

RESOLUTION OF THE BOARD OF EDUCATION OF THE TOWNSHIP OF UNION IN THE COUNTY OF UNION, NEW JERSEY, AUTHORIZING CERTAIN ACTIONS NECESSARY IN CONNECTION WITH THE SALE AND ISSUANCE OF NOT TO EXCEED \$9,000,000 PRINCIPAL AMOUNT OF ENERGY SAVINGS OBLIGATION REFUNDING SCHOOL BONDS AND AUTHORIZING THE APPROPRIATE OFFICIALS TO DO ALL ACTS AND THINGS DEEMED NECESSARY AND ADVISABLE IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF SAID BONDS

WHEREAS, The Board of Education of the Township of Union in the County of Union, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed thereby) has, pursuant to N.J.S.A. 18A:18A-4.6 (the "ESP Law"), determined to undertake an energy savings plan; and

WHEREAS, the Board has appointed Schneider Electric ("Schneider Electric") to develop an Energy Savings Plan pursuant to the ESP Law; and

WHEREAS, Schneider Electric, along with Board representatives, has developed an Energy Savings Plan based upon a scope of projects including individual energy conservation measures (the "ECMs"), including upgrades to various schools and the installation of solar panels on school sites in the School District (the "Solar Project") in an effort to provide energy savings to the School District (the "ESP"); and

WHEREAS, in accordance with the ESP Law, the Board appointed DLB Associates to act as a "third party verifier" in order to verify the savings set forth in the ESP; and

WHEREAS, DLB Associates has verified the savings set forth in the ESP as provided in its report dated August 12, 2020; and

WHEREAS, the Board is in the process of determining to undertake the Solar Project as either a Power Purchase Agreement, whereby the School District does not own the panels (the "PPA Option") or whereby the Board constructs and owns the Solar Project (the "Ownership Option"); and

WHEREAS, in order to evaluate the Ownership Option, the Board is required to receive the approval of the New Jersey Board of Public Utilities to allow certain State incentives (TREC"s) to be included in the savings analysis of the Ownership Option of the Solar Project; and

WHEREAS, in order to evaluate the PPA Option, the Board has authorized a second round of PPA proposals which would reflect certain changes in the design to maximize the Solar Project including certain car ports; and

WHEREAS, the Board anticipates that the required analysis of the Solar Project options which includes the seeking of BPU approval for the Ownership Option and the seeking of proposals for the PPA Option will take a few months; and

WHEREAS, as a result of the time that the further analysis will take in order to determine which option for the Solar Project is in the best interest of the School District, the Board has separated the ESP into two phases: Phase I, being the projects that can be undertaken with the savings produced by the ECM's other than the Solar Project and Phase II being the ECM's (including the Solar Project) that can be undertaken once the determination is made as to which option for the Solar Project will be in the best interest of the School District; and

WHEREAS, on October 2, 2020, the Board received BPU approval of Phase I of the ESP; and

WHEREAS, the Board has determined that the energy savings generated from Phase I of the ESP will be sufficient to cover the cost of the program's ECMs set forth in Phase I the ESP, and, therefore, has determined to implement Phase I of the ESP pursuant to N.J.S.A. 18A:18A-4.6 et seq. and to finance Phase I the ESP through the issuance of energy savings obligations authorized as refunding bonds pursuant to N.J.S.A. 18A:18A-4.6(c)(30) and 18A:24-61.1 et seq.; and

WHEREAS, on August 18, 2020, the Board introduced on first reading, a refunding school bond ordinance (the "Refunding Bond Ordinance"), authorizing the issuance of not exceeding \$24,500,000 Energy Savings Obligation Refunding School Bonds (the "Refunding School Bonds") for the purpose of financing the ECMs set forth in the ESP; and

WHEREAS, on September 15, 2020, the Board held a public hearing on the Refunding Bond Ordinance; and

WHEREAS, in accordance with the requirements of N.J.S.A. 18A:24-61 through 62 and N.J.S.A. 18A:18A-4.6(1)(3), the Board made the required application (the "LFB Application") to the Local Finance Board within the Division of Local Government Services, New Jersey Department of Community Affairs (the "LFB") for approval to finally adopt this Energy Savings Obligation Refunding Bond Ordinance and to issue the Energy Savings Obligation Refunding School Bonds authorized herein to finance Phase I of the ESP; and

WHEREAS, on November 12, 2020, the Local Finance Board considered and approved the LFB Application for Phase I; and

WHEREAS, the Board has now determined to finally adopt the Refunding Bonds Ordinance and take all required actions to issue the Refunding School Bonds for Phase I of the ESP, to the extent economically advantageous, in accordance with the requirements of the approval granted by the LFB.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE TOWNSHIP OF UNION IN THE COUNTY OF UNION, NEW JERSEY, AS FOLLOWS:

SECTION 1. The Refunding Bond Ordinance is hereby adopted.

SECTION 2. The Refunding School Bonds in the amount not to exceed \$9,000,000 are hereby authorized to be sold to, and the Board hereby appoints RBC Capital Markets, to serve as the Underwriter (the "Underwriter"), upon the terms set forth herein and set forth in its proposal to the Board.

SECTION 3. There is hereby delegated to the Business Administrator/Board Secretary, subject to the limitations contained herein and in consultation with Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Board ("Bond Counsel") and Phoenix Advisors, Municipal Advisor to the Board (the "Municipal Advisor"), the power with respect to the Refunding School Bonds to determine and carry out the following:

- a) the sale of the Refunding School Bonds at private sale,;
- b) the principal amount of Refunding School Bonds to be issued, provided that (i) such amount shall not exceed \$9,000,000, and (ii) such amount shall not exceed the amount necessary to fund the acquisition/installation/construction of the ECMs set forth in Phase I of the ESP and to pay the costs of issuance associated with the Refunding School Bonds;
- c) the maturity dates and the principal amount of each maturity of the Refunding School Bonds, provided that no Refunding School Bonds shall mature later than 22 years from the date of issue;
- d) the interest payment dates and the coupon interest rates on the Refunding School Bonds, provided that the true interest cost on the Refunding School Bonds shall not be greater than 5%;
- e) the denomination or denominations of and the manner of numbering and lettering the Refunding School Bonds, provided that all Refunding School Bonds of like maturity shall be identical in all respects, except as to denominations, amounts, numbers and letters;
- f) the provisions for the sale or exchange of the Refunding School Bonds and for the delivery thereof;

g) the form of the Refunding School Bonds shall be substantially in the form set forth in Exhibit A attached hereto, with such additions, deletions and omissions as may be necessary for the Board to market the Refunding School Bonds in accordance with the requirements of The Depository Trust Company, New York, New York, ("DTC") and the Purchase Contract (as defined herein);

h) the direction for the application and investment of the proceeds of the Refunding School Bonds; and

i) the Refunding School Bonds may be issued in one or more series as determined by the Business Administrator/Board Secretary, in consultation with Bond Counsel and the Municipal Advisor.

j) any other provisions deemed advisable by the Business Administrator/Board Secretary not in conflict with the provisions hereof.

The Business Administrator/Board Secretary shall execute a certificate evidencing the determinations or other actions taken pursuant to the authority granted hereunder, and any such certificate shall be conclusive evidence of the actions or determinations of the Business Administrator/Board Secretary as to the matters stated therein.

SECTION 4. The President and Vice-President of the Board are hereby authorized and directed to execute by manual or facsimile signature the Refunding School Bonds in the name of the Board and the corporate seal (or facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. The Business Administrator/Board Secretary is hereby authorized and directed to attest to such signature and to the affixing of said seal to the Refunding School Bonds.

SECTION 5. The Business Administrator/Board Secretary, in consultation with Bond Counsel, is hereby authorized and directed to approve the Bond Purchase Contract (the "Purchase Contract") for the Refunding School Bonds, to be dated the date of sale of such Refunding School Bonds, and to be executed by the Underwriter. The President, Vice-President and Business Administrator/Board Secretary are hereby authorized and directed on behalf of the Board to execute and deliver said Purchase Contract.

SECTION 6. The Business Administrator/Board Secretary, in consultation with Bond Counsel, is hereby authorized and directed to apply and qualify for the issuance of any policy of municipal bond insurance and to approve a Commitment for Municipal Bond Insurance (the "Commitment") setting forth the terms and conditions (including premium charges) upon which a bond insurer proposes to issue its bond insurance policy covering the Refunding School Bonds. The Business Administrator/Board Secretary is hereby authorized and directed on behalf of the Board to execute and deliver said Commitment to the extent that the Business Administrator/Board Secretary determines that the projected present value of the aggregate interest savings to be generated from the acquisition of such insurance exceeds the insurance premium to be

paid for such insurance. The cost of any such insurance is to be included in the costs of issuance of the Refunding School Bonds for purposes of determining if the financing being authorized in this resolution satisfies the requirements of the LFB.

SECTION 7. It is hereby delegated to the Business Administrator/Board Secretary, the authority to “deem final”, in accordance with applicable rules of the federal Securities and Exchange Commission (the “SEC Rules”), a Preliminary Official Statement (the “Preliminary Official Statement”) to be used in connection with the marketing and sale of the Refunding School Bonds. The Business Administrator/Board Secretary is hereby authorized and directed, with advice and consent of Bond Counsel, to execute and deliver a customary certificate to the Underwriter evidencing the same. The preparation and distribution by the Board, in consultation with Bond Counsel, of such Preliminary Official Statement is hereby approved and any previous actions undertaken by various representatives and officers of the Board with respect thereto are hereby ratified and confirmed. Upon the sale of the Refunding School Bonds to the Underwriter, the Preliminary Official Statement shall be so modified by the Business Administrator/Board Secretary, in consultation with Bond Counsel, to reflect the effect of the pricing of the Refunding School Bonds and the Purchase Contract and any other revision not inconsistent with the substance thereof deemed necessary or advisable by Bond Counsel, and said Preliminary Official Statement as so modified shall constitute the final Official Statement (the “Official Statement”) required under the SEC Rules. The Business Administrator/Board Secretary is authorized and directed on behalf of the Board to execute and deliver said Official Statement as required by the SEC Rules.

SECTION 8. The Board hereby covenants and agrees that it shall comply with and carry out all of the provisions of a Continuing Disclosure Certificate (the “Certificate”) which will set forth the obligation of the Board to file budgetary, financial and operating data on an annual basis and notices of certain enumerated events deemed material in accordance with the requirements of the SEC Rules. The Business Administrator/Board Secretary is hereby authorized and directed to execute and deliver such Certificate evidencing the Board’s undertaking with respect to the SEC Rules.

SECTION 9. The President, Vice-President and Business Administrator/Board Secretary or any other appropriate officer or representative of the Board, are hereby authorized and directed to execute and deliver any and all documents and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution, the Purchase Contract, the Certificate and the Commitment (if any), and for the authorization, sale and issuance of the Refunding School Bonds. The execution by such officials and officers of any such documents, with changes, insertions or omissions approved by the Business Administrator/Board Secretary, in consultation with Bond Counsel, as hereinabove provided, shall be conclusive and no further ratification or other action by the Board shall be required with respect thereto.

SECTION 10. The Board hereby covenants to maintain the exclusion from federal gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended, of the interest on the Refunding School Bonds.

SECTION 11. All other resolutions adopted in connection with the Refunding School Bonds and inconsistent herewith are hereby rescinded to the extent of such inconsistency.

SECTION 13. This resolution shall take effect.

The foregoing resolution was adopted by the following roll call vote on November 17, 2020.

Recorded Vote

AYE:

NAY:

ABSTAIN:

ABSENT:

CERTIFICATION

I, **DIANE CAPPIELLO**, Acting Board Secretary of The Board of Education of the Township of Union in the County of Union, New Jersey (the "Board"), DO HEREBY CERTIFY that the annexed resolution entitled, "**RESOLUTION OF THE BOARD OF EDUCATION OF THE TOWNSHIP OF UNION IN THE COUNTY OF UNION, NEW JERSEY, AUTHORIZING CERTAIN ACTIONS NECESSARY IN CONNECTION WITH THE SALE AND ISSUANCE OF NOT TO EXCEED \$9,000,000 PRINCIPAL AMOUNT OF ENERGY SAVINGS OBLIGATION REFUNDING SCHOOL BONDS AND AUTHORIZING THE APPROPRIATE OFFICIALS TO DO ALL ACTS AND THINGS DEEMED NECESSARY AND ADVISABLE IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF SAID BONDS**", is a copy of a resolution which was duly adopted by the Board at a meeting duly called and held on November 17, 2020, in full compliance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., at which meeting a quorum was present and acting throughout and which resolution has been compared by me with the original thereof as contained in the minutes as officially recorded in my office in the Minute Book of the Board and is a true, complete and correct copy thereof and the aforesaid resolution has not been repealed, amended or rescinded but remains in full force and effect on and as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Board this _____ day of _____, 2020.

(SEAL)

DIANE CAPPIELLO
Acting Board Secretary

EXHIBIT A

Payment of this obligation is secured under the provisions of the "New Jersey School Bond Reserve Act" in accordance with which an amount equal to 1% of the aggregate outstanding bonded indebtedness (but not to exceed the moneys available in the fund), of New Jersey counties, municipalities and school districts for school purposes as of September 15 of each year, is held within the State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payments of principal and interest due on such bonds in the event of the inability of the issuer to make payment.

**REGISTERED
NUMBER R-«number»**

**PRINCIPAL SUM
\$«sum»**

**UNITED STATES OF AMERICA
STATE OF NEW JERSEY
THE BOARD OF EDUCATION OF THE
TOWNSHIP OF UNION
IN THE COUNTY OF UNION**

ENERGY SAVINGS OBLIGATION REFUNDING SCHOOL BOND

<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>RATE OF INTEREST PER ANNUM</u>	<u>CUSIP NUMBER</u>
_____, 2020	_____, «date»	«rate»%	«cusip»

THE BOARD OF EDUCATION OF THE TOWNSHIP OF UNION IN THE COUNTY OF UNION, NEW JERSEY (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) hereby acknowledges itself indebted and for value received promises to pay to CEDE & CO., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as Securities Depository (the "Securities Depository"), on the MATURITY DATE specified above, the PRINCIPAL SUM, and to pay interest on such sum from the DATE OF ORIGINAL ISSUE of this Bond at the RATE OF INTEREST PER ANNUM specified above semi-annually on the ____ day of ____ and ____ in each year, commencing _____, 20__, until maturity. Principal of and interest on this Bond will be paid to the Securities Depository by the Board or its duly appointed paying agent and will be credited to the participants of DTC, as listed on the records of DTC, as of each _____ and _____ next preceding the date of such payments (the "Record Dates" for such payments).

This Bond is not transferable as to principal or interest except to an authorized nominee of DTC. DTC shall be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of the interests among its participants. The participants are responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers.

The Bonds of this issue maturing prior to _____ are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after _____ are subject to redemption at the option of the Board in whole or in part on any date on or after _____ upon notice as required herein, at one hundred percent (100%) of the principal amount to be redeemed (the "Redemption Price"), together with interest accrued to the date of redemption.

[The Bonds maturing on _____, 20__ are subject to mandatory redemption from sinking fund installments made on each _____, beginning _____, 20__, and shall be redeemed on the dates set forth below at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds called for redemption, plus interest accrued and unpaid to the date fixed for redemption, according to the schedule set forth below:

<u>Date</u>	<u>Sinking Fund Installment</u>	<u>Date</u>	<u>Sinking Fund Installment]</u>
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Notice of Redemption ("Notice of Redemption") shall be given by mailing at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Board determines to redeem a portion of the Bonds prior to maturity, such Bonds to be redeemed shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.]

This Bond is one of an authorized issue of Bonds and is issued pursuant to: (i) title 18A of the New Jersey Statutes, as amended and supplemented; (ii) a refunding bond ordinance enacted and adopted by the Board on November 17, 2020; and (iii) a resolution adopted by the Board on November 17, 2020 (the "Authorization Proceedings"). The Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs consented to the adoption and enactment of the Refunding Bond Ordinance for this Bond on November 12, 2020. The full faith and credit of the School District are hereby irrevocably pledged for the punctual payment of the principal of and the interest on this Bond according to its terms.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or the statutes of the State of New Jersey to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the issue of Bonds of which this is one, together with all other indebtedness of the School District, is within every debt and other limit prescribed by such Constitution or statutes.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE TOWNSHIP OF UNION IN THE COUNTY OF UNION, NEW JERSEY has caused this Bond to be executed in its name by the manual or facsimile signature of its President, its corporate seal to be hereunto imprinted or affixed, this Bond and the seal to be attested by the manual signature of its Business Administrator/Board Secretary, and this Bond to be dated the DATE OF ORIGINAL ISSUE as specified above.

**THE BOARD OF EDUCATION OF THE
TOWNSHIP OF UNION THE COUNTY
OF UNION, NEW JERSEY**

(SEAL)

By: _____

President

ATTEST:

By: _____

Business Administrator/Board Secretary