

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SCHOOL FACILITIES REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$85,000,000 OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT, TRUST INDENTURE, BOND SALE AGREEMENT, PRELIMINARY DISCLOSURE DOCUMENT, FINAL DISCLOSURE DOCUMENT AND RELATED INSTRUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

DREW UNIVERSITY - 2017 PROJECT

Adopted: November 21, 2017

WHEREAS, the Morris County Improvement Authority (the “Authority”) is a public body corporate and politic constituting an instrumentality of the State of New Jersey (the “State”), created pursuant to the provisions of the county improvement authorities law, under Chapter 183 of the Pamphlet Laws of 1960, as amended and supplemented, and codified at N.J.S.A. 40:37A-44 *et seq.*; and

WHEREAS, Drew University (the “Borrower”) is a nonprofit corporation organized under the laws of the State; and

WHEREAS, in furtherance of the purposes of the Act pursuant to N.J.S.A. 40:37A-54(l) and as an inducement to the Borrower to refinance existing debt and to finance certain capital improvements to the Borrower’s campus facilities located in the municipality of Madison, in the County of Morris, in the State, to fund capitalized interest, if necessary, to fund a debt service reserve fund, if necessary and to pay costs of issuance on the Bonds defined below (collectively, the “Project”), the Authority desires to assist the Borrower in the financing of the Project; and

WHEREAS, the Act provides that the Authority shall have the power to borrow money and issue its bonds and to provide for the rights of the holders of its bonds; and

WHEREAS, the Authority proposes to apply the proceeds of the Bond to make a loan to the Borrower for the financing of the Project in accordance with the Loan Agreement by and between the Authority and the Borrower (the “Loan Agreement”) providing, in part, for payments by the Borrower sufficient to meet installments of interest and principal on the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY as follows:

Section 1. In order to finance the cost of the Project, one or more series of bonds of the Authority are hereby authorized to be issued in an aggregate principal amount not to exceed \$85,000,000 (the "Bonds"). The Bonds shall be dated, shall bear interest at such rate of interest, shall be payable as to principal, interest and premium, if any, shall be issued in the form, shall be issued in such series, shall mature, shall be subject to redemption prior to maturity and shall have such other details and provisions as are prescribed by the Indenture referred to below.

Section 2. The Bonds shall be special, limited obligations of the Authority, payable solely out of the moneys derived pursuant to the Loan Agreement and all such moneys are hereby pledged to the payment of the Bonds. The payment of the principal of, premium, if any, and interest on the Bonds shall be secured by a pledge and assignment of revenues and certain rights of the Authority as provided in the Loan Agreement. Neither the members of the Authority nor any person executing the Bonds issued pursuant to this resolution and the Act shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be in any way a debt or liability of the State or any political subdivision other than the Authority, whether legal, moral or otherwise.

Section 3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chairperson or any other authorized officer of the Authority (the "Authorized Officers") and attested by the manual or facsimile signature of the Secretary, any Assistant Secretary or any other authorized officer of the Authority (the "Attesting Officers"). The official seal of the Authority shall be impressed or a facsimile of such seal shall be imprinted on the Bonds.

If any of the officers who shall have signed or sealed any of said Bonds shall cease to be such officers of the Authority before the Bonds so signed and sealed shall have been actually authenticated or delivered by the Authority, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be such officer or officers of the Authority; and also any such Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of such Bonds, shall be the proper officers of Authority, although at the nominal date of such Bonds any person shall not have been such officer of the Authority.

Section 4. The Loan Agreement and all instruments attached as exhibits thereto, in a form to be agreed upon by the Authority and the Borrower, hereby are approved. The Authorized Officers are hereby authorized to execute, acknowledge and deliver the Loan Agreement and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by any of the Authorized Officers who shall have the power to execute contracts pursuant to the By-laws of the Authority and any resolutions adopted thereunder, and the Attesting Officers are hereby authorized to attest the same. The execution of the Loan Agreement shall be conclusive evidence of any approval required by this Section.

Section 5. The Trust Indenture (the "Indenture") by and between the Authority and U.S. Bank National Association, as Trustee (the "Trustee"), and all instruments attached as

exhibits thereto, in a form to be agreed upon by the Authority and the Trustee, hereby are approved. The Authorized Officers are hereby authorized to execute, acknowledge and deliver the Indenture and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by any Authorized Officer who shall have power to execute contracts pursuant to the By-laws of the Authority and any resolutions adopted thereunder, and the Attesting Officers are hereby authorized to attest the same. The execution of the Indenture shall be conclusive evidence of any approval required by this Section.

Section 6. Morgan Stanley & Co. LLC (“Morgan Stanley”) is hereby designated as placement agent or underwriter, as determined below, in connection with the underwriting or private placement of the Bonds in accordance with the Bond Sale Agreement referred to below, said Bonds to bear an initial maximum interest rate of 7.00% per annum. The Bond Sale Agreement by and among the Authority, the Borrower and Morgan Stanley in form and substance to be agreed upon by the Authority, the Borrower and Morgan Stanley consistent with this resolution (the “Bond Sale Agreement”) hereby is approved. The Authorized Officers are hereby authorized to determine whether the sale of the Bonds shall be through an underwriting or private placement and to execute, acknowledge and deliver the Bond Sale Agreement with any changes, insertions and omissions as may be approved by any of the Authorized Officers, and the Attesting Officers are hereby authorized to attest the same. The execution of the Bond Sale Agreement shall be conclusive evidence of any approval required by this Section.

Section 7. The distribution by Morgan Stanley of one or more disclosure preliminary and final disclosure documents consistent with the sale of the Bonds through an underwriting or private placement (hereinafter referred to collectively as the “Disclosure Document”), in form and substance consistent with this resolution, is hereby authorized and approved. The Authorized Officers are hereby authorized to execute, acknowledge and deliver the Disclosure Document with any changes, insertions and omissions as may be approved by the Authorized Officers who shall have the power to execute contracts pursuant to the By-laws of the Authority and any resolutions adopted thereunder. The execution of the Disclosure Document shall be conclusive evidence of any approval required by this Section.

Section 8. The Bonds are hereby authorized to be sold in accordance with the Bond Sale Agreement.

Section 9. The Authorized Officers are hereby designated to be the authorized representatives of the Authority, charged by this resolution with the responsibility for issuing the Bonds and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution, the Loan Agreement, the Indenture, the Bond Sale Agreement and the issuance of the Bonds.

Section 10. In case any one or more of the provisions of this resolution, the Loan Agreement, the Indenture, the Bond Sale Agreement, the Disclosure Document or the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality invalidity shall not affect any other provision of this resolution, the Loan Agreement, the Indenture, the Bond Sale

Agreement, the Disclosure Document and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 11. The adoption of this resolution shall be deemed to be an “official intent” within the meaning of Treasury Regulation 1.150-2, effective on the date of its adoption, as made applicable to the Bonds by rulings of the Internal Revenue Service.

Section 12. Subject to the second sentence of this section, this resolution shall take effect immediately. 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 Chosen Freeholders of the County, 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 Chosen Freeholders of the County a certification from the Clerk stating that the minutes of this meeting have not been vetoed by the Director of the Board of Chosen Freeholders of the County. The Secretary, or any Assistant Secretary, of the Authority is hereby directed to publish a notice of adoption as provided in the Act and attached hereto.

Section 13. Notwithstanding the effectiveness of this resolution, no Bonds shall be issued hereunder until the Local Finance Board of the State Department of Community Affairs shall have approved the financing plan contemplated hereunder.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Gallopo				
Kovalcik				
Ramirez				
Sandman				
Bonanni				

This Resolution was acted upon at the Regular Meeting of the Authority held on November 21, 2017 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 21st day of November, 2017

By: _____
Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of November 21, 2017.

By: _____
Matthew D. Jessup, Member, McManimon, Scotland & Baumann, LLC
Counsel to the Authority
Resolution No. 17-42

PUBLIC NOTICE is hereby given that the following resolution entitled:

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SCHOOL FACILITIES REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$85,000,000 OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT, TRUST INDENTURE, BOND SALE AGREEMENT, PRELIMINARY DISCLOSURE DOCUMENT, FINAL DISCLOSURE DOCUMENT AND RELATED INSTRUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

was adopted by the Morris County Improvement Authority on November 21, 2017; that copies of such resolution have been filed with and are available for public inspection in the office of the Authority at the Morris County Administration and Records Building, 10 Court Street, Morristown, New Jersey and in the office of the Clerk of the Board of Chosen Freeholders in the County of Morris, New Jersey, at the Morris County Administration and Records Building, 10 Court Street, Morristown, New Jersey; and that any action or proceeding of any kind or nature in any court questioning the validity of the creation and establishment of the Authority, or the validity or proper authorization of bonds provided for by such resolution, or the validity of any covenants, agreements or contracts provided for by such resolution must be commenced within twenty (20) days after the first publication of this Notice.

THIS NOTICE is published pursuant to the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960, of the State of New Jersey, as amended and supplemented and in accordance with the above resolution of the Authority.

The date of publication of this Notice is [_____]

Published by the Order of the Morris County Improvement Authority