

**RESOLUTION NO. 10 - 57**

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING THE FORM OF THE TRUST LOAN AGREEMENT AND THE ESCROW AGREEMENT AND AUTHORIZING AND DIRECTING ANY AUTHORIZED OFFICER OF THE TRUST (I) TO UNDERTAKE AND COMPLETE AN ESCROW CLOSING WITH RESPECT TO EACH SECOND POOL FINANCING PROJECT SPONSOR PARTICIPATING IN THE 2010 (STATE FISCAL YEAR 2011) ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM, (II) IN CONNECTION WITH EACH ESCROW CLOSING, TO EXECUTE AND DELIVER A TRUST LOAN AGREEMENT AND AN ESCROW AGREEMENT SUBSTANTIALLY IN THE FORM APPROVED HEREBY, (III) TO TAKE ANY OTHER ACTION AS MAY BE NECESSARY OR APPROPRIATE TO EFFECT THE CONSUMMATION OF AN ESCROW CLOSING FOR EACH SECOND POOL FINANCING PROJECT SPONSOR, (IV) TO CONDUCT A TEFRA HEARING IN ORDER TO SATISFY THE REQUIREMENTS OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (V) TO SUBMIT FOR THE APPROVAL OF THE DIRECTOR OF THE DIVISION OF INVESTMENTS IN THE NEW JERSEY DEPARTMENT OF THE TREASURY THE INVESTMENT AUTHORIZATION REQUEST AND TO UNDERTAKE ANY OTHER ACTION NECESSARY IN CONNECTION THEREWITH, AND (VI) TO TAKE SUCH OTHER ACTIONS IN CONNECTION WITH THE FOREGOING OR SUCH OTHER ACTIONS AS SHALL BE NECESSARY IN FURTHERANCE OF THE INTENT AND PURPOSES OF THE PROGRAM.**

**WHEREAS**, pursuant to Section 5(i) and Section 6(a) of the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the "State"), as amended and supplemented (N.J.S.A. 58:11B-1 *et seq.*) (the "Act"), the New Jersey Environmental Infrastructure Trust, a public body corporate and politic under the laws of the State, created pursuant to the Act (the "Trust"), is authorized to issue its bonds (the "Trust Bonds") in any principal amounts (subject to the limitations of Section 6(g) of the Act) as in its judgment shall be necessary to provide funds sufficient for any of its corporate purposes, including, without limitation, the making of loans (each, a "Trust Loan") to project sponsors (each, a "Project Sponsor") to finance a portion of the costs of the respective environmental infrastructure system projects thereof (each, a "Project"); and

**WHEREAS**, pursuant to Section 5(m) and Section 9(a) of the Act, the Trust is authorized to make and contract to make Trust Loans to Project Sponsors to finance a portion of the costs of the respective Projects thereof, which Project Sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the Trust shall determine to be consistent with the purposes thereof; and

**WHEREAS**, on or about December 2, 2010, the Trust will close its initial financing (the "Initial Pool Financing") with respect to the 2010 (State Fiscal Year 2011) New Jersey Environmental Infrastructure Financing Program of the Trust (the "Program"), having issued Trust Bonds for the purpose of making Trust Loans to those Project Sponsors participating in the

Program that, upon the determination by an Authorized Officer (as hereinafter defined), had satisfied the conditions precedent to financing prior to the adoption by the Trust, on October 21, 2010, of its “Environmental Infrastructure Bond Resolution, Series 2010B” and its “Environmental Infrastructure Bond Resolution, Series 2010C” (collectively, the “Initial Pool Financing Bond Resolutions”); and

**WHEREAS**, certain Project Sponsors (collectively, the “Second Pool Financing Project Sponsors”) were unable to satisfy the conditions precedent to financing prior to the adoption by the Trust of the Initial Pool Financing Bond Resolutions, but are expected by the Trust and the New Jersey Department of Environmental Protection (the “NJDEP”) to satisfy such conditions precedent prior to the adoption by the Trust of the Second Pool Financing Trust Bond Resolution (as hereinafter defined); and

**WHEREAS**, it is the intention of the Trust to implement the Program with respect to the Second Pool Financing Project Sponsors, pursuant to a bond financing of the Trust (the “Second Pool Financing”), which shall consist of Trust Bonds to be issued for the purpose of making Trust Loans to Second Pool Financing Project Sponsors (the “Second Pool Financing Trust Bonds”) that, upon the determination by an Authorized Officer, have satisfied the conditions precedent to financing prior to the adoption by the Trust of the Second Pool Financing Trust Bond Resolution; and

**WHEREAS**, the Board of Directors of the Trust (the “Board”) previously has considered as part of its agenda at its August 12, 2010 and September 23, 2010 meetings, and currently is scheduled to consider, as part of its agenda at its February 17, 2011 meeting, the Project applications of the Second Pool Financing Project Sponsors for Trust Loans from the Trust, which Trust Loans, if so approved, would be made, pursuant to the provisions of the Act, by the Trust to such Second Pool Financing Project Sponsors from the proceeds of the Second Pool Financing Trust Bonds; and

**WHEREAS**, each Trust Loan made by the Trust to a Second Pool Financing Project Sponsor pursuant to the Program shall be made pursuant to the terms and provisions of a loan agreement, by and between the Trust and the respective Second Pool Financing Project Sponsor (the “Trust Loan Agreement”); and

**WHEREAS**, the Trust, in consultation with its professional advisors, has prepared master forms of the Trust Loan Agreement with respect to the Second Pool Financing, such forms being attached hereto as Exhibit A and made a part hereof; and

**WHEREAS**, the Trust Loan Agreement contains all of the terms and conditions that are applicable to the receipt by the Second Pool Financing Project Sponsors of Trust Loans from the Trust, including, without limitation, specific terms and conditions with which certain Second Pool Financing Project Sponsors must comply prior to receipt of Trust Loans from the Trust, but do not contain those terms and conditions that cannot be determined until completion of the sale of the Second Pool Financing Trust Bonds or until further evaluation of information to be received by the Trust from the Second Pool Financing Project Sponsors; and

**WHEREAS**, pursuant to the terms and provisions of the Program and subject to (i) satisfaction in full of the conditions precedent set forth in the hereinafter defined Escrow Agreement and (ii) the final certification of the respective Project, the Trust and each Second Pool Financing Project Sponsor that is participating in the Second Pool Financing shall deposit into escrow (the “Escrow Closing”) the duly authorized, executed and delivered Trust Loan Agreement (subject to completion to the extent of those terms and conditions that cannot be determined until completion of the sale of the Second Pool Financing Trust Bonds or until further evaluation of information to be received by the Trust from the Second Pool Financing Project Sponsor) and certain other Program-related documents required pursuant to the Second Pool Financing (collectively, the “Escrowed Program Documents”), which Escrowed Program Documents shall be held in escrow by U.S. Bank National Association, a national banking association with trust and fiduciary powers in the State, duly appointed by the Board as escrow agent (the “Escrow Agent”), pursuant to the terms and provisions of an escrow agreement (the “Escrow Agreement”) to which the Trust, the respective Second Pool Financing Project Sponsor and the Escrow Agent, *inter alia*, shall be parties, which Escrow Agreement shall establish the terms and conditions governing the holding in escrow and administering by the Escrow Agent of the Escrowed Program Documents, including, without limitation, the completion of those terms and conditions of the Trust Loan Agreement that cannot be determined until completion of the sale of the Second Pool Financing Trust Bonds or until the further evaluation of information to be received by the Trust from the Second Pool Financing Project Sponsor; and

**WHEREAS**, the Trust, in consultation with its professional advisors, has prepared master forms of the Escrow Agreement with respect to the Second Pool Financing, such forms being attached hereto as Exhibit B and made a part hereof; and

**WHEREAS**, in furtherance of the intent and goals of the Program and, specifically, the Second Pool Financing, the Board currently is scheduled to consider, as part of its agenda at its March 10, 2011 meeting, the adoption of one or more Environmental Infrastructure Bond Resolutions (collectively, the “Second Pool Financing Trust Bond Resolution”), which Second Pool Financing Trust Bond Resolution shall authorize, *inter alia*, (i) the marketing, issuance and sale by the Trust of its Second Pool Financing Trust Bonds, (ii) the allocation of the proceeds of such Second Pool Financing Trust Bonds to the Projects of the respective Second Pool Financing Project Sponsors pursuant to the terms of the respective Trust Loan Agreement, (iii) the investment of the proceeds of the Second Pool Financing Trust Bonds until expenditure thereof pursuant to the terms of the Second Pool Financing Trust Bond Resolution, and (iv) certain other matters as shall be set forth in the Second Pool Financing Trust Bond Resolution; and

**WHEREAS**, prior to consideration by the Board of the Second Pool Financing Trust Bond Resolution, as part of the agenda of its meeting to be held on March 10, 2011, in furtherance of the intent and purposes of the Program and, specifically, the Second Pool Financing thereof, it will be necessary for the Trust to implement certain elements of the Program and, specifically, the Second Pool Financing thereof, including, without limitation, (i) the completion of an Escrow Closing with respect to the Trust Loan to be made by the Trust to each qualifying Second Pool Financing Project Sponsor from the proceeds of the Second Pool Financing Trust Bonds, (ii) the conduct, if necessary, of a hearing (the “TEFRA Hearing”) with respect to the Second Pool Financing Trust Bonds pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and (iii) the submission, if

necessary, of a written request by the Trust (the “Investment Authorization Request”) to the Director of the Division of Investments in the New Jersey Department of the Treasury (the “Director”) for approval of the investment by the Trust of proceeds of the Second Pool Financing Trust Bonds pursuant to, among other investment instruments that may be deemed appropriate and advantageous, a repurchase agreement that does not conform with State Investment Council regulations, which approval by the Director is dependent upon a finding thereby that such investment is consistent with the corporate purposes of the Trust; and

**WHEREAS**, it is the desire of the Board, in furtherance of the intent and purposes of the Program, and, specifically, the Second Pool Financing thereof, that the Chairman, the Vice-Chairman and the Executive Director of the Trust, or any other person or persons designated by the Board by resolution to act on behalf of the Trust (each, an “Authorized Officer”), each be severally authorized and directed to act on behalf of the Trust and implement in furtherance of the Program (i) the completion of an Escrow Closing with respect to the Trust Loan to be made by the Trust to each qualifying Second Pool Financing Project Sponsor from the proceeds of the Second Pool Financing Trust Bonds, (ii) the conduct, if determined to be necessary by any Authorized Officer, of a TEFRA Hearing with respect to the Second Pool Financing Trust Bonds, to be issued in connection with the Second Pool Financing, pursuant to the requirements of the Code, (iii) the submission, if determined to be necessary by any Authorized Officer, of the Investment Authorization Request to the Director, and (iv) such other actions in connection with the foregoing or such other actions as shall be necessary in furtherance of the intent and purposes of the Program and, specifically, the Second Pool Financing thereof.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the New Jersey Environmental Infrastructure Trust, as follows:

**Section 1.** In furtherance of the intent and purposes of the Program and, specifically, the Second Pool Financing thereof, the Board hereby approves the execution and delivery at Escrow Closing (but only upon (i) satisfaction in full of the conditions precedent to Escrow Closing set forth in the respective Escrow Agreement and (ii) the final certification of the respective Project pursuant to the regulations and procedures of the NJDEP) of a Trust Loan Agreement with respect to each Trust Loan to be made by the Trust to each Second Pool Financing Project Sponsor in connection with the respective Project thereof, each such Trust Loan Agreement to be 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 any Authorized Officer, after consultation with counsel to the Trust, such approval to be evidenced by the execution thereof by such Authorized Officer; provided, however, that each Trust Loan Agreement executed and delivered at Escrow Closing pursuant to the authorization of the Board set forth herein shall be exclusive of the following terms, which terms shall be completed, upon completion of the sale of the Second Pool Financing Trust Bonds and further evaluation of information to be received by the Trust from the Second Pool Financing Project Sponsors, by any Authorized Officer in a manner (i) consistent with the provisions of the Second Pool Financing Trust Bond Resolution and (ii) pursuant to the provisions of the respective Escrow Agreement relating to the completion of such terms: (a) the principal and interest repayment schedules and adjusted principal amount reflecting, as applicable and without limitation, capitalized interest, reserve capacity, administrative fees and issuance expenses, which cannot be finally determined until completion of the sale of the Second Pool Financing Trust Bonds; (b) if

applicable, provisions requiring additional forms of security, such as a deficiency agreement, a letter of credit or a special reserve fund securing the timely repayment of the Trust Loan; and (c) provisions relating to the satisfaction of the “funds available” or “cash on hand” requirement pertaining to the funding of unallowable Project costs or that portion of allowable Project costs not financed with proceeds of the Second Pool Financing Trust Bonds through the Trust Loan Agreement and the corresponding fund loan agreement entered into by and between the NJDEP and the Second Pool Financing Project Sponsor.

**Section 2.** In furtherance of the intent and purposes of the Program and, specifically, the Second Pool Financing thereof, the Board hereby approves the execution and delivery at Escrow Closing (but only upon (i) satisfaction in full of the conditions precedent to Escrow Closing set forth in the respective Escrow Agreement and (ii) the final certification of the respective Project pursuant to the regulations and procedures of the NJDEP) of an Escrow Agreement with respect to each Trust Loan to be made by the Trust to each Second Pool Financing Project Sponsor in connection with the respective Project thereof, each such Escrow Agreement to be in substantially the form attached hereto as Exhibit B and made a part hereof, with such revisions and modifications thereto as shall be approved by any Authorized Officer, after consultation with counsel to the Trust, such approval to be evidenced by the execution thereof by such Authorized Officer.

**Section 3.** In furtherance of the intent and purposes of the Program and, specifically, the Second Pool Financing thereof, the Board hereby authorizes any Authorized Officer to engage in an Escrow Closing (but only upon (i) satisfaction in full of the conditions precedent to Escrow Closing set forth in the respective Escrow Agreement and (ii) the final certification of the respective Project pursuant to the regulations and procedures of the NJDEP), pursuant to the terms and procedures of the Escrow Agreement, with respect to each Trust Loan to be made by the Trust to each Second Pool Financing Project Sponsor in connection with the respective Project thereof. The Board hereby authorizes any Authorized Officer, upon consultation with counsel to the Trust, (i) to determine the Escrow Closing schedule with respect to the Second Pool Financing and (ii) to undertake any other action in furtherance of the Escrow Closing, relating to the Trust Loan made by the Trust to each Second Pool Financing Project Sponsor in connection with the respective Project thereof, as such Authorized Officer shall determine to be necessary.

**Section 4.** In furtherance of the intent and purposes of the Program and, specifically, the Second Pool Financing thereof, the Board hereby authorizes (but only upon (i) satisfaction in full of the conditions precedent to Escrow Closing set forth in the respective Escrow Agreement and (ii) the final certification of the respective Project pursuant to the regulations and procedures of the NJDEP) that (i) the Trust Loan Agreement, the Escrow Agreement, any other Escrowed Program Documents to which the Trust is a party and any other document required to be executed by the Trust in connection with the undertaking and completion of the Escrow Closing shall be executed in the name of the Trust by the manual signature of the Chairman or other Authorized Officer of the Trust, and (ii) if required by the terms of such document, its corporate seal shall be impressed, imprinted or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary or other Authorized Officer of the Trust.

**Section 5.** In furtherance of the intent and purposes of the Program and, specifically, the Second Pool Financing thereof, the Board hereby authorizes any Authorized Officer, after consultation with counsel to the Trust, to take such other actions and to execute such other documents and instruments as may be necessary or appropriate (and not inconsistent with the terms and provisions of this Resolution) to effect the consummation of an Escrow Closing with respect to each Trust Loan made by the Trust to each Second Pool Financing Project Sponsor in connection with the respective Project thereof.

**Section 6.** In furtherance of the intent and purposes of the Program and, specifically, the Second Pool Financing thereof, the Board hereby authorizes any Authorized Officer, after consultation with counsel to the Trust, to conduct the TEFRA Hearing with respect to the Second Pool Financing Trust Bonds at such time and in such manner as any Authorized Officer, after consultation with counsel to the Trust, shall determine to be necessary, convenient or desirable in order to satisfy the requirements of the Code.

**Section 7.** In furtherance of the intent and purposes of the Program and, specifically, the Second Pool Financing thereof, the Board hereby authorizes any Authorized Officer, after consultation with counsel to the Trust, to submit the Investment Authorization Request to the Director for approval and to undertake any other action necessary in connection with (i) the approval by the Director of the investment by the Trust of a portion of the proceeds of the Second Pool Financing Trust Bonds, pursuant to, among other investment instruments that may be deemed appropriate and advantageous, a repurchase agreement that does not conform with State Investment Council regulations, and (ii) the finding by the Director that such investment is consistent with the corporate purposes of the Trust.

**Section 8.** The Board hereby authorizes any Authorized Officer, after consultation with counsel to the Trust, to take such other actions, to execute such other instruments and to seek such other consents as may be necessary or appropriate (and not inconsistent with the terms and provisions of this Resolution) to further the intent and purposes of the Program and, specifically, the Second Pool Financing thereof.

Adopted Date: November 18, 2010

Motion Made By: Mr. Requa

Motion Seconded By: Ms. Kreipke

Ayes: 6

Nays: 0

Abstentions: 0