

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF CERTAIN AGREEMENTS IN CONNECTION WITH THE AUTHORITY'S COUNTY GUARANTEED LEASING PROGRAM AND EFFECTUATING THE ASSIGNMENT OF A PORTION OF THE AUTHORITY'S COUNTY GUARANTEED LEASE PROGRAM PERFORMANCE BOND FROM TD BANK, NATIONAL ASSOCIATION TO U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC. AND AUTHORIZING THE AMENDMENT OF ANY TRANSACTION DOCUMENT AND RESOLUTION NECESSARY 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 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 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(1)), 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 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") therefor, 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, 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 TD Bank, National Association as the Finance Company (the "Prior 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, the "Original Maximum Program Amount") in an amount not to exceed \$10,000,000;

WHEREAS, the Authority issued to the Prior 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 Prior Finance Company as sole Bondholder, and

which Bond will be payable to the Prior 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, Prior 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 Prior 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 Prior 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 Prior Finance Company as sole Bondholder, and which 2006 Amended Bond was payable to the Prior 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 2006 Amended 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, (ii) the execution by an authorized officer of the County of a guaranty certificate on the face of the 2006 Amended Bond and (iii) as may be required by any rating agency, Prior 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 "2006 Amended County Guaranty");

WHEREAS, the 2006 Amended Bond was authorized by the Act, all other applicable law and a supplemental bond resolution amending 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, in 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 2006 Increased 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 Prior 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 Prior 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 Prior Finance Company as sole Bondholder, and which 2007 Amended Bond was payable to the Prior 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 2007 Amended 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, (ii) the execution by an authorized officer of the County of a guaranty certificate on the face of the 2007 Amended Bond and (iii) as may be required by any rating agency, Prior 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 "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" and together with the Original Bond Resolution and the 2006 Supplemental Bond Resolution, the "Bond Resolution") of the Authority adopted pursuant to N.J.S.A. 40:37A-60 and -62 of the Act;

WHEREAS, as of the date hereof, the aggregate amount of Subleases due and payable to the Authority and the corresponding aggregate amount due and payable by the Authority to the Prior Finance Company pursuant to the Master Lease is less than the Overall Maximum Program Amount (as the same may be modified to reflect the outstanding aggregate amount of Subleases on the date of assignment of the applicable portion of the 2007 Amended Bond, the "Outstanding Program Amount");

WHEREAS, pursuant to a "Request for Proposals for County Guaranteed Leasing Program" dated June 15, 2017, the Authority solicited proposals from qualified banking institutions to serve as Master Lessor in connection with the CGLP;

WHEREAS, upon receipt and evaluation of such proposals, the Authority adopted a resolution designating U.S. Bancorp Government Leasing and Finance, Inc. as the Master Lessor for the CGLP (the "2019 Finance Company");

WHEREAS, the Authority and the 2019 Finance Company will execute and enter into a Master Lease Purchase Agreement (County Guaranteed Leasing Program) (in the form attached hereto as **Exhibit A**, the "2019 Master Lease") and the Authority and each Local Unit shall enter into a Sublease Purchase Agreement (County Guaranteed Leasing Program) (in the form attached hereto as **Exhibit B**, a "2019 Sublease"), and, if necessary, the applicable Local Unit, the 2019 Finance Company and Peapack-Gladstone Bank, as escrow agent, shall enter into an Escrow Agreement (in the form attached hereto as **Exhibit C**, an "Escrow Agreement") for the leasing by such Local Units of Equipment and the distribution of funds in connection with same;

WHEREAS, the Authority desires to have the Prior Finance Company assign (1) a portion of the 2007 Amended Bond in a principal amount equal to the difference between the Overall Maximum Program Amount and the Outstanding Program Amount (the "2019 Program Amount"), which assigned portion of the 2007 Amended Bond (the "2019 Bond") will be assigned directly to the 2019 Finance Company, and which 2019 Bond will be payable to the 2019 Finance Company only upon a deficiency in 2019 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 2019 Bond up to the 2019 Program Amount, plus interest thereon, through the 2019 Guaranty (as defined herein) and (2) a portion of the 2007 Amended County Guaranty in a principal amount equal to the 2019 Program Amount (collectively, the "2019 Assignment");

WHEREAS, the Authority further desires to amend the provisions of the Original Master Lease, the Bond Resolution, the 2007 Amended County Guaranty and any other CGLP document necessary to effectuate the 2019 Assignment;

WHEREAS, the County shall adopt a resolution (1) consenting to the 2019 Assignment and authorizing the execution of any and all documents and agreements necessary to effectuate the 2019 Assignment, including, if necessary, a guaranty certificate on the face of the 2019 Bond and (2) pursuant to Section 13 ("Section 13") of the Act (N.J.S.A. 40:37A56), consenting to the making of the 2019 Master Lease, the 2019 Subleases and the 2019 Assignment;

WHEREAS, on August 15, 2018, the Authority adopted Resolution 18-15, approving the forms and authorizing the execution of the then-current versions of the 2019 Master Lease, 2019 Sublease and Escrow Agreement;

WHEREAS, prior to the execution of the then-current versions of the 2019 Master Lease, 2019 Sublease and Escrow Agreement as approved by Resolution 18-15, the forms of such agreements were further modified and revised amongst the Authority and the 2019 Finance Company and, accordingly, the Authority desires to re-approve the forms of and re-authorize the execution and delivery of the 2019 Master Lease, 2019 Sublease and Escrow Agreement, each in the forms attached hereto.

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

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The 2019 Master Lease is hereby approved. The Chairperson of the Authority (including his designees, each an "Authorized Officer") is hereby authorized and directed, in consultation with counsel to the Authority, to execute and deliver the 2019 Master Lease in the form set forth in Exhibit A attached hereto, with such additions, modifications or deletions recommended by counsel to the Authority and agreed by the parties to such 2019 Master Lease. The Authorized Officer's signature on the 2019 Master Lease shall conclusively evidence the Authority's approval of such 2019 Master Lease in the form as executed.

Section 3. The Secretary of the Authority is hereby authorized to attest to the execution of the 2019 Master Lease and affix the Authority seal onto same.

Section 4. Each Authorized Officer of the Authority is hereby authorized to take all action deemed necessary, useful or convenient in connection with the foregoing and in furtherance of the 2019 Master Lease.

Section 5. The form of the 2019 Sublease is hereby approved. The Chairperson of the Authority (including his designees, each an "Authorized Officer") is hereby authorized and directed, in consultation with counsel to the Authority, to execute and deliver the 2019 Sublease in the form set forth in Exhibit B attached hereto, with such additions, modifications or deletions recommended by counsel to the Authority and agreed by the parties to such 2019 Sublease. The Authorized Officer's signature on the 2019 Sublease shall conclusively evidence the Authority's approval of such 2019 Sublease in the form as executed.

Section 6. The Secretary of the Authority is hereby authorized to attest to the execution of the 2019 Sublease and affix the Authority seal onto same.

Section 7. Each Authorized Officer of the Authority is hereby authorized to take all action deemed necessary, useful or convenient in connection with the foregoing and in furtherance of the 2019 Sublease.

Section 8. The form of the Escrow Agreement is hereby approved. If necessary, the Chairperson of the Authority (including his designees, each an "Authorized Officer") is hereby authorized and directed, in consultation with counsel to the Authority, to execute and deliver the Escrow Agreement in the form set forth in Exhibit C attached hereto, with such additions, modifications or deletions recommended by counsel to the Authority and agreed by the parties to such Escrow Agreement. The Authorized Officer's signature on the Escrow Agreement shall conclusively evidence the Authority's approval of such Escrow Agreement in the form as executed.

Section 9. The Secretary of the Authority is hereby authorized to attest to the execution of the Escrow Agreement and affix the Authority seal onto same.

Section 10. Each Authorized Officer of the Authority is hereby authorized to take all action deemed necessary, useful or convenient in connection with the foregoing and in furtherance of the Escrow Agreement.

Section 11. The Authority hereby consents to the assignment by the Prior Financing Company of the 2019 Assignment to the 2019 Finance Company.

Section 12. Each Authorized Officer of the Authority is hereby authorized to take all action deemed necessary, useful or convenient in connection with the assignment of the 2019 Assignment to the 2019 Finance Company.

Section 13. Each Authorized Officer of the Authority is hereby authorized to execute and deliver any documents necessary, useful or convenient in connection with amending the provisions of the Original Master Lease, the Bond Resolution, the 2007 Amended County Guaranty and any other CGLP document necessary to effectuate the 2019 Assignment.

Section 14. This resolution constitutes a "Supplemental Resolution" (as such term is defined in Section 1.01 of the Original Bond Resolution) pursuant to Section 11.02 of the Original Bond Resolution.

Section 15. This resolution shall take effect in accordance with applicable law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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 July 17, 2019 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 17th day of July, 2019

By: _____
Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of July 17, 2019.

By: _____
Matthew D. Jessup, Member, McManimon, Scotland & Baumann, LLC
Counsel to the Authority
Resolution No. 19-23

EXHIBIT A

2019 Master Lease

EXHIBIT B

2019 Sublease

EXHIBIT C

Escrow Agreement