

RESOLUTION NO. 10 - 55

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST (I) AUTHORIZING THE INTERIM FINANCING STATE FISCAL YEAR 2012 TRUST LOAN PROGRAM, AND (II) AMENDING CERTAIN PROVISIONS OF THE RESOLUTION OF THE TRUST ENTITLED “RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING THE INTERIM FINANCING 2010 TRUST LOAN PROGRAM”

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”), pursuant to and in accordance with (i) 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 from time to time be, amended and supplemented (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 *et seq.*), as the same have been, and in the future may from time to time be, amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program (the “Interim Financing Program”), to make loans (each, an “Interim Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan made by the Trust satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan for purposes of financing the allowable costs of the environmental infrastructure project of such Borrower pursuant to the Interim Financing Program, provided each of the following conditions is satisfied in full: (i) the project is listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsor has submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the project has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the project is in the fundable range in the forthcoming funding cycle given the project's rank and the anticipated availability of Department of Environmental Protection and Trust monies; and (v) the proposed project sponsor has not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the Regulations and this Resolution, to authorize the implementation of the Interim Financing Program for the State Fiscal Year 2012 (“SFY 2012”) Environmental Infrastructure Financing Program of the Trust (the “Interim Financing SFY 2012 Trust Loan Program”); and

WHEREAS, in order to provide a source of funding for the implementation of the Interim Financing SFY 2012 Trust Loan Program, the New Jersey State Legislature and the Governor of the State of New Jersey have enacted into law an appropriation act (the “Appropriation”) that has appropriated to the Trust, from repayments of loans deposited in any account, including the Clean Water State Revolving Fund Accounts contained within the

“Wastewater Treatment Fund”, the “1992 Wastewater Treatment Fund”, the “Water Supply Fund”, the “Stormwater Management and Combined Sewer Overflow Abatement Fund”, or the Drinking Water State Revolving Fund, as appropriate, and from any net earnings received from the investment and reinvestment of such deposits, the sum of \$100,000,000, such sum having been deposited, or to be deposited, in the segregated fund created by the Trust for the purpose of funding the Interim Financing Program; and

WHEREAS, in addition to the funds made available to the Trust pursuant to the Appropriation for purposes of the Interim Financing SFY 2012 Trust Loan Program, it is the desire of the Trust to provide, as additional sources of funding for the Interim Financing SFY 2012 Trust Loan Program, (i) net earnings with respect to funds held by the Trust and (ii) operating funds of the Trust that are not required for, or committed to, the operations of the Trust for fiscal years 2011 and 2012 (collectively, the “Available Trust Revenues”; the Appropriation and the Available Trust Revenues shall be referred to collectively herein as the “Available Funds”), which Available Trust Revenues may be made available by the Trust to (i) Borrowers participating in the Interim Financing SFY 2012 Trust Loan Program that do not qualify for funding from the Appropriation, as well as (ii) at the election of the Trust, any other Borrowers participating in the Interim Financing SFY 2012 Trust Loan Program; and

WHEREAS, with respect to the Interim Financing SFY 2012 Trust Loan Program of the Trust and other future Interim Financing Programs of the Trust (the “Future Interim Financing Trust Loan Programs”), it is the desire of the Trust to explore, as an additional source of funding for the Future Interim Financing Trust Loan Programs, the procurement of a line of credit or similar credit instrument to be procured by the Trust from a commercial bank (the “Line of Credit”) in a total amount not to exceed \$100,000,000, and in furtherance of such exploration, the Trust desires to prepare and distribute a Request for Proposals seeking proposals from qualified providers of a Line of Credit; and

WHEREAS, on October 8, 2009, the Trust duly adopted a resolution entitled “Resolution of the New Jersey Environmental Infrastructure Trust (i) Authorizing the Interim Financing 2010 Trust Loan Program and (ii) Amending Certain Provisions of the Resolution of the Trust Entitled “Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Interim Financing 2009 Trust Loan Program” (the “2010 Resolution”), pursuant to which the Trust authorized the establishment of the Interim Financing 2010 Trust Loan Program (as defined in the 2010 Resolution); and

WHEREAS, due to the undertaking by the Trust of multiple pools as part of the 2010 Environmental Infrastructure Financing Program of the Trust and the fact that the last of such pools currently is projected to close in the first half of calendar year 2011, it is necessary and appropriate to amend the 2010 Resolution for the purpose of modifying therein the provisions of Section 2 thereof that had established December 31, 2010 as the final maturity date of any Interim Loan made as part of the Interim Financing 2010 Trust Loan Program.

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

Section 1. The Board of Directors of the Trust hereby authorizes the establishment of the Interim Financing SFY 2012 Trust Loan Program, provided (i) such Interim Financing SFY 2012 Trust Loan Program shall be funded solely from the Available Funds and (ii) such Interim Financing SFY 2012 Trust Loan Program shall comply fully with the provisions of the Act and the Regulations applicable thereto and the terms of this Resolution.

Section 2. Any Interim Loan made by the Trust as part of the Interim Financing SFY 2012 Trust Loan Program shall be evidenced by (i) a note or other appropriate obligation of the Borrower to be issued to the Trust, all in satisfaction of the requirements of Section 9 of the Act, and (ii) any other documentation as shall be deemed necessary and appropriate 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 (collectively, the “Loan Instruments”). The Loan Instruments shall include such terms and provisions relating to the Interim Financing SFY 2012 Trust Loan Program as shall be determined by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, as being necessary in connection with (i) the satisfaction of the requirements of the Act and the Regulations and (ii) the implementation of the terms of this Resolution. Any Interim Loan made by the Trust to a Borrower as part of the Interim Financing SFY 2012 Trust Loan Program (i) shall bear interest at a rate of (a) with respect to an Interim Loan made to a local government unit (as such term is defined in the Act), 0%, and (b) with respect to an Interim Loan made to a public water utility (as such term is defined in the Act), a small water company (as such term is defined in the Act), any other private person, or a local government unit on behalf of any private person, 2%, (ii) shall not exceed \$10,000,000 in principal amount; (iii) shall have a maturity date of the date of closing with respect to the applicable long-term financing within the SFY 2012 Environmental Infrastructure Financing Program of the Trust, which shall be not later than June 30, 2012; and (iv) shall not be subject to the imposition by the Trust of an administrative fee.

Section 3. The Authorized Officers are each hereby severally authorized and directed, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Interim Financing SFY 2012 Trust Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of this Resolution.

Section 4. Each Authorized Officer is hereby severally authorized and directed to execute (i) any Loan Instrument to which the Trust is a party (the “Trust Loan Instruments”) and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Borrower in the Interim Financing SFY 2012 Trust Loan Program.

Section 5. Upon execution of the Trust Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally 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 or related thereto.

Section 6. At the meeting of the Board of Directors of the Trust immediately following the execution and delivery of any Loan Instruments relating to any Interim Loan made to any Borrower pursuant to the Interim Financing SFY 2012 Trust Loan Program, the Executive Director of the Trust shall provide a report to the Board of Directors of the Trust concerning the details of such transaction.

Section 7. Each Authorized Officer is hereby severally authorized to prepare and distribute, in consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust (collectively, the “Professional Advisors”), a Request for Proposals (the “RFP”), to banking corporations having membership in the federal depository insurance corporation, for a Line of Credit, in an amount not to exceed \$100,000,000, for the purpose of funding all or a portion of one or more of the Future Interim Financing Trust Loan Programs. Such RFP shall be prepared and distributed pursuant to and in compliance with Trust Policy and Procedure No. 4.00, entitled “Procurement of Goods and Services”. The award of any contract to a banking corporation that has submitted to the Trust a response to RFP for the provision of a Line of Credit for the purpose of funding all or a portion of one or more of the Future Interim Financing Trust Loan Programs shall be made only upon authorization by official action of the Board at a future meeting thereof. The Authorized Officers are each hereby severally authorized and directed to take such other actions as any Authorized Officer, in his respective sole discretion, after consultation with the Professional Advisors, deems necessary, convenient or desirable in order to prepare and distribute the RFP and to receive proposals for the provision of a Line of Credit, in a manner consistent herewith.

Section 8. Section 2 of the 2010 Resolution is hereby amended and restated in its entirety as follows:

“Any Interim Loan made by the Trust as part of the Interim Financing 2010 Trust Loan Program shall be evidenced by (i) a note or other appropriate obligation of the Borrower to be issued to the Trust, all in satisfaction of the requirements of Section 9 of the Act, and (ii) any other documentation as shall be deemed necessary and appropriate 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 (collectively, the “Loan Instruments”). The Loan Instruments shall include such terms and provisions relating to the Interim Financing 2010 Trust Loan Program as shall be determined by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, as being necessary in connection with (i) the satisfaction of the requirements of the Act and the Regulations and (ii) the implementation of the terms of this Resolution. Any Interim Loan made by the Trust to a Borrower as part of the Interim Financing 2010 Trust Loan Program (i) shall bear interest at a rate of (a) with respect to an Interim Loan made to a local government unit (as such term is defined in the Act), 0%, and (b) with respect to an Interim Loan made to a public

water utility (as such term is defined in the Act), a small water company (as such term is defined in the Act), any other private person, or a local government unit on behalf of any private person, 2%; (ii) shall not exceed \$10,000,000 in principal amount; (iii) shall have a maturity date of the date of closing with respect to the applicable financing within the Financing Program, which shall be not later than June 30, 2011; and (iv) shall not be subject to the imposition by the Trust of an administrative fee.”

Section 9. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with 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.

Adopted Date: November 18, 2010

Motion Made By: Mr. Plonski

Motion Seconded By: Ms. Kreipke

Ayes: 6

Nays: 0

Abstentions: 0