (the "Series 2011 Lease Revenue Bonds") and the Authority's "Lease Revenue Notes, Series 2011A (the "Series 2011 Lease Revenue

Notes”) for the purpose of, among other local unit projects, a portion of the acquisition and installation of certain capital equipment and the acquisition, construction, renovation and installation of certain property and infrastructure improvements (collectively, the "County of Morris Public Safety Project") at the facility located in Parsippany-Troy Hills as Block 7, Lot 2 (the "Project Property"), as more fully set forth on Exhibit A to that certain Property and Infrastructure Lease Purchase Agreement entered into between the Authority and the County as a Local Unit in connection therewith (collectively, the "Original Lease Agreement");

WHEREAS, on June 28, 2012 the Authority issued its County of Morris Guaranteed Pooled Program Bonds, Series 2012" (the "Series 2012 Pooled Program Bonds”) for the purpose of, among other things, refunding the Authority Series 2011 Lease Revenue Note and financing the balance of the County of Morris Public Safety Project (collectively, the "Series 2012 County Project”) through the issuance of Authority Lease Revenue Bonds, Series 2012 (the "Series 2012 Lease Revenue Bonds” and together with the Series 2011 Authority Lease Revenue Bonds and the Series 2011 Authority Lease Revenue Note, the "Prior Authority Lease Revenue Bonds”);

WHEREAS, the Authority Series 2012 Lease Revenue Bonds were issued pursuant to the terms of the Authority's bond resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" as amended and supplemented by a Certificate of an Authorized Officer of the Authority dated August 30, 2011, as further amended and supplemented by a Certificate of an Authorized Officer of the Authority dated the date of issuance of the Series 2012 Lease Revenue Bonds (collectively, the "Series 2012 Lease Revenue Bond Resolution”), the Act and other applicable law;

WHEREAS, the Authority desires to issue an additional series of bonds pursuant to Section 2.04(a) of the Lease Revenue Bond Resolution (the "Series 2014 Lease Revenue Bonds”) in an aggregate amount not to exceed \$1,000,000 to raise additional funds for the County of Morris Public Safety Project (the "Series 2014 County Project”) pursuant to either a Certificate of an Authorized Officer of the Authority under the Series 2012 Lease Revenue Bond Resolution or a supplemental resolution entitled, "SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" as amended and supplemented by a Certificate of an Authorized Officer of the Authority dated the date of issuance of the Series 2014 Lease Revenue Bonds (collectively, the "Series 2014 Supplemental Lease Revenue Bond Resolution” and together with the Series 2012 Lease Revenue Bond Resolution, the "Lease Revenue Bond Resolution”);

WHEREAS, the Authority's Series 2014 Lease Revenue Bonds shall also be referred to as the "Privately Placed Bonds”;

WHEREAS, the principal of, and interest on the Authority Series 2014 Lease Revenue Bonds shall be paid from certain rental payments made by the County of Morris in accordance with the terms of the Original Lease Agreement, as amended and supplemented by that certain Amendment No. 1 to Lease Agreement (the "Lease

Amendment No. 1”) dated as of June 1, 2012, as further amended and supplemented by that certain Amendment No. 2 to Lease Agreement and together with the Original Lease Agreement and Lease Amendment No. 1, the “Lease Agreement”) and as otherwise set forth in the Lease Revenue Bond Resolution;

WHEREAS, pursuant to the terms of the Lease Agreement, the Authority contemplates taking nominal title to the County of Morris Public Safety Project for the term set forth therein, then leasing the County of Morris Public Safety Project to the County for the term set forth therein, at which time the Authority will convey all of its right, title and interest in and to the County of Morris Public Safety Project to the County for nominal consideration;

WHEREAS, the Authority shall deposit the proceeds of the Authority Series 2014 Lease Revenue Bonds issued under the Lease Revenue Bond Resolution with U.S. Bank National Association, the trustee designated under the Lease Revenue Bond Resolution (the "Lease Revenue Trustee") to pay the cost of: (i) the acquisition, construction, renovation or installation of the Series 2014 County Project; (ii) certain costs of issuance to be identified in the Lease Revenue Bond Resolution; (iii) capitalized interest on the Authority Series 2014 Lease Revenue Bonds, if any and (iv) such other items as shall be set forth in the Lease Revenue Bond Resolution;

WHEREAS, the Authority Series 2014 Lease Revenue Bonds will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Bonds, Series 2014" (the "Series 2014 Pooled Program Bonds") to be issued under the Authority bond resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED POOLED PROGRAM BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (the "Series 2012 Pooled Program Bond Resolution") as amended and supplemented by either a Certificate of Authorized Officer of the Authority or a supplemental resolution of the Authority entitled, “SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED POOLED PROGRAM BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY” (the “2014 Supplemental Pooled Program Bond Resolution and together with the Series 2012 Pooled Program Bond Resolution, the “Pooled Program Bond Resolution”; the Pooled Program Bond Resolution and the Lease Revenue Bond Resolution shall be collectively referred to as the “Bond Resolutions”);

WHEREAS, the Authority Series 2014 Pooled Program Bonds and the Authority Series 2014 Lease Revenue Bonds shall be collectively referred to as, the "Bonds";

WHEREAS, the issuance of the Authority Series 2014 Pooled Program Bonds for the purpose of acquiring the Privately Placed Bonds to finance the Series 2014 County Project shall collectively be referred to as the "Series 2014 Project");

WHEREAS, the principal of, redemption premium, if any, and interest on the Authority Series 2014 Pooled Program Bonds shall be secured by the pledge of the Series 2014 Trust Estate as defined in the Series 2014 Supplemental Pooled Program Bond

Resolution by the Authority to the U.S. Bank National Association, the Pooled Trustee named therein (the "Pooled Trustee" and together with the Lease Revenue Trustee, the "Trustees"), which Series 2014 Trust Estate shall include, among other things, the Lease Agreement and the principal of, redemption premium, if any, and interest on the Authority Series 2014 Lease Revenue Bonds and which Authority Series 2014 Lease Revenue Bonds shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Series 2014 Pooled Program Bonds in accordance with the terms of the Series 2014 Supplemental Pooled Program Bond Resolution and the Lease Agreement, which payments under the Lease Agreement shall be made from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the County of Morris, without limitation as to rate or amount;

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Authority Series 2014 Pooled Program Bonds, to be issued as bond and/or notes, shall be fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$1,000,000 in accordance with (i) the terms the guaranty ordinance of the County (which in the aggregate guaranties a total aggregate amount of \$30,200,000) finally adopted by the Morris County Board of Freeholders on February 8, 2012, (ii) by a guaranty certificate to be executed by an authorized officer of the County on the face of each Series 2014 Pooled Program Bond and (iii) as may be required by any rating agency, underwriter, Series 2014 Pooled Program Bond purchaser or other entity that will allow the Authority to sell the Authority Series 2014 Pooled Program Bonds at the lowest possible cost to the County, an agreement setting forth the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in this ordinance (collectively, the "Series 2014 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 shall also be included as part of the Trust Estate (as defined in the Pooled Bond Resolution") applicable to the Authority Series 2014 Pooled Program Bonds pledged by the Authority to the Pooled Trustee under the Series 2014 Supplemental Pooled Program Bond Resolution;

WHEREAS, in accordance with the terms of the Lease Revenue Bond Resolution, the Pooled Program Bond Resolution, the Series 2014 County Guaranty, the Lease Agreement and the Loan Agreements, the Trustee shall not notify the County of the possible need for payments from the County under the Series 2014 County Guaranty to pay all of a portion of the principal of and interest on the Authority Series 2014 Pooled Program Bonds when due until the respective payment dates for the County under their Privately Placed Bonds, Lease Agreement and Loan Agreements shall have passed and the County shall have failed to make their required payments thereunder in full;

WHEREAS, pursuant to the terms of the Series 2014 Pooled Program Bond Resolution, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities and Exchange Act of 1934, as amended, the County of Morris will be required to enter into that certain "County Continuing Disclosure Agreement" to be dated as of the first day of the month of issuance of the Authority Series 2012 Pooled Program 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 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 Series 2014 Supplemental Pooled Program 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, or alternatively, may need to execute the County Continuing Disclosure Agreement, and (b) shall be required to provide such material events notices under the terms of the County 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 County Continuing Disclosure Agreement, the "Continuing Disclosure Agreements");

WHEREAS, in order to market and sell the Bonds in one or more series, the Authority will have to (i) make an application either through a full application or a letter (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 and in connection with the Authority Series 2014 Lease Revenue Bonds and the Authority Series 2014 Pooled Program Bonds, which Local Finance Board Application, hearing and process shall to the extent permitted by applicable 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 Authority Series 2014 Pooled Program Bonds, the Series 2014 Project and the other transactions contemplated hereby (the "Preliminary Official Statement"), if deemed necessary and in the best interest of the County, (iii) upon the direction of the Chairman, the Series 2014 Pooled Bonds may be privately placed with a bank, other financial institution or any other entity (including the County) desiring to purchase the Series 2014 Pooled Bonds at a competitive rate of interest, sold by competitive sale through a notice of sale ("*Notice of Sale*") or by public sale to an underwriter willing to purchase all of the Series 2014 Pooled Bonds (the "*Underwriter*") and therefore enter into one or more bond purchase agreements with one or more underwriters selected by the Authority in accordance with its policy for the selection of underwriters as established by Authority 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 "*Underwriter Selection Policy*") and a fair and open process for the sale of all of the Authority's Series 2014 Pooled Program Bonds (the "Bond Purchase Agreement"), (iv) if sold by public sale, execute and deliver a final Official Statement incorporating the terms of the sale of the Authority Series 2014 Pooled Program Bonds and certain other information into the Preliminary Official Statement (the "Official Statement"), (v) obtain the required resolutions and ordinances of the County necessary in order to authorize the Series 2014

County Project and the financing of the Series 2014 County Project through the Authority Series 2014 Pooled Program Bonds (the "County Official Action"), (vi) cause the County to make certain representations, warranties and covenants concerning the Series 2014 County Project, the Privately Placed Bonds and the other transactions contemplated hereby prior to their respective execution and delivery of the Lease Agreement, but no later than the execution and delivery of the Bond Purchase Agreement (the "Local Unit Letter of Representations") and (vii) cause the County to make certain representations, warranties and covenants concerning the Series 2014 County Project and Privately Placed Bonds, the use of the funds attributable to the Series 2014 County Project and the transactions contemplated hereby prior to their respective execution and delivery of the Lease Agreement, but no later than the execution and delivery of the Bond Purchase Agreement, all in connection with preserving the exclusion of the interest of the Bonds from the gross income of the holders thereof for federal income tax purposes (the "County Unit Tax Letter of Representations" and together with the Preliminary Official Statement, the Bond Purchase Agreement, the Official Statement and the County Letter of Representations, the "Sale Documents");

WHEREAS, in accordance with Section 13 ("Section 13") of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Bonds, the Authority will have made a detailed report of the Series 2014 Project to the Board of Freeholders, which report will include, without limitation, descriptions of the Series 2014 Supplemental Pooled Program Bond Resolution, the Series 2014 Supplemental Lease Revenue Bond Resolution, the Bonds, the form of the Lease Agreement, the form of the Ground Lease Agreement, the master forms of the Continuing Disclosure Agreements, and if necessary, desirable or convenient as determined by the Authority and the County of Morris, 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 hereby authorized to prepare and submit the Local Finance Board Application (including a letter in lieu of a full application) for the purpose of financing the Series 2014 Project through the issuance of the Bonds. The Authorized Officer shall act in consultation with the Authority's counsel, Inglesino, Wyciskala & Taylor, LLC, through their agent, Pearlman & Miranda, 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 2014 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 2014 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 2014 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 2014 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 Bonds are issued in any year other than 2014 references herein to “2014” 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 Consultant to assist the County in any action to be taken by the County 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 County, the hearing in connection therewith and the actions of the Local Finance Board relating thereto, all relating to the Bonds.

Section 9. All actions of the Authorized Officers and the Consultants taken prior to the date of adoption hereof in connection with the Bonds, the Series 2014 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:

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 16, 2014 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 16th day of April, 2014

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of April 16, 2014

By: _____

**Stephen B. Pearlman, Esq.,
Counsel to the Authority**