

RESOLUTION OF THE BOROUGH OF MOUNT ARLINGTON, IN THE COUNTY OF MORRIS, NEW JERSEY, DESIGNATING A REDEVELOPER AND AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT FOR THE PROPERTY KNOWN AS BLOCK 8, LOT 3 ON THE TAX MAP OF THE BOROUGH, AND FURTHER AUTHORIZING AN AMENDMENT TO THE GROUND LEASE WITH HESP SOLAR, LLC

WHEREAS, the Borough of Mount Arlington (the "**Borough**") is a political subdivision of the State of New Jersey (the "**State**"), located in the County of Morris; and

WHEREAS, on October 6, 2015, the Borough Council of the Borough (the "**Borough Council**") adopted Ordinance No. 11-15, approving and adopting the Mount Arlington Landfill Redevelopment Plan (the "**Redevelopment Plan**") in accordance with the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended and supplemented (the "**Redevelopment Law**"); and

WHEREAS, the Redevelopment Plan relates to certain property within the Borough, specifically Block 8, Lot 3 on the Tax Map of the Borough (the "**Redevelopment Area**"); and

WHEREAS, on November 5, 2015, the Borough issued a Request for Proposals (the "**RFP**"), soliciting responses from redevelopers interested in the redevelopment of the Redevelopment Area; and

WHEREAS, on December 1, 2015, Redeveloper submitted a proposal regarding the Redevelopment Area to the Borough, that the Borough desired to further explore (the "**Redeveloper Response**"); and

WHEREAS, on April 12, 2016, the Borough Council, acting in its capacity as "redevelopment entity" for the Borough, adopted Resolution 2016-76 designating HESP Solar, LLC as redeveloper of the Redevelopment Area (the "**Redeveloper**"); and

WHEREAS, the Borough desires to authorize the execution of a redevelopment agreement with the Redeveloper (in the form attached hereto as **Exhibit A**, the "**Redevelopment Agreement**"), for the planning, construction and undertaking of the hereinafter defined Project in the Redevelopment Area in accordance with the Redevelopment Plan; and

WHEREAS, the Redeveloper has proposed to undertake the following actions in accordance with the terms of the Redevelopment Agreement and the Redevelopment Plan: (i) design, develop, finance, construct, operate and maintain a grid-connected photovoltaic solar power system in the Redevelopment Area with an output of approximately 1.6 megawatts (MW) (direct current) of power, as approved by PJM, including but not limited to all solar energy panels, mounting systems, carports, tracking devices, inverters, switches, meters, conduits, wires, controls, integrators, security systems and other related equipment and components installed in the Redevelopment Area, electric lines and conduits required to connect such equipment to the delivery point, protective and associated equipment, improvements, and other tangible and intangible assets, contracts, permits, property rights and contract rights reasonably necessary for the construction, operation, and maintenance of same; and (ii) construct all necessary on- and

off-site infrastructure improvements (as more specifically described in the Redevelopment Agreement, the "**Project**"); and

WHEREAS, on March 28, 2017, the Borough and the Redeveloper entered into a Ground Lease (the "**Original Ground Lease**"), pursuant to which the Redeveloper is leasing the Premises (as defined in the Original Ground Lease) from the Borough solely for the purpose of constructing and operating thereon the Project, conducting activities accessory to and related with such use, including, without limitation, the generation and sale of Energy (as defined in the Original Ground Lease), pursuant to the Original Ground Lease; and

WHEREAS, the Borough and Redeveloper now desire to enter into an amendment to the Original Ground Lease (in the form attached hereto as **Exhibit B**, the "**Ground Lease Amendment**"), to modify the time period within which the Redeveloper may complete construction of the Project, accelerate certain Fixed Net Rent (as defined in the Original Ground Lease) payments made by the Redeveloper to the Borough and to modify the requirements of the restoration bond that the Redeveloper is required to provide to the Borough; and

WHEREAS, in order to effectuate the Redevelopment Plan, the Project and the redevelopment of the Redevelopment Area, the Borough has determined to enter into (i) the Redevelopment Agreement with the Redeveloper, which Redevelopment Agreement designates Redeveloper as the "redeveloper" of the Project in accordance with the Redevelopment Law, and which specifies the respective rights and responsibilities of the parties with respect to the Project and (ii) the Ground Lease Amendment with the Redeveloper.

NOW THEREFORE BE IT RESOLVED by the Borough Council of the Borough of Mount Arlington, in the County of Morris, New Jersey, as follows:

Section 1. The foregoing recitals are hereby incorporated by reference as if fully set forth herein.

Section 2. The Redeveloper is hereby designated as the Redeveloper of the Redevelopment Area.

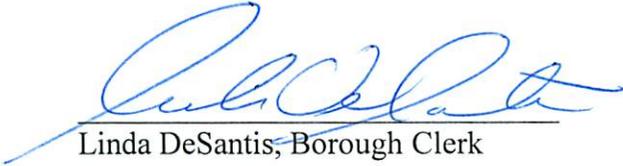
Section 3. The Mayor of the Borough is hereby authorized and directed to execute the Redevelopment Agreement, in the form attached hereto as **Exhibit A**, with such changes, omissions or amendments as the Mayor deems appropriate in consultation with the Borough's general counsel, redevelopment counsel and other Borough professionals. The Clerk of the Borough is hereby authorized and directed to attest to the Mayor's signature and affix the seal of the Borough to the Redevelopment Agreement. Upon execution and attestation of same, the Mayor is hereby authorized to deliver the Redevelopment Agreement to the other parties thereto.

Section 4. The Mayor of the Borough is hereby authorized and directed to execute the Ground Lease Amendment, in the form attached hereto as **Exhibit B**, with such changes, omissions or amendments as the Mayor deems appropriate in consultation with the Borough's general counsel, redevelopment counsel and other Borough professionals. The Clerk of the Borough is hereby authorized and directed to attest to the Mayor's signature and affix the seal of the Borough to the Ground Lease Amendment. Upon execution and attestation of same, the Mayor is hereby authorized to deliver the Ground Lease Amendment to the other parties thereto.

Section 5. This resolution shall take effect immediately.

CERTIFICATE

I HEREBY CERTIFY the foregoing to be a true copy of a Resolution adopted on February 5, 2019 by the Borough of Mount Arlington, in the County of Morris, New Jersey.



Linda DeSantis, Borough Clerk
Borough of Mount Arlington, New Jersey