

A RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF NON-RECOURSE REDEVELOPMENT AREA BONDS OF THE TOWNSHIP OF WEST ORANGE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$21,000,000 (TOWNSHIP OF WEST ORANGE DOWNTOWN AREA REDEVELOPMENT PROJECT)

WHEREAS, in accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"), the Township of West Orange (the "Township") has designated a portion of its downtown area generally bounded by the City of Orange to the southeast, Park Avenue to the southwest, Llewellyn Park to the northwest, and Kling Street to the northeast, and containing those properties identified on the Official Tax Map of the Township as Blocks 64, 66, 115, 116, 116.02 and portions of Blocks 89, 114 and 117 as an area in need of redevelopment (collectively, the "Redevelopment Area"); and

WHEREAS, in accordance with the Redevelopment Law, the Township enacted a redevelopment plan for the Redevelopment Area on February 9, 2003 (as thereafter amended and supplemented, and as further amended and supplemented from time to time, the "Redevelopment Plan"); and

WHEREAS, in accordance with the Redevelopment Law and the Redevelopment Plan, on December 20, 2006, the Township and Prism Green Associates IV, LLC (the "Redeveloper") entered into that certain redevelopment agreement with respect to the Redevelopment Area (as amended by letter agreements dated May 8, 2007, June 21, 2007, September 11, 2007 and October 27, 2009, and by that certain modification agreement dated August 8, 2014, the "Initial Redevelopment Agreement"); and

WHEREAS, in accordance with the Redevelopment Law and the Redevelopment Plan, on February 26, 2016, the Township entered into a modification agreement with the Redeveloper which, among other things, removed Block 66, Lots 1, 5 and 7 (collectively, "Edison Battery Factory") from the ambit of the Initial Redevelopment Agreement, and concurrently entered into a separate redevelopment agreement with DGP Urban Renewal, LLC with respect to the development of Edison Battery Factory; and

WHEREAS, each of the following limited liability companies of the State of New Jersey (the "State") is an affiliate of Redeveloper, and each has been formed as an "urban renewal entity" in accordance with State law: GP Babcock Urban Renewal, L.L.C. ("GP Babcock"), GP 55 Lakeside Urban Renewal, L.L.C. ("GP Lakeside") and GP Ashland Urban Renewal, L.L.C. ("GP Ashland" and, together with GP Babcock and GP Lakeside, the "GP Affiliates" and each, a "GP Affiliate"); and

WHEREAS, concurrently herewith, the Township has authorized that certain Amended and Restated Redevelopment Agreement with respect to a portion of the Redevelopment Area (as further amended and supplemented from time to time, the "Redevelopment Agreement"); and

WHEREAS, Redeveloper proposes to undertake (or cause one or more of the GP Affiliates to undertake, in accordance with Section 8.2 of the Redevelopment Agreement) Phase 2A, Phase 2B and Phase 2D of for-sale, residential development in accordance with the Redevelopment Plan and the Redevelopment Agreement; and

WHEREAS, the design, financing, construction and implementation of Phase 2A, Phase 2B and Phase 2D (each as defined in the Redevelopment Agreement) shall hereinafter collectively be referred to as the "Project"; and

WHEREAS, the Project will require, among other items: (i) certain infrastructure improvements in and around the Redevelopment Area, including without limitation, utilities, roadways, pathways, sidewalks, and public rights of way (the "Infrastructure Project"); and (ii) the payment of fees and costs incurred by the Township in connection with the Project (items (i) and (ii) collectively referred to as the "Developer Obligations"); and

WHEREAS, to defray some of the costs of the Project, including without limitation, the Infrastructure Project and the Developer Obligations, thereby making the Project viable, the Township will issue the hereinafter defined Bonds in one or more series in an aggregate principal amount not to exceed \$21,000,000 (such aggregate principal amount inclusive of all Bonds issued in accordance with any project described under the Redevelopment Agreement) pursuant to the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq. (the "RAB Law"); and

WHEREAS, the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "Exemption Law") and the RAB Law authorize the Township to accept, in lieu of real property taxes, an annual service charge paid by an Owner, as such term is defined herein, to the Township; and

WHEREAS, concurrently herewith, the Township has authorized the following financial agreements pursuant to the Exemption Law: (i) Financial Agreement with GP Babcock (the "GP Babcock Financial Agreement"), (ii) Financial Agreement with GP Lakeside (the "GP Lakeside Financial Agreement") and (iii) Financial Agreement with GP Ashland (the "GP Ashland Financial Agreement" and, together with the GP Babcock Financial Agreement and the GP Lakeside Financial Agreement, the "GP Affiliates Financial Agreements" and each, a "GP Affiliate Financial Agreement"); and

WHEREAS, pursuant to the GP Affiliates Financial Agreements, (i) each GP Affiliate will pay to the Township an Annual Service Charge (as defined in the respective GP Affiliate Financial Agreement) and (ii) the Township has assigned all of its right, title and interest in and to the Pledged Annual Service Charge (as defined in each GP Affiliate Financial Agreement) to the trustee for the respective Bonds in accordance with the terms of and limitations set forth in the respective GP Affiliate Financial Agreement; and

WHEREAS, the Township, in furtherance of the purposes of the Redevelopment Law and the RAB Law and to assist in financing the cost of Phase 2A, proposes to issue its non-recourse Redevelopment Area Bonds (Township of West Orange Downtown Area Redevelopment – Phase 2A Project), in one or more series (the "Phase 2A Bonds"), to be secured by a pledge of the Pledged Annual Service Charge payable under the GP Babcock Financial Agreement, pursuant to a Trust Indenture by and between the Township and a Trustee to be appointed by the Township (the "Trustee"), as supplemented pursuant to supplemental trust indentures to be executed in connection with each series of additional Phase 2A Bonds (collectively, the "Phase 2A Trust Indenture"), which pledge and assignment are hereby declared to further secure the payment of the principal of and interest on the Phase 2A Bonds; and

WHEREAS, the Township, in furtherance of the purposes of the Redevelopment Law and the RAB Law and to assist in financing the cost of Phase 2B, proposes to issue its non-recourse Redevelopment Area Bonds (Township of West Orange Downtown Area Redevelopment – Phase 2B Project), in one or more series (the "Phase 2B Bonds"), to be secured by a pledge of the Pledged Annual Service Charge payable under the GP Lakeside Financial Agreement, pursuant to a Trust Indenture by and between the Township and the Trustee, as supplemented pursuant to supplemental trust indentures to be executed in connection with each series of additional Phase 2B Bonds (collectively, the "Phase 2B Trust Indenture"), which pledge and assignment are hereby declared to further secure the payment of the principal of and interest on the Phase 2B Bonds; and

WHEREAS, the Township, in furtherance of the purposes of the Redevelopment Law and the RAB Law and to assist in financing the cost of Phase 2D, proposes to issue its non-recourse Redevelopment Area Bonds (Township of West Orange Downtown Area Redevelopment – Phase 2D Project), in one or more series (the "Phase 2D Bonds" and, together with the Phase 2A Bonds and the Phase 2B Bonds, the "Bonds"), to be secured by a pledge of the Pledged Annual Service Charge payable under the GP Ashland Financial Agreement, pursuant to a Trust Indenture by and between the Township and the Trustee, as supplemented pursuant to supplemental trust indentures to be executed in connection with each series of additional Phase 2D Bonds (collectively, the "Phase 2D Trust Indenture" and, together with the Phase 2A Trust Indenture and the Phase 2B Trust Indenture, the "Trust Indentures" and each, a "Trust Indenture"), which pledge and assignment are hereby declared to further secure the payment of the principal of and interest on the Phase 2D Bonds; and

WHEREAS, the aggregate principal amount of Bonds to be issued pursuant to the Trust Indentures shall not exceed \$21,000,000; and

WHEREAS, the Bonds shall not be in any way a debt or liability of the Township other than to the limited extent set forth in the Trust Indentures, and neither the full faith and credit nor taxing power of the Township shall be pledged to the payment of the principal or redemption price, if any, of or interest on the Bonds.

NOW THEREFORE BE IT RESOLVED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF WEST ORANGE, NEW JERSEY, AS FOLLOWS:

Section 1. Determination to Issue. To accomplish the purposes and objectives of the Redevelopment Law and the RAB Law, the Township hereby determines to finance the Project. In order to finance the Project, the Bonds are hereby authorized to be issued in the aggregate principal amount not to exceed \$21,000,000. The Bonds shall be issued in multiple series, shall be dated, shall bear interest at such rates of interest and shall be payable as to principal, interest and premium, if any, all as is specified therein. The Bonds shall be issued in the form, shall mature, shall be subject to redemption prior to maturity and shall have such other details and provisions as are prescribed by the Trust Indenture.

Section 2. Bonds to Constitute Special Limited Obligations. The Bonds shall be special limited obligations of the Township, payable solely out of the Pledged Annual Service Charge payable pursuant to the GP Affiliate Financial Agreement that is associated with such series of Bonds, as set forth in the applicable Trust Indenture. The payment of the principal of, premium, if any, and interest on each series of Bonds shall be secured by a pledge and assignment of the Pledged Annual Service Charge payable pursuant to the GP Affiliate Financial

Agreement that is associated with such series of Bonds, as set forth in the applicable Trust Indenture. Neither the members of Township Council nor any person executing the Bonds issued pursuant to this resolution, the Redevelopment Law and the RAB Law 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 Township other than to the limited extent set forth in the Trust Indenture. Neither the full faith and credit nor taxing power of the Township is pledged to the payment of the principal or redemption price, if any, of or interest on the Bonds.**

Section 3. Authorization of Bonds. (a) The Bonds shall mature no later than 30 years from the date of issuance and shall be issued in an aggregate principal amount not exceeding \$21,000,000. The Bonds shall bear interest at a rate or rates of interest which shall not exceed the maximum interest rates approved by the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs.

(b) The Mayor or Township Administrator (each an "Authorized Officer") are each hereby authorized to execute and deliver on behalf of the Township a contract of purchase for the purchase of each series of Bonds (the "Contract of Purchase") with an underwriter or underwriters (the "Underwriter" or "Underwriters") to be determined by a certificate of award executed by an Authorized Officer (the "Award Certificate") as determined by an Authorized Officer in consultation with counsel, approval thereof to be evidenced by such Authorized Officer's execution thereof, for the purchase of all, but not less than all, of each series of Bonds. The Bonds may be sold pursuant to a competitive sale, negotiated sale or limited placement agency, all as determined by an Authorized Officer. A copy of the Contract of Purchase shall be filed upon execution with the records of the Township.

Section 4. Execution and Authentication. The Bonds shall be executed and authenticated in accordance with the Trust Indenture and shall be issued in registered form qualifying for book entry registration or as otherwise set forth in the Trust Indenture.

Section 5. Delivery of Bonds. Following execution of the Bonds, the Authorized Officers are each hereby authorized to deliver the Bonds to the Trustee for authentication and, after authentication, to deliver the Bonds to the Underwriters against receipt of the purchase price or unpaid balance thereof.

Section 6. Approval of Offering Document. The distribution by the Underwriters of a Limited Offering Memorandum or Official Statement in preliminary form (the "Preliminary Offering Document") relating to the Bonds in connection with the marketing of the Bonds, and the distribution of a final Limited Offering Memorandum or Official Statement relating to the Bonds to the purchasers of the Bonds (the "Offering Document") is hereby authorized. The Authorized Officers are each hereby authorized to approve the contents of the Preliminary Offering Document with such changes therein and modifications thereto as counsel may advise and such officer of the Township may approve. The Authorized Officers are each hereby authorized to approve the contents of the Offering Document and to execute the Offering Document on behalf of the Township, which Offering Document shall be in substantially the form of the Preliminary Offering Document with such changes therein (including the insertion of the redemption provisions and the initial interest rates for the Bonds) and supplements thereto as counsel may advise and the officer of the Township executing the same may approve, such approval to be evidenced by such officer's execution thereof. The Authorized Officers are each

hereby authorized to "deem final" the Preliminary Offering Document and to execute and deliver a certificate to the Underwriters to such effect.

Section 7. Approval of Trust Indenture. The form of the Trust Indentures presented to this meeting (a copy of each of which is on file with the records of the Township), and all instruments to be attached thereto or executed in conjunction therewith, are each hereby approved and the Authorized Officers are each hereby authorized to execute, acknowledge and deliver, and the Township Clerk or Deputy Township Clerk are each hereby authorized to affix and attest the seal of the Township to the Trust Indentures in substantially such form, with such changes therein as counsel may advise and the officers executing the same may approve, such approval to be evidenced by their execution thereof.

Section 8. Incidental Action. The Authorized Officers are hereby authorized to execute and deliver such other papers, instruments, certificates, opinions, affidavits and documents, and to take such other action as may be necessary or appropriate in order to carry out the purposes of this resolution, including effectuating the execution and delivery of the Trust Indentures and the issuance and sale of the Bonds, all in accordance with the foregoing sections hereof.

Section 9. Construction. In case any one of more of the provisions of this resolution, the Trust Indentures, the Contract of Purchase, the Offering Document or the Bonds issued hereunder shall for any reason be held illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution of the Trust Indentures, the Contract of Purchase, the Offering Document and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 10. Effective Date. This resolution shall take effect immediately upon adoption.

KAREN CARNEVALE, R.M.C., MUNICIPAL CLERK JOE KRAKOVIAK, COUNCIL PRESIDENT

Adopted: September 19, 2017

I HEREBY CERTIFY the foregoing to be a true copy of a resolution adopted by the West Orange Township Council, in the County of Essex, at its meeting held on **September 19, 2017.**

Karen J. Carnevale, R.M.C., Municipal Clerk