

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$6,100,000 COUNTY GUARANTEED GOVERNMENTAL LOAN PROJECT NOTES, SERIES 2020 (WHIPPANY FIREHOUSE 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 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 Whippany Fire Company (the "*Fire Company*") was established in 1915 and consists of volunteer firefighters who provide fire suppression services to the residents of the Whippany section of the Township of Hanover, in the County of Morris, New Jersey (the "*Township*"); and

WHEREAS, the Fire Company has previously acquired property located at Block 7301, Lots 3, 4 and 4.01, on the tax maps of the Township and more commonly known as 10, 8 and 6 Troy Hills Road (the "*Property*") and has commenced with the design, construction, equipping and furnishing of a new firehouse on the Property (the "*Facility*"; such transactions shall be collectively referred to herein as the "*Fire Company Project*"); and

WHEREAS, the Board of Commissioners of Fire District #2 in the Township of Hanover, County of Morris (the "*Fire District*") desire to acquire the Fire Company Project from the Fire Company and to complete the design, construction, equipping and furnishing thereof (collectively, the "*Project*"); and

WHEREAS, the Fire District proposes to issue not-to-exceed \$6,100,000 of Fire District bonds (the "*Fire District Bond*"), the proceeds of which will be used by the Fire District to finance the design, construction, equipping and furnishing of the Project; and

WHEREAS, the Fire District and the Township have 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 Project, the Authority will ultimately issue bonds and has previously issued its \$5,500,000 County Guaranteed Governmental Loan Project Notes, Series 2019 (Whippany Firehouse Project) (the "*2019 Notes*") in anticipation of such bonds under and pursuant to a general bond resolution of the Authority duly adopted on September 17, 2019 (the "*General Bond Resolution*"), as amended and supplemented by a supplemental resolution of the Authority duly adopted on September 17, 2019 (the "*First Supplemental Resolution*") and a Certificate of the Chairman of the Authority dated December 11, 2019; and

WHEREAS, the Authority anticipates that it will now issue its County Guaranteed Governmental Loan Project Notes, Series 2020 (Whippany Firehouse Project) (the "*2020 Notes*") to currently refund the 2019 Notes pursuant to the General Bond Resolution and this supplemental resolution; and

WHEREAS, in order to further secure the interests of the holders of the 2020 Notes, the County will fully, unconditionally and irrevocably guaranty the payment of the principal of and interest on the 2020 Notes in an aggregate principal amount not to exceed \$6,100,000 in accordance with the terms of a guaranty ordinance of the County finally adopted on September 11, 2019 by the Board of Chosen Freeholders, as evidenced by a guaranty agreement by and between the Authority and the County and by a guaranty certificate to be executed by an authorized County representative on the face of the 2020 Notes, all pursuant to Section 37 of the Act (N.J.S.A. 40:37A-80).

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

**ARTICLE I
AUTHORITY AND DEFINITIONS**

SECTION 101. Supplemental Resolution. This "Second Supplemental Resolution Authorizing the Issuance of Not to Exceed \$6,100,000 County Guaranteed Governmental Loan Project Notes, Series 2020 (Whippany Firehouse Project) of the Morris County Improvement Authority and Determining Various Other Matters in Connection Therewith" (this "*Second Supplemental Resolution*") is supplemental to the General Bond Resolution (the General Bond Resolution, the First Supplemental Resolution and this Second Supplemental Resolution are collectively referred to herein as the "*Resolution*").

SECTION 102. Authority for this Second Supplemental Resolution. This Second Supplemental Resolution is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Section 317 and Section 802(7) of the General Bond Resolution.

SECTION 103. Definitions. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the General Bond Resolution. In addition, in this Second Supplemental Resolution, the following terms not defined in the recitals shall have the meanings set forth below:

"Bond Counsel" shall mean the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority.

"Initial Authority Financing Fee" shall mean, with respect to the 2020 Notes, the amount specified in the Certificate of Authority Officer delivered in connection with the 2020 Notes.

"Purchase Agreement" shall have the meaning given to such term in Section 213 hereto.

"Trustee" shall mean U.S. Bank National Association and its successors and/or assigns or any other bank, trust company or national banking association that at any time may be substituted in its place as provided in the General Bond Resolution.

"Underwriter" shall have the meaning given to such term in Section 212 hereto.

ARTICLE II AUTHORIZATION OF 2020 NOTES

SECTION 201. Designation, Series, Principal Amount and Payment Date. Pursuant to the provisions of the Resolution, the 2020 Notes shall be entitled to the benefits, protection and security of such provisions and are hereby authorized to be issued. The Notes shall be designated as "County Guaranteed Governmental Loan Project Notes, Series 2020 (Whippany Firehouse Project)" and shall be issued in an aggregate principal amount not to exceed \$6,100,000. The 2020 Notes shall be dated their date of delivery, shall mature on such date and in such principal amounts, and shall bear interest from their date at such rates payable on such maturity date as shall be determined by a Certificate of Authority Officer delivered in connection with the 2020 Notes.

SECTION 202. Purpose. The 2020 Notes shall be issued in order to refund and redeem the 2019 Notes, all as further set forth in a Certificate of Authority Officer delivered in connection with the 2020 Notes.

SECTION 203. Estimated Costs of Project. The estimated costs of the Project are not to exceed \$6,100,000. The Authority reasonably expects to reimburse its expenditure of all or any portion of the costs of the Project paid prior to the issuance of the Bonds, the 2019 Notes or the 2020 Notes with proceeds of its Bonds. This Second Supplemental Resolution is intended to be and is a declaration of the Authority's official intent to reimburse the Authority for its expenditure of costs of the Project paid prior to the issuance of the Bonds, the 2019 Notes or the

2020 Notes with the proceeds of its Bonds in accordance with §1.150-2 of the Treasury Regulations.

SECTION 204. Approval of Preliminary Official Statement. The preparation of a Preliminary Official Statement, substantially in the form generally used in transactions of this type, is hereby approved; *provided*, that an Authorized Authority Representative is hereby authorized, with the advice of Bond Counsel, to make such changes and insertions to and omissions from such Preliminary Official Statement as may be appropriate. An Authorized Authority Representative is hereby authorized, with the advice of Bond Counsel, to deem the Preliminary Official Statement final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and to provide written evidence relating thereto in form acceptable to Bond Counsel.

SECTION 205. Authorization of Distribution of Preliminary Official Statement. The distribution of the Preliminary Official Statement by the Underwriter in connection with the sale of the 2020 Notes, with such changes, insertions and omissions thereto as an Authorized Authority Representative shall approve, with the advice of Bond Counsel, is hereby authorized. Any Authorized Authority Representative is hereby further authorized and directed to take all such other actions as such Authorized Authority Representative shall deem necessary or desirable to effect the issuance and sale of the 2020 Notes.

SECTION 206. Continuing Disclosure. A Continuing Disclosure Agreement by and between the Authority and the Trustee, and acknowledged by the County, the Township and the Fire District, is hereby approved; *provided*, that an Authorized Authority Representative is hereby authorized, with the advice of Bond Counsel, to make such changes and insertions to and omissions from such document form as may be appropriate. The Authorized Authority Representative is hereby authorized and directed, with the advice of Bond Counsel, to execute such documents and instruments relating to continuing disclosure, if any, as may be necessary or desirable to enable brokers, dealers and municipal securities dealers to comply with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

SECTION 207. Additional Proceedings. Any additional proceedings of the Authority in connection with the sale and delivery of the 2020 Notes are hereby authorized, and there is hereby delegated to any Authorized Authority Representative the power to take the following actions and make the following determinations as to the 2020 Notes by a Certificate of Authority Officer delivered in connection with the 2020 Notes:

(a) To determine, subject to the provisions of this Second Supplemental Resolution, the principal amounts, maturity date, interest rate or rates and redemption provisions of the 2020 Notes and any other provisions deemed advisable by such person not in conflict with or in substitution for the provisions of the Resolution.

(b) To execute a final Official Statement of the Authority, substantially in the form of the Preliminary Official Statement, with such insertions, revisions and omissions as may be authorized by an Authorized Authority Representative executing the same, with the advice of Bond Counsel, to deliver the final Official Statement to the Underwriter and to authorize the use

of the final Official Statement and the information contained therein in connection with the offering and sale of the 2020 Notes.

(c) To determine the application of the proceeds of the 2020 Notes for the purpose stated in Section 202 of this Second Supplemental Resolution or a Certificate of Authority Officer delivered in connection with the 2020 Notes.

(d) Prior to the issuance of the 2020 Notes, to make such revisions to this Second Supplemental Resolution as may be requested by any rating agency in connection with a rating of the 2020 Notes; *provided*, that such revisions, if any, shall be memorialized in a Certificate of Authority Officer delivered in connection with the 2020 Notes.

(e) To make such other determinations, to execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable in connection with the issuance, sale and delivery of, and security for, the 2020 Notes and are not inconsistent with the provisions of this Second Supplemental Resolution. Any and all actions heretofore taken by any Authorized Authority Representative in connection with the issuance of the 2020 Notes are hereby ratified and confirmed.

(f) All matters determined by an Authorized Authority Representative under the authority of this Second Supplemental Resolution shall constitute and be deemed matters incorporated into this Second Supplemental Resolution and approved by the Authority, and whenever an Authorized Authority Representative is authorized or directed to take any action pursuant to this Second Supplemental Resolution with or upon the advice, consent or consultation with or by any other person, agency, office or official, a Certificate of Authority Officer may be relied upon as being determinative that such advice, consultation or consent has in fact occurred and that such actions of the Authorized Authority Representative are valid and binding.

SECTION 208. Denomination, Numbers and Letters; Payment.

(a) The 2020 Notes shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. Unless the Authority shall otherwise direct, the 2020 Notes shall be lettered and numbered with the letter "R" pre-fixed to the number. Subject to the provisions of the Resolution, the form of the 2020 Notes and the Trustee's certificate of authentication therefor shall be substantially in the form set forth in Section 1207 of the General Bond Resolution.

(b) The 2020 Notes shall be payable, with respect to principal and Redemption Price, if any, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts. Interest on the 2020 Notes, unless otherwise provided, shall be payable by check or draft drawn on the Paying Agent.

SECTION 209. Redemption. The 2020 Notes may be subject to redemption prior to maturity as provided in a Certificate of Authority Officer delivered in connection with the 2020 Notes.

SECTION 210. Application of Proceeds of 2020 Notes. The proceeds of the 2020 Notes shall be applied simultaneously with the delivery of the 2020 Notes as follows:

(a) There shall be deposited in the Bond Service Fund an amount sufficient to pay the principal of and interest due and payable on the 2019 Notes.

(b) There shall be deposited in the Bond Service Fund an amount equal to the payment of capitalized interest on the 2020 Notes, if any.

(c) There shall be deposited into the Acquisition Fund an amount equal to (i) the costs of issuance for the 2020 Notes, including, without limitation, the Initial Authority Financing Fee, if any, and (ii) additional costs of the Project, if any.

SECTION 211. Book-Entry Only System.

(a) Except as provided in subparagraph (c) of this Section 211, the Registered Owner of the 2020 Notes shall be, and the 2020 Notes shall be registered in the name of, Cede & Co., as nominee for DTC. With respect to the 2020 Notes for which Cede & Co. shall be the Registered Owner, payment of interest on such 2020 Notes shall be made by wire transfer to the account of Cede & Co. on the interest payment date for the 2020 Notes at the address indicated for Cede & Co. in the registration books of the Authority kept by the Trustee, as Registrar.

(b) With respect to the 2020 Notes so registered in the name of Cede & Co., the Authority and the Trustee shall have no responsibility or obligation to any DTC participant, indirect DTC participant or any beneficial owner of the 2020 Notes. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC participant or indirect DTC participant with respect to any beneficial ownership interest in the 2020 Notes, (ii) the delivery to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede & Co., of any notice with respect to the 2020 Notes, or (iii) the payment to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede & Co., of any amount with respect to the principal of or interest on the 2020 Notes. The Authority and the Trustee may treat DTC as, and deem DTC to be, the absolute Registered Owner of the 2020 Notes for the purpose of (i) payment of the principal of and interest on the 2020 Notes, (ii) giving notices with respect to the 2020 Notes, (iii) registering transfers with respect to the 2020 Notes and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of and interest on the 2020 Notes only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal and interest to the extent of the sum or sums so paid. No person other than DTC shall receive the 2020 Notes evidencing the obligation of the Authority to make payments of principal and interest thereon pursuant to this Second Supplemental Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the words "Cede & Co." in this Second Supplemental Resolution shall refer to such new nominee of DTC.

(c) (1) DTC may determine to discontinue providing its services with respect to the 2020 Notes at any time by giving written notice to the Authority and discharging its responsibilities with respect thereto under applicable law. Upon receipt of such notice, the Authority shall promptly deliver a copy of same to the Trustee.

(2) The Authority, (i) in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the 2020 Notes, and (ii) shall terminate the services of DTC with respect to the 2020 Notes upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than 50% of the aggregate principal amount of the then Outstanding 2020 Notes, and that (A) DTC is unable to discharge its responsibilities with respect to the 2020 Notes or (B) a continuation of the requirement that all of the Outstanding 2020 Notes be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee for DTC, is not in the best interests of the beneficial owners of the 2020 Notes.

(3) Upon the termination of the services of DTC with respect to all or any portion of the 2020 Notes pursuant to Section 211(c)(2)(i) or 211(c)(2)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to the 2020 Notes pursuant to Section 211(c)(1) or 211(c)(2)(ii)(B) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the 2020 Notes (or the applicable portion thereof) shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee for DTC, but may be registered in whatever name or names Holders transferring or exchanging such 2020 Notes shall designate, in accordance with the provisions of the Resolution. Upon the determination by any party authorized herein that the 2020 Notes shall no longer be limited to book-entry-only form, the Authority shall immediately advise the Trustee in writing of the procedures for transfer of such 2020 Notes from such book-entry-only form to a fully registered form.

(d) Notwithstanding any other provision of this Second Supplemental Resolution to the contrary, so long as the 2020 Notes are registered in the name of Cede & Co., as nominee for DTC, all payments with respect to the principal of and interest on, and all notices with respect to, such 2020 Notes shall be made and given, respectively, to DTC as provided in the Letter of Representations of the Authority addressed to DTC.

(e) In connection with any notice or other communication to be provided to Holders of the 2020 Notes pursuant to the Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by such Holders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

(f) The Authority shall determine, from time to time, whether or not it is advisable for the Authority to continue the book-entry system or to replace DTC with another qualified securities depository as successor to DTC.

SECTION 212. Appointment of Underwriter. The 2020 Notes shall be sold to an underwriter as set forth in a Certificate of Authority Officer delivered in connection with the 2020 Notes (the "*Underwriter*"). The Underwriter shall be compensated in accordance with the Purchase Agreement authorized below.

SECTION 213. Approval of Purchase Agreement. The Chairman, Vice Chairman, Executive Director and Secretary of the Authority are, and each of them is, hereby authorized and directed to negotiate, execute and deliver a purchase agreement for the 2020 Notes (the "*Purchase Agreement*") with the Underwriter. Such Purchase Agreement, along with a Certificate of Authority Officer executed prior to delivery of the 2020 Notes, shall determine the terms and conditions relating to the sale of the 2020 Notes, including the rate or rates of interest to be borne by the 2020 Notes and the underwriter's discount, if any, that is payable to the Underwriter in connection with the sale of the 2020 Notes. The 2020 Notes shall be delivered to the Underwriter at such time and place as shall be determined by the Authority, subject to the terms and conditions of the Purchase Agreement. The Chairman, Vice Chairman, Executive Director and Secretary of the Authority are, and each of them is, hereby authorized and directed to do and perform all things and execute all papers in the name of the Authority, and to make all payments necessary or in their opinion convenient, to the end that the Authority may carry out its obligations under the terms of said Purchase Agreement.

SECTION 214. Direct or Private Placement. Notwithstanding anything herein to contrary, the Authority is hereby authorized to sell the 2020 Notes via a direct or private placement to a banking or financial institution of the Authority's choice if it is determined that such a sale would be in the best interests of the Authority, after consultation with Bond Counsel, the Authority's Municipal Advisor and any other relevant professionals and staff of the Authority. The terms of such a sale shall be as set forth in a Certificate of Authority Officer delivered in connection with the 2020 Notes.

ARTICLE III MISCELLANEOUS

SECTION 301. Tax Covenants. In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the 2020 Notes, the interest on which is excludable from gross income for federal income tax purposes as provided in a tax opinion delivered at the time of authentication and delivery thereof, the Authority shall comply with the provisions of the Code applicable to the 2020 Notes necessary to maintain such exclusion. In furtherance of the foregoing, the Authority shall comply with such written instructions as may be provided by Bond Counsel.

SECTION 302. No Arbitrage Covenant. The Authority shall not take any action or fail to take any action that would cause the 2020 Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; nor shall any part of the proceeds of the 2020 Notes be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause the 2020 Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

SECTION 303. Second Supplemental Resolution to Govern. To the extent that the provisions of this Second Supplemental Resolution are inconsistent with the provisions of the General Bond Resolution, the provisions of this Second Supplemental Resolution shall control.

SECTION 304. Publication of Notice of Adoption. Any Authorized Authority Representative is hereby authorized and directed to publish the notice of adoption relating to this Second Supplemental Resolution in accordance with the provisions of Section 19 of the Act (N.J.S.A. 40:37A-62) or to delegate such task to the Authority staff or professionals.

SECTION 305. Incidental Action. Any Authorized Authority Representative is hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to (i) effectuate the sale and issuance of the 2020 Notes and (ii) maintain the exclusion from gross income under Section 103 of the Code of interest on the 2020 Notes (including the preparation and filing of any information reports or other documents with respect to the 2020 Notes as may at any time be required under Section 149 of the Code).

ARTICLE IV EFFECTIVE DATE

SECTION 401. Effective Date. This Second Supplemental Resolution shall take effect after adoption in accordance with the Act.

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 June 3, 2020 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 3rd day of June, 2020.

By: _____
Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of June 3, 2020.

By: _____
Matthew D. Jessup, Member
McManimon, Scotland & Baumann, LLC
Counsel to the Authority
Resolution No. 20-17