

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$12,480,000 COUNTY-GUARANTEED GOVERNMENTAL LOAN REVENUE BONDS, SERIES 2020 (ROCKAWAY BOROUGH BOARD OF EDUCATION PROJECT) OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH

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 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

WHEREAS, the County has created the Authority for the express purpose, among other things, of facilitating the development and financing of public facilities and development projects within the County; and

WHEREAS, pursuant to the terms of the Act, the Authority is authorized to provide public facilities, as such term is defined therein, within the County, including the financing of the acquisition of same; and

WHEREAS, the Board of Education of the Borough of Rockaway in the County of Morris, New Jersey (the "*Local Unit*") has determined to undertake a school facilities project consisting of the renovation/upgrade and expansion of Lincoln Elementary School and the renovation of Thomas Jefferson Middle School (collectively, the "*Project*"); and

WHEREAS, on September 24, 2020, the voters of the Borough of Rockaway approved the bond referendum of the Local Unit, which bond referendum authorized the Project, all at a cost not to exceed \$12,480,000; and

WHEREAS, the Local Unit proposes to issue not-to-exceed \$12,480,000 of school bonds, and if in the best interest of the Local Unit, temporary notes in anticipation of such school bonds (together, the "*Local Unit Bond*"), the proceeds of which will be used by the Local Unit to finance the design, construction, equipping and furnishing of the Project; and

WHEREAS, the Local Unit has requested the Authority's assistance in the acquisition, design, construction, equipping, furnishing and financing of the Project; and

WHEREAS, the Project constitutes a “public facility” as such term is defined in the Act; and

WHEREAS, in order to finance the acquisition, design, construction, equipping and furnishing of the Project, the Authority will issue bonds in one or more series, including renewals, if any, in an aggregate principal amount not to exceed \$12,480,000 to be designated as "County Guaranteed Governmental Loan Revenue Bonds, Series 2020 (Rockaway Borough Board of Education Project) " (inclusive of any project notes issued in anticipation thereof, the "*Bonds*"); and

WHEREAS, the Bonds will be issued pursuant to the terms of the Act, other applicable law and a bond resolution of the Authority entitled, "Resolution Authorizing the Issuance of County Guaranteed Governmental Loan Revenue Bonds, Series 2020 (Rockaway Borough Board of Education Project) of the Morris County Improvement Authority and Determining Other Matters Related Thereto" (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Resolution*"); and

WHEREAS, the Authority will use proceeds from the sale and issuance of the Bonds to, among other things, purchase the Local Unit Bond from the Local Unit pursuant to a bond purchase agreement to be dated the date of sale of the Bonds and convey the proceeds of the Bonds to the Local Unit for use by the Local Unit to finance the design, construction, equipping and furnishing of the Project; and

WHEREAS, the Local Unit Bond has been authorized by and is issued pursuant to the laws of the State of New Jersey, including Title 18A, Education, Chapter 24 of the New Jersey Statutes, Chapter 271 of the Laws of 1967, as amended and supplemented, a proposal adopted by the Local Unit on June 18, 2019 and approved by the affirmative vote of a majority of the legal voters present and voting at a special school district election held on September 24, 2019 and a resolution duly adopted by the Local Unit in accordance with applicable law (collectively, the "*Local Unit Bond Proceedings*"); and

WHEREAS, the Local Unit will make principal and interest payments on the Local Unit Bond to the Authority, as holder of the Local Unit Bond, in amounts sufficient to provide for, among other things, the principal of (including sinking fund installments, if any) and interest due on the Bonds; and

WHEREAS, to provide an inducement to the prospective purchasers of the Bonds to purchase same and to provide additional security to the holders thereof, the County will in accordance with N.J.S.A. 40:37A-80, fully, unconditionally and irrevocably guaranty the payment of the principal, when due, of (including sinking fund installments, if any) and interest on the Bonds in an aggregate principal amount not to exceed \$12,480,000 in accordance with the terms of a guaranty ordinance of the County finally adopted by the Board on January 22, 2020 (the "*County Guaranty*") as evidenced by a guaranty agreement by and between the County and the Authority (the "*Guaranty Agreement*") and a guaranty certificate to be executed by an

authorized County representative on the face of each Bond (collectively, the "*Bond Guaranty*"), all pursuant to Section 37 of the Act (N.J.S.A. 40:37A-80); and

WHEREAS, in accordance with 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 to the Board, which report will include, without limitation, the Resolution, the Bonds and the Bond Guaranty; and

WHEREAS, the Authority desires, under and pursuant to this supplemental resolution (this "*Supplemental Bond Resolution*"), to issue not to exceed \$12,480,000 aggregate principal amount of Bonds, to appoint the Trustee, Registrar and Paying Agent (each as defined herein) therefor, to authorize the execution of necessary documentation, to delegate the sale and award of the Bonds to the Authorized Authority Representative (as defined herein), to determine other matters in connection with the Bonds and to adopt this Supplemental Bond Resolution (as defined herein) to effectuate the purposes herein stated.

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

ARTICLE I DEFINITIONS

Section 101. Title. This resolution shall hereinafter be cited as the "*Supplemental Bond Resolution*".

Section 102. Terms Defined in Resolution. Whenever used or referred to in this Supplemental Bond Resolution, all capitalized terms herein shall, unless specifically defined herein or unless the context clearly requires otherwise, have the same meanings assigned to such terms in the Bond Resolution.

Section 103. Definitions. As used or referred to in this Supplemental Bond Resolution, unless a different meaning clearly appears from the context:

(A) "*Authorized Authority Representative*" means the Chairman, the Vice Chairman or the Executive Director of the Authority and any other person or persons who are authorized to act on behalf of the Authority by virtue of a written certificate, duly executed on behalf of the Authority.

(B) "*Bond Purchase Agreement*" shall mean the Bond Purchase Agreement by and between the Authority and the Underwriters, dated as of the date of sale of the Bonds, to be entered into in connection with the issuance and delivery of the Bonds.

(C) "*Certificate of Authority Officer*" means a certificate that is executed by the Authorized Authority Representative determining any of the details relating to the issuance, sale, security and delivery of the Bonds or any other internal matters as provided in this Supplemental Bond Resolution.

(D) "*Paying Agent*" means the paying agent appointed for the Bonds in accordance with Section 301 hereof.

(E) "*Registrar*" means the registrar appointed for the Bonds in accordance with Section 301 hereof.

(F) "*Securities Depository*" means the securities depository appointed for the Bonds in accordance with Section 301 hereof.

(G) "*Trustee*" means the trustee appointed for the Bonds in accordance with Section 301 hereof.

(H) "*Underwriters*" means such underwriter or underwriters as determined by the Certificate of Authority Officer.

ARTICLE II AUTHORIZATION, AMOUNT AND DESCRIPTION OF BONDS

Section 201. Authorization and Purpose of Bonds. The proceeds of the Bonds will be used to finance the Project and to pay for costs incurred in connection with the authorization, issuance and delivery of the Bonds.

Section 202. Amount and Title of Bonds. Not to exceed \$12,480,000 of the Bonds are hereby authorized to be issued and sold in accordance with the provisions of the Bond Resolution, this Supplemental Bond Resolution and a Certificate of Authority Officer authorized pursuant to Section 203 of this Supplemental Bond Resolution. Each of the Bonds shall be designated "County-Guaranteed Governmental Loan Revenue Bonds, Series 2020 (Rockaway Borough Board of Education Project)". The Bonds may be issued and sold in one or more series as determined by the Authorized Authority Representative in consultation with the Authority's Bond Counsel and Financial Advisor and as set forth in the Certificate of Authority Officer.

Section 203. Description of Bonds.

(A) **Description of Bonds; Delegation to Authority Officer.** Pursuant to and in accordance with the provisions of N.J.S.A. 40:37A-60 and the terms of the Bond Resolution, the Authority hereby determines that the Authorized Authority Representative is hereby designated as the individual who shall have the power to sell and award the Bonds on behalf of the Authority to the Underwriters, in accordance with the terms of the Certificate of Authority Officer and subject to the parameters set forth herein, including the power to determine, among other things, (a) the amount of Bonds to be issued, in an amount not to exceed the amount set forth in Section 202 hereof, which are authorized to be issued pursuant to the terms of Section 301 of the Bond Resolution, (b) the time and manner of sale of the Bonds, (c) the maturity or maturities of the Bonds and the provisions pertaining to redemptions thereof and/or sinking funds established therefor, (d) the rate or rates of interest for the Bonds, and (e) such other terms and conditions as may be necessary or related to the sale of the Bonds. The Authorized Authority Representative is hereby authorized to award the Bonds to the Underwriters. Such award shall be evidenced by the execution of a Certificate of Authority Officer. Such Certificate

of Authority Officer shall determine the terms and conditions relating to the sale of the Bonds, including the rate or rates of interest to be borne by the Bonds and the Underwriters' discount, if any, which is payable to the Underwriters in connection with the sale of the Bonds; *provided, however*, that (i) the maximum maturity of the Bonds will not exceed 30 years; (ii) without further authorization of the Authority, the rate or rates of interest (or the net interest cost) to be borne by the Bonds shall not exceed six percent (6.00%) per annum; (iii) the Underwriters' discount for the Bonds shall not exceed \$6.00 per \$1,000 principal amount of the Bonds; and (iv) the rate or rates of interest (or the net interest cost) on the Bonds and the Underwriters' discount for the Bonds may exceed the amounts set forth herein if such greater rate or rates of interest or such greater Underwriters' discount is approved, prior to the award and sale of the Bonds, by a resolution duly adopted by the Authority. Such Certificate of Authority Officer shall contain such other terms and conditions as shall be deemed to be necessary in connection with the sale of the Bonds.

(B) **Denomination and Place of Payment.** The Bonds shall be issued in book-entry form only and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("*DTC*"). The Bonds shall be issued in the form of one certificate for each maturity for each series, in the aggregate principal amount of such maturity. As long as DTC or its nominee, Cede & Co., is the Registered Owner of the Bonds, payments of the principal of, redemption premiums, if any, and interest on the Bonds will be made by the Paying Agent directly to Cede & Co., as Registered Owner, which will remit such payments to DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds. All other terms and conditions with respect to the payment of the principal of, redemption premium, if any, and interest on the Bonds shall be as provided in the Bond Resolution.

(C) **Transfer and Exchange of Bonds.** As long as the Bonds remain in book-entry form, the Bonds shall be transferable only upon the records of DTC. All other provisions governing the transfer and exchange of the Bonds shall be as provided in the Bond Resolution.

(D) **Form of Bonds.** The Bonds shall be in substantially the form set forth in Section 1207 of the Bond Resolution, which form is by this reference incorporated in full as if set forth herein, with such omissions, insertions and variations as are properly required and not contrary to any of the provisions of the Bond Resolution or any of the provisions of this Supplemental Bond Resolution.

ARTICLE III
TRUSTEE, REGISTRAR, PAYING AGENT, SECURITIES DEPOSITORY,
OFFICIAL STATEMENT AND OTHER REQUIRED ACTIONS

Section 301. Appointment of Trustee, Registrar, Paying Agent, Securities Depository and Financial Advisor.

(A) DTC is hereby appointed to serve as Securities Depository for the Bonds, pursuant to and under the provisions of the Bond Resolution.

(B) The appointment of the (i) Trustee, Registrar and Paying Agent, (ii) Underwriters and (iii) financial printer in connection with the issuance and sale of the Bonds shall be designated by the Authorized Authority Representative pursuant to the Certificate of Authority Officer.

(C) Acacia Financial Group, Inc. is hereby appointed to serve as Financial Advisor in connection with the issuance and sale of the Bonds.

Section 302. Authorization of Official Statement. The Authority's Bond Counsel and the Underwriters are hereby authorized to prepare and distribute a Preliminary Official Statement on behalf of the Authority in connection with the sale of the Bonds. The form and content of such Preliminary Official Statement shall, prior to the distribution thereof, be approved by the Authority or the Authorized Authority Representative, as the case may be, acting on behalf of the Authority. Subsequent to obtaining such approval, the Preliminary Official Statement may be revised, if necessary, and may contain additional terms and information relating to the sale of the Bonds; *provided, however*, that the form and content of such revised Preliminary Official Statement shall have been previously approved by the Authority or the Authorized Authority Representative, as the case may be, acting on behalf of the Authority, prior to the distribution thereof. The Authorized Authority Representative is hereby authorized to execute the final Official Statement and shall execute any closing or other documents that are required to be executed in connection with the delivery of the Bonds. Any actions that are not determined by this Supplemental Bond Resolution or any other resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds shall be determined by the execution of a Certificate of Authority Officer.

Section 303. Approval of Other Actions and Agreements. The Authorized Authority Representative shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by the Authorized Authority Representative to consummate the transactions contemplated by the Bond Resolution, this Supplemental Bond Resolution and the Bond Purchase Agreement.

Section 304. Execution of Bond Purchase Agreement Evidencing Award of Bonds. The Bonds shall be sold and awarded to the Underwriters upon the terms and conditions set forth in the Bond Purchase Agreement to be dated the date of sale of the Bonds and to be executed on behalf of the Authority and the Underwriters. The Authorized Authority Representative is hereby authorized and directed to execute the Bond Purchase Agreement and to deliver same to the Underwriters on terms deemed advisable by the Authorized Authority Representative in consultation with the Authority's Bond Counsel and Financial Advisor. The Bonds will be sold to the Underwriters for the purchase price set forth in the Bond Purchase Agreement, plus accrued interest and giving effect to an Underwriters' discount, all as set forth therein. Settlement of the purchase price for the Bonds will be made as provided in the Bond Purchase Agreement. Such sale and award of the Bonds by the Authorized Authority Representative shall be evidenced by the execution of the Certificate of Authority Officer as of the date of the sale and award of the Bonds and the Bond Purchase Agreement, and such Certificate of Authority Officer and Bond Purchase Agreement shall be presented to the members of the Authority at the next regular meeting of the Authority following such sale and award as evidence of the terms and details of the sale of the Bonds.

Section 305. Certificate of Authority Officer. In accordance with the Bond Resolution and in addition to the matters set forth in Section 203 of this Supplemental Bond Resolution, the Authorized Authority Representative, after consultation with the Chairman of the Authority, Authority Bond Counsel and the Financial Advisor, as applicable, is hereby:

- (i) authorized to execute the Certificate of Authority Officer;
- (ii) authorized to execute the Bond Purchase Agreement;
- (iii) authorized to take all actions necessary to provide any Credit Facility for the Bonds in accordance with Section 502(c) of the Bond Resolution, including additional covenants that may be required by the Underwriters on behalf of the Holders of the Bonds;
- (iv) authorized to negotiate the final terms and conditions of the Bond Purchase Agreement; and
- (v) authorized to amend or modify the provisions of the Bond Resolution or this Supplemental Bond Resolution in the Certificate of Authority Officer, provided that any such amendment or modification occurs prior to the issuance and delivery of the Bonds.

ARTICLE IV PROCEEDS OF BONDS

Section 401. Application of Proceeds of Bonds. At the time of delivery of the Bonds, the proceeds of the Bonds shall be irrevocably deposited with the Trustee and applied in accordance with the letter of instruction of an Authorized Authority Representative provided at the closing of the Bonds.

Section 402. Costs of Issuance of Bonds. The Trustee is hereby authorized and directed to pay all of the costs of issuance in connection with the sale of the Bonds from the Acquisition Fund pursuant to the Certificate of Authority Officer or any other certificate of the Executive Director of the Authority to be delivered to the Trustee at or about the time of closing.

ARTICLE V CONTINUING DISCLOSURE UNDERTAKING

Section 501. Material Events Disclosure. Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "*Rule*"), the Executive Director is hereby authorized to execute a Continuing Disclosure Certificate on behalf of the Authority in connection with the issuance and delivery of the Bonds.

Section 502. Damages. In the event that the Authority fails to comply with the requirements of the Continuing Disclosure Certificate, the Authority shall not be liable for

monetary damages, remedy being hereby specifically limited to specific performance. If any part of the Rule ceases to be in effect for any reason, then the information required to be provided in the Continuing Disclosure Certificate, insofar as the provisions of the Rule no longer require such information, shall no longer be required pursuant to this Supplemental Bond Resolution.

Section 503. Amendments. Article V of this Supplemental Bond Resolution and the Continuing Disclosure Certificate may be amended from time to time without notice to the Bondholders if the Authority determines that an amendment is necessary to comply with the Rule and such amendment, in the opinion of nationally recognized bond counsel, complies with the Rule.

ARTICLE VI MISCELLANEOUS

Section 601. Amendments. The Authorized Authority Representative is hereby authorized, prior to the execution and delivery of the Bonds, through the execution of a Certificate of Authority Officer, to approve and implement any amendments and/or supplements to any financing documents, including the Bond Resolution and this Supplemental Bond Resolution, that may be required to amend, modify or clarify the terms and conditions of the Bond Resolution or this Supplemental Bond Resolution relating to the authorization, issuance, sale, security, flow of funds or covenants of the Bonds or as may be required by any rating agency and/or bond insurer in connection with their delivery of ratings on the Bonds or the issuance of financial guaranty insurance, respectively; *provided, however*, that the Authorized Authority Representative, in conjunction with the Authority's Bond Counsel and General Counsel, has determined that any such amendments and/or supplements will not have a material or adverse affect on the ability of the Authority to market, sell and deliver the Bonds or on any of the material terms, conditions and/or covenants set forth in the Bond Resolution or this Supplemental Bond Resolution.

Section 602. Filing of Supplemental Bond Resolution. The Secretary of the Authority is hereby authorized and directed to cause copies of this Supplemental Bond Resolution to be filed for public inspection at the offices of the Trustee and the Authority.

Section 603. Effective Date. This Supplemental Bond Resolution shall take effect immediately.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Gallopo				
Bauer				
Ramirez				
Sandman				
Bonanni				

This Resolution was acted upon at the Regular Meeting of the Authority held on January 15, 2020 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 15th day of January, 2020.

By: _____
Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of January 15, 2020

By: _____
Matthew D. Jessup, Member
McManimon, Scotland & Baumann, LLC
Counsel to the Authority
Resolution No. 20-04