RESOLUTION NO. 10 - 31

AMENDED AND RESTATED RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING (I) THE SUBSTITUTION BY THE OCEAN COUNTY UTILITIES AUTHORITY OF CERTAIN JUNIOR LIEN BONDS FOR CERTAIN BONDS PREVIOUSLY ISSUED TO THE TRUST AND (II) THE EXECUTION AND DELIVERY OF AMENDMENTS TO CERTAIN LOAN AGREEMENTS BY AND BETWEEN THE TRUST AND THE OCEAN COUNTY UTILITIES AUTHORITY

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”), a public body corporate and politic under the laws of the State of New Jersey (the “State”), is organized and existing pursuant to the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been, and in the future may be, amended and supplemented from time to time (the “Act”); and

WHEREAS, pursuant to Sections 5(m) and 9(a) of the Act, the Trust is authorized to make and contract to make loans pursuant to loan agreements with local government units and public water utilities (each a “Local Unit”) to finance a portion of the cost of environmental infrastructure system projects that Local Units may lawfully undertake or acquire and for which they are authorized by law to borrow funds; and

WHEREAS, the Trust and The Ocean County Utilities Authority (the “OCUA”), a public body corporate and politic duly created and existing pursuant to the “Municipal and Counties Utilities Authorities Law”, constituting Chapter 183 of the Pamphlet Laws of 1957 of the State, as amended and supplemented, have entered into (i) that certain Loan Agreement, dated as of November 1, 1994 (the “1994 Loan Agreement”), (ii) that certain Loan Agreement, dated as of November 1, 1998 (the “1998 Loan Agreement”), (iii) that certain Loan Agreement, dated as of November 1, 2000 (the “2000 Loan Agreement”), (iv) that certain Loan Agreement, dated as of November 1, 2001 (the “2001 Loan Agreement”), (v) that certain Loan Agreement, dated as of November 1, 2002 (the “2002 Loan Agreement”), (vi) that certain Loan Agreement, dated as of November 1, 2004 (the “2004 Loan Agreement”), (vii) that certain Loan Agreement, dated as of November 1, 2005 (the “2005 Loan Agreement”), (viii) that certain Loan Agreement, dated as of November 1, 2006 (the “2006 Loan Agreement”), (ix) that certain Loan Agreement, dated as of November 1, 2007 (the “2007 Loan Agreement”), and (x) that certain Loan Agreement, dated as of November 1, 2008 (the “2008 Loan Agreement”; the 1994 Loan Agreement, the 1998 Loan Agreement, the 2000 Loan Agreement, the 2001 Loan Agreement, the 2002 Loan Agreement, the 2004 Loan Agreement, the 2005 Loan Agreement, the 2006 Loan Agreement, the 2007 Loan Agreement and the 2008 Loan Agreement shall be referred to collectively hereinafter as the “Loan Agreements”), pursuant to the terms of each of which the Trust has made a loan to the OCUA (each a “Loan”) to finance a portion of each Project as defined and described in each respective Loan Agreement; and

WHEREAS, the OCUA has issued (i) its Wastewater Revenue Bonds, Series 1994A (the “1994 Bonds”), (ii) its Wastewater Revenue Bonds, Series 1998A (the “1998 Bonds”), (iii) its
Wastewater Revenue Bonds, Series 2000C (the “2000 Bonds”), (iv) its Wastewater Revenue Bonds, Series 2001A (the “2001 Bonds”), (v) its Wastewater Revenue Bonds, Series 2002A (the “2002 Bonds”), (vi) its Wastewater Revenue Bonds, Series 2004A (the “2004 Bonds”), (vii) its Wastewater Revenue Bonds, Series 2005A (the “2005 Bonds”), (viii) its Wastewater Revenue Bonds, Series 2006A (the “2006 Bonds”), (ix) its Wastewater Revenue Bonds, Series 2007A (the “2007 Bonds”), and (ix) its Wastewater Revenue Bonds, Series 2008A (the “2008 Bonds”); the 1994 Bonds, the 1998 Bonds, the 2000 Bonds, the 2001 Bonds, the 2002 Bonds, the 2004 Bonds, the 2005 Bonds, the 2006 Bonds, the 2007 Bonds and the 2008 Bonds shall be referred to collectively hereinafter as the “OCUA Bonds”) to the Trust, as holder thereof, to evidence and secure each respective Loan, such OCUA Bonds having been issued pursuant to a resolution adopted by the OCUA on December 20, 1985, entitled "Resolution Authorizing the Issuance of Wastewater Revenue Bonds of The Ocean County Utilities Authority" as thereafter amended and supplemented from time to time (the “OCUA Senior Lien Bond Resolution”); and

WHEREAS, the OCUA Senior Lien Bond Resolution requires that the OCUA establish and maintain a debt service reserve fund to secure its senior lien bonds issued pursuant to the terms thereof, including, without limitation, the OCUA Bonds; and

WHEREAS, pursuant to the requirements of the OCUA Senior Lien Bond Resolution, the OCUA currently maintains debt service reserve funds with respect to the OCUA Bonds (the “Debt Service Reserve Funds”) in the total amount of $9,384,566.22; and

WHEREAS, pursuant to that certain “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Further Revising the Policy of the Trust Regarding Subordinated Authority Bonds Issued to the Trust and the State to Secure Loans Made to Authority Borrowers Pursuant to the Program of the Trust” (the “Junior Lien Bond Policy Resolution”) heretofore adopted by the Trust, the Trust permits Local Units that do not possess general obligation taxing power (each an “Authority Borrower”) to issue junior lien bonds to the Trust as security for loans made by the Trust to such Authority Borrowers, provided that the Authority Borrower complies with certain conditions set forth in the Junior Lien Bond Policy Resolution (collectively, the “Junior Lien Bond Policy Resolution Conditions Precedent”), including, without limitation, the requirement that such junior lien bonds be secured by service, deficiency or other agreements of (i) municipalities that possess and pledge their general obligation taxing power to secure their payment obligations pursuant to such service, deficiency and other agreements (“Direct Service Agreements”) or (ii) authority participants or customers that, in turn, have entered into service, deficiency or other agreements with municipalities that possess and pledge their general obligation taxing power to secure their payment obligations pursuant to such service, deficiency or other agreements (“Indirect Service Agreements”); and

WHEREAS, heretofore, with respect to the issuance of the OCUA Bonds, the OCUA, as an Authority Borrower, failed to avail itself of the policy of the Trust as it relates to junior lien bonds issued by Authority Borrowers, including, without limitation, the provisions of the Junior Lien Bond Policy Resolution, and, at this time, the OCUA has determined that the maintenance of the Debt Service Reserve Funds with respect to the OCUA Bonds creates a financial hardship for the OCUA; and
WHEREAS, the OCUA now desires to substitute for the OCUA Bonds new, junior lien bonds that shall be junior to the other bonds issued pursuant to the OCUA Bond Resolution (i) in priority of payment and (ii) in that they shall not be secured by the Debt Service Reserve Funds (the “OCUA Junior Lien Bonds”), provided that (i) the OCUA Junior Lien Bonds shall otherwise reflect each of the terms and provisions of the respective OCUA Bonds to be replaced thereby and (ii) the OCUA, in issuing its OCUA Junior Lien Bonds in substitution for the OCUA Bonds, shall satisfy each of the Junior Lien Bond Policy Resolution Conditions Precedent, including, without limitation, the provision of security for the OCUA Junior Lien Bonds in the form of a Direct Service Agreement and/or an Indirect Service Agreement; and


WHEREAS, the OCUA has requested that the Trust enter into an amendment to each Loan Agreement, in accordance with the amendment provisions of each respective Loan Agreement, to effectuate the substitution of the OCUA Junior Lien Bonds for the OCUA Bonds; and

WHEREAS, it is the desire of the Trust to (i) accept the substitution of the OCUA Junior Lien Bonds for the OCUA Bonds, provided that the OCUA shall satisfy each of the Junior Lien Bond Policy Resolution Conditions Precedent, including, without limitation, the provision of security for the OCUA Junior Lien Bonds in the form of a Direct Service Agreement and/or an Indirect Service Agreement, and (ii) effectuate such substitution by entering into an amendment to each Loan Agreement, in accordance with the amendment provisions thereof; and

WHEREAS, on September 10, 2009, the Board of Directors of the Trust adopted a resolution of the Trust entitled “Resolution of the New Jersey Environmental Infrastructure Trust Authorizing (i) the Substitution by The Ocean County Utilities Authority of Certain Junior Lien Bonds for Certain Bonds Previously Issued to the Trust and (ii) the Execution and Delivery of Amendments to Certain Loan Agreements by and Between the Trust and The Ocean County Utilities Authority” (the “Prior Resolution”), pursuant to which Prior Resolution the Trust (i) accepted the substitution of the OCUA Junior Lien Bonds for the OCUA Bonds, other than the 2007 Bonds and the 2008 Bonds, and (ii) authorized an amendment to each Loan Agreement, in accordance with the amendment provisions thereof; and

WHEREAS, subsequent to the adoption by the Trust of the Prior Resolution, the OCUA adopted the OCUA Junior Lien Bond Resolution, pursuant to which the OCUA authorized the substitution of OCUA Junior Lien Bonds for the 2007 Bonds and the 2008 Bonds, in addition to
the substitution of OCUA Junior Lien Bonds for the OCUA Bonds other than the 2007 Bonds and the 2008 Bonds; and

WHEREAS, it is the desire of the Trust to amend and restate in its entirety the Prior Resolution for the purposes of (i) accepting the substitution of OCUA Junior Lien Bonds for the 2007 Bonds and the 2008 Bonds, and (ii) reflecting that the OCUA Junior Lien Bonds will be issued by the OCUA pursuant to the OCUA Junior Lien Bond Resolution, which was adopted by the OCUA subsequent to the adoption by the Trust of the Prior Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Trust (the “Board”), as follows:

Section 1. The Prior Resolution is hereby amended and restated in its entirety by the terms of this Resolution.

Section 2. The Board hereby accepts and agrees to the substitution of the OCUA Junior Lien Bonds for the OCUA Bonds, provided that (i) the OCUA Junior Lien Bonds shall reflect each of the terms and provisions of the respective OCUA Bonds to be replaced thereby, except (1) the OCUA Junior Lien Bonds shall be issued pursuant to the OCUA Junior Lien Bond Resolution; (2) the OCUA Junior Lien Bonds shall be junior in priority of payment to the senior lien bonds issued by the OCUA pursuant to the OCUA Senior Lien Bond Resolution, and (3) the OCUA Junior Lien Bonds shall not be secured by the Debt Service Reserve Funds, and (ii) the OCUA, in issuing its OCUA Junior Lien Bonds in substitution for the OCUA Bonds, shall satisfy each of the Junior Lien Bond Policy Resolution Conditions Precedent, including, without limitation, the provision of security for the OCUA Junior Lien Bonds in the form of a Direct Service Agreement and/or an Indirect Service Agreement.

Section 3. The Board hereby authorizes an amendment to each Loan Agreement (each an “Amendment to Loan Agreement” and, collectively, the “Amendments to Loan Agreement”), each in substantially the form attached hereto as Exhibit A and made a part hereof, with such revisions and modifications thereto as shall be approved by the Chairman, the Vice Chairman, the Executive Director of the Trust or the Acting Executive Director of the Trust (each an “Authorized Officer”) after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, such approval to be evidenced by the execution of each Amendment to Loan Agreement by such Authorized Officer.

Section 4. Each Authorized Officer is hereby severally authorized to execute each Amendment to Loan Agreement, and any certificates, instruments or documents contemplated therein or related thereto.

Section 5. Upon execution of each Amendment to Loan Agreement by the Authorized Officer, the Secretary and the Assistant Secretary of the Trust are hereby authorized and directed, where required, to affix the corporate seal of the Trust and to attest to the signature of such Authorized Officer thereon and on any certificates, instruments or documents contemplated therein.
Section 6. The Executive Director, the Acting Executive Director and any other Authorized Officer are hereby authorized and directed to (i) execute such other certificates, instruments or other documents, in such form and with such terms and conditions as the Executive Director, the Acting Executive Director or any other Authorized Officer, after consultation with bond counsel to the Trust and the office of the Attorney General of the State, determines to be in the best interests of the Trust, and (ii) take such other actions as the Executive Director, the Acting Executive Director or any other Authorized Officer, in their respective sole discretion after consultation with the bond counsel to the Trust and the office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

Section 7. This resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: June 10, 2010

Motion Made By: Ms. Kreipke

Motion Seconded By: Ms. Rendeiro

Ayes: 6

Nays: 0

Abstentions: 0
FIRST AMENDMENT TO

LOAN AGREEMENT

DATED AS OF NOVEMBER 1, ____

BY AND BETWEEN

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

AND

THE OCEAN COUNTY UTILITIES AUTHORITY

DATED AS OF ________ __, 2010
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT DATED AS OF NOVEMBER 1, ____ (the “First Amendment to Loan Agreement”) is made and entered into as of _______ __, 2010, by and between the NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST (the “Trust”), a public body corporate and politic with corporate succession, and THE OCEAN COUNTY UTILITIES AUTHORITY (the “Borrower”), a public body corporate and politic duly created and validly existing under the laws of the State of New Jersey (all terms not otherwise defined herein shall have the meaning ascribed to those terms in the Loan Agreement (as hereinafter defined));

WITNESSETH THAT:

WHEREAS, the Borrower and the Trust entered into that certain Loan Agreement dated as of November 1, ____ (the “Loan Agreement”) pursuant to which the Trust agreed to make a loan to the Borrower (the “Loan”) to finance a portion of the Project; and

WHEREAS, the Trust made the Loan to the Borrower from a portion of the available proceeds of the Trust Bonds to finance a portion of the Cost of the Project; and

WHEREAS, the Borrower issued the Borrower Bond, pursuant to the resolution of the Borrower adopted by the Borrower on December 20, 1985, entitled “Resolution Authorizing the Issuance of Revenue Bonds of the Ocean County Utilities Authority,” as thereafter amended and supplemented from time to time, including by a supplemental resolution adopted on _______ __, ____ , to the Trust evidencing said Loan at the Loan Closing; and

WHEREAS, the Borrower now desires to substitute the Borrower Bond with a new bond (the “New Borrower Bond”), that shall be junior to the other bonds issued pursuant to the Borrower Bond Resolution (i) in priority of payment and (ii) in that they shall not be secured by the Debt Service Reserve Funds, provided that (i) the New Borrower Bond shall otherwise reflect each of the terms and provisions of the Borrower Bond and (ii) the Borrower, in issuing its New Borrower Bond in substitution for the Borrower Bond, shall satisfy each of the conditions precedent to the issuance of such bonds set forth in that certain resolution of the Trust entitled “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Further Revising the Policy of the Trust Regarding Subordinated Authority Bonds Issued to the Trust and the State to Secure Loans Made to Authority Borrowers Pursuant to the Program of the Trust”; and

WHEREAS, the Borrower has requested the Trust, and the Trust has agreed, to enter into this First Amendment to the Loan Agreement in accordance with Section 6.04 of the Loan Agreement to effectuate the substitution of the New Borrower Bond for the Borrower Bond.

NOW, THEREFORE, for and in consideration of the award of the Loan by the Trust, the Borrower and the Trust agree to amend the Loan Agreement, as follows:
SECTION 1. The definition of “Borrower Bond” in Section 1.01 is hereby deleted and replaced in its entirety with the following:

“Borrower Bond” means (i) prior to September __, 2009, the revenue bond of the Borrower entitled “Wastewater Revenue Bonds, Series _____, dated [October 15] [November _], ____ in the principal amount of $__________, authorized, executed, attested and delivered by the Borrower to the Trust pursuant to the Borrower Bond Resolution, and authenticated on behalf of the Borrower to evidence the Loan, and (ii) on and after September __, 2009, the revenue bond of the Borrower entitled “Junior Lien Wastewater Revenue Bonds, Series _____”, dated September __, 2009, in the principal amount of $__________, authorized, executed, attested and delivered by the Borrower to the Trust pursuant to the Borrower Bond Resolution, and authenticated on behalf of the Borrower to evidence the Loan, a specimen of which is attached hereto as Exhibit D.

SECTION 2. The definition of “Borrower Bond Resolution” in Section 1.01 is hereby deleted and replaced in its entirety with the following:


SECTION 3. The following definition is added to Section 1.01:

“Senior Lien Bonds” means existing or future bonds, notes or other debt obligations outstanding, issued under the Borrower Bond Resolution, that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the Revenues.

SECTION 4. The following sentence is hereby inserted at the end of Section 2.02(c) of the Loan Agreement: “Notwithstanding anything to the contrary in Section 2.02(c) of this Loan Agreement, the Trust hereby acknowledges that Senior Lien Bonds have a prior/senior lien over the Borrower Bond, on Revenues of the System.”

SECTION 5. Exhibit D to the Loan Agreement is hereby deleted and replaced in its entirety with the specimen bond attached hereto as Exhibit A.

SECTION 6. All other provisions of the Loan Agreement shall remain in full force and effect.
SECTION 7. The Borrower hereby represents that it is not in default under any of the terms or provisions of the Loan Agreement, as amended by this First Amendment to Loan Agreement, as of the date hereof.
IN WITNESS WHEREOF, the Trust and the Borrower have caused this First Amendment to Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[SEAL]

By: ________________________
ATTEST:            Robert A. Briant, Sr.
                        Chairman

Maryclaire D’Andrea
Assistant Secretary

THE OCEAN COUNTY UTILITIES AUTHORITY

[SEAL]

By: ________________________
ATTEST: ________________________

Clerk
EXHIBIT A

Specimen Borrower Bond

EXHIBIT A

FORM OF AMENDMENT TO LOAN AGREEMENT
RESOLUTION NO. 09 - 31

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING (I) THE SUBSTITUTION BY THE OCEAN COUNTY UTILITIES AUTHORITY OF CERTAIN JUNIOR LIEN BONDS FOR CERTAIN BONDS PREVIOUSLY ISSUED TO THE TRUST AND (II) THE EXECUTION AND DELIVERY OF AMENDMENTS TO CERTAIN LOAN AGREEMENTS BY AND BETWEEN THE TRUST AND THE OCEAN COUNTY UTILITIES AUTHORITY

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”), a public body corporate and politic under the laws of the State of New Jersey (the “State”), is organized and existing pursuant to the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been, and in the future may be, amended and supplemented from time to time (the “Act”); and

WHEREAS, pursuant to Sections 5(m) and 9(a) of the Act, the Trust is authorized to make and contract to make loans pursuant to loan agreements with local government units and public water utilities (each a “Local Unit”) to finance a portion of the cost of environmental infrastructure system projects that Local Units may lawfully undertake or acquire and for which they are authorized by law to borrow funds; and

WHEREAS, the Trust and The Ocean County Utilities Authority (the “OCUA”), a public body corporate and politic duly created and existing pursuant to the “Municipal and Counties Utilities Authorities Law”, constituting Chapter 183 of the Pamphlet Laws of 1957 of the State, as amended and supplemented, have entered into (i) that certain Loan Agreement, dated as of November 1, 1994 (the “1994 Loan Agreement”), (ii) that certain Loan Agreement, dated as of November 1, 1998 (the “1998 Loan Agreement”), (iii) that certain Loan Agreement, dated as of November 1, 2000 (the “2000 Loan Agreement”), (iv) that certain Loan Agreement, dated as of November 1, 2001 (the “2001 Loan Agreement”), (v) that certain Loan Agreement, dated as of November 1, 2002 (the “2002 Loan Agreement”), (vi) that certain Loan Agreement, dated as of November 1, 2004 (the “2004 Loan Agreement”), (vii) that certain Loan Agreement, dated as of November 1, 2005 (the “2005 Loan Agreement”), and (viii) that certain Loan Agreement, dated as of November 1, 2006 (the “2006 Loan Agreement”; the 1994 Loan Agreement, the 1998 Loan Agreement, the 2000 Loan Agreement, the 2001 Loan Agreement, the 2002 Loan Agreement, the 2004 Loan Agreement, the 2005 Loan Agreement and the 2006 Loan Agreement shall be referred to collectively hereinafter as the “Loan Agreements”), pursuant to the terms of each of which the Trust has made a loan to the OCUA (each a “Loan”) to finance a portion of each Project as defined and described in each respective Loan Agreement; and

WHEREAS, the OCUA has issued (i) its Wastewater Revenue Bonds, Series 1994A (the “1994 Bonds”), (ii) its Wastewater Revenue Bonds, Series 1998A (the “1998 Bonds”), (iii) its Wastewater Revenue Bonds, Series 2000C (the “2000 Bonds”), (iv) its Wastewater Revenue
Bonds, Series 2001A (the “2001 Bonds”), (v) its Wastewater Revenue Bonds, Series 2002A (the “2002 Bonds”), (vi) its Wastewater Revenue Bonds, Series 2004A (the “2004 Bonds”), (vii) its Wastewater Revenue Bonds, Series 2005A (the “2005 Bonds”), and (viii) its Wastewater Revenue Bonds, Series 2006A (the “2006 Bonds”; the 1994 Bonds, the 1998 Bonds, the 2000 Bonds, the 2001 Bonds, the 2002 Bonds, the 2004 Bonds, the 2005 Bonds and the 2006 Bonds shall be referred to collectively hereinafter as the “OCUA Bonds”) to the Trust, as holder thereof, to evidence and secure each respective Loan, such OCUA Bonds having been issued pursuant to a resolution adopted by the OCUA on December 20, 1985, entitled “Resolution Authorizing the Issuance of Wastewater Revenue Bonds of The Ocean County Utilities Authority” as thereafter amended and supplemented from time to time (the “OCUA Bond Resolution”); and

WHEREAS, the OCUA Bond Resolution requires that the OCUA establish and maintain a debt service reserve fund to secure its senior lien bonds issued pursuant to the terms thereof, including, without limitation, the OCUA Bonds; and

WHEREAS, pursuant to the requirements of the OCUA Bond Resolution, the OCUA currently maintains debt service reserve funds with respect to the OCUA Bonds (the “Debt Service Reserve Funds”) in the total amount of $9,384,566.22; and

WHEREAS, pursuant to that certain “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Further Revising the Policy of the Trust Regarding Subordinated Authority Bonds Issued to the Trust and the State to Secure Loans Made to Authority Borrowers Pursuant to the Program of the Trust” (the “Junior Lien Bond Resolution”) heretofore adopted by the Trust, the Trust permits Local Units that do not possess general obligation taxing power (each an “Authority Borrower”) to issue junior lien bonds to the Trust as security for loans made by the Trust to such Authority Borrowers, provided that the Authority Borrower complies with certain conditions set forth in the Junior Lien Bond Resolution (collectively, the “Junior Lien Bond Resolution Conditions Precedent”), including, without limitation, the requirement that such junior lien bonds be secured by service, deficiency or other agreements of (i) municipalities that possess and pledge their general obligation taxing power to secure their payment obligations pursuant to such service, deficiency and other agreements (“Direct Service Agreements”) or (ii) authority participants or customers that, in turn, have entered into service, deficiency or other agreements with municipalities that possess and pledge their general obligation taxing power to secure their payment obligations pursuant to such service, deficiency or other agreements (“Indirect Service Agreements”); and

WHEREAS, heretofore, with respect to the issuance of the OCUA Bonds, the OCUA, as an Authority Borrower, failed to avail itself of the policy of the Trust as it relates to junior lien bonds issued by Authority Borrowers, including, without limitation, the provisions of the Junior Lien Bond Resolution, and, at this time, the OCUA has determined that the maintenance of the Debt Service Reserve Funds with respect to the OCUA Bonds creates a financial hardship for the OCUA; and

WHEREAS, the OCUA now desires to substitute for the OCUA Bonds new, junior lien bonds that shall be junior to the other bonds issued pursuant to the OCUA Bond Resolution (i) in
priority of payment and (ii) in that they shall not be secured by the Debt Service Reserve Funds (the “OCUA Junior Lien Bonds”), provided that (i) the OCUA Junior Lien Bonds shall otherwise reflect each of the terms and provisions of the respective OCUA Bonds to be replaced thereby and (ii) the OCUA, in issuing its OCUA Junior Lien Bonds in substitution for the OCUA Bonds, shall satisfy each of the Junior Lien Bond Resolution Conditions Precedent, including, without limitation, the provision of security for the OCUA Junior Lien Bonds in the form of a Direct Service Agreement and/or an Indirect Service Agreement; and

WHEREAS, on August 25, 2009, the OCUA adopted a supplemental resolution relating to each series of the OCUA Bonds, each pursuant to the OCUA Bond Resolution, authorizing the issuance of the OCUA Junior Lien Bonds to the Trust; and

WHEREAS, the OCUA has requested that the Trust enter into an amendment to each Loan Agreement, in accordance with the amendment provisions of each respective Loan Agreement, to effectuate the substitution of the OCUA Junior Lien Bonds for the OCUA Bonds; and

WHEREAS, it is the desire of the Trust to (i) accept the substitution of the OCUA Junior Lien Bonds for the OCUA Bonds, provided that the OCUA shall satisfy each of the Junior Lien Bond Resolution Conditions Precedent, including, without limitation, the provision of security for the OCUA Junior Lien Bonds in the form of a Direct Service Agreement and/or an Indirect Service Agreement, and (ii) effectuate such substitution by entering into an amendment to each Loan Agreement, in accordance with the amendment provisions thereof.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Trust (the “Board”), as follows:

Section 1. The Board hereby accepts and agrees to the substitution of the OCUA Junior Lien Bonds for the OCUA Bonds, provided that (i) the OCUA Junior Lien Bonds shall reflect each of the terms and provisions of the respective OCUA Bonds to be replaced thereby, except (1) the OCUA Junior Lien Bonds shall be junior in priority of payment to the senior lien bonds issued by the OCUA pursuant to the OCUA Bond Resolution and (2) the OCUA Junior Lien Bonds shall not be secured by the Debt Service Reserve Funds, and (ii) the OCUA, in issuing its OCUA Junior Lien Bonds in substitution for the OCUA Bonds, shall satisfy each of the Junior Lien Bond Resolution Conditions Precedent, including, without limitation, the provision of security for the OCUA Junior Lien Bonds in the form of a Direct Service Agreement and/or an Indirect Service Agreement.

Section 2. The Board hereby authorizes an amendment to each Loan Agreement (each an “Amendment to Loan Agreement” and, collectively, the “Amendments to Loan Agreement”), each in substantially the form attached hereto as Exhibit A and made a part hereof, with such revisions and modifications thereto as shall be approved by the Chairman, the Vice Chairman or the Executive Director of the Trust (each an “Authorized Officer”) after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, such approval to be evidenced by the execution of each Amendment to Loan Agreement by such Authorized Officer.
Section 3. Each Authorized Officer is hereby severally authorized to execute each Amendment to Loan Agreement, and any certificates, instruments or documents contemplated therein or related thereto.

Section 4. Upon execution of each Amendment to Loan Agreement by the Authorized Officer, the Secretary and the Assistant Secretary of the Trust are hereby authorized and directed, where required, to affix the corporate seal of the Trust and to attest to the signature of such Authorized Officer thereon and on any certificates, instruments or documents contemplated therein.

Section 5. The Executive Director and any other Authorized Officer are hereby authorized and directed to (i) execute such other certificates, instruments or other documents, in such form and with such terms and conditions as the Executive Director, or any other Authorized Officer, after consultation with bond counsel to the Trust and the office of the Attorney General of the State, determines to be in the best interests of the Trust, and (ii) take such other actions as the Executive Director, or any other Authorized Officer, in their respective sole discretion after consultation with the bond counsel to the Trust and the office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

Section 6. This resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: September 10, 2009

Motion Made By: Ms. Kreipke

Motion Seconded By: Mr. Victor

Ayes: 7

Nays: 0

Abstentions: 0