

**RESOLUTION NO. 12 - 60**

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST (I) CONSENTING TO THE PREPAYMENT BY THE CITY OF LINDEN OF THE LOAN EXTENDED TO IT BY THE TRUST PURSUANT TO A LOAN AGREEMENT, DATED NOVEMBER 1, 2007; AND (II) AUTHORIZING THE PARTIAL DEFEASANCE OF THE TRUST'S ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2007A**

**WHEREAS**, the New Jersey Environmental Infrastructure Trust (the "Trust"), a public body corporate and politic duly created and existing pursuant to 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 (the "Act"), is authorized, pursuant to Sections 5(m) and 9(a) of the Act, to make and contract to make loans pursuant to loan agreements with local government units and public water utilities (each a "Borrower") to finance a portion of the cost of environmental infrastructure projects that Borrowers may lawfully undertake or acquire and for which they are authorized by law to borrow funds; and

**WHEREAS**, on November 8, 2007, the Trust issued its "Environmental Infrastructure Bonds, Series 2007A", dated November 8, 2007, in the original aggregate principal amount of \$216,105,000 (the "Series 2007A Bonds"), in accordance with the provisions of (i) the "Environmental Infrastructure Bond Resolution, Series 2007A" of the Trust, duly adopted by the Trust on September 18, 2007 (the "Series 2007A Bond Resolution"), (ii) the Act and (iii) all other applicable law; and

**WHEREAS**, the Trust and the City of Linden, in the County of Union, New Jersey (the "City"), a municipal corporation duly created and validly existing under the laws of the State, have entered into that certain Loan Agreement, dated as of November 1, 2007 (the "Loan Agreement"), pursuant to the terms of which the Trust has made a loan to the City (the "Loan"), from a portion of the proceeds of the Series 2007A Bonds, to finance a portion of the Project defined and described in the Loan Agreement; and

**WHEREAS**, pursuant to the provisions of Section 3.07 of the Loan Agreement, the City has provided, or is expected to provide, written notice to the Trust that it does not intend to complete the Project and that it intends to prepay the Loan from amounts available to City, including, without limitation, (i) amounts in the Project Loan Account of the City, remain on deposit with the Trustee pursuant to the Bond Resolution, and (ii) amounts which may be due from the State to the City as a result of the prepayment by the City of the Loan made by the State to the City pursuant to a Loan Agreement, dated as of November 1, 2007, by and between the City and the State (collectively, the "City Proceeds"); and

**WHEREAS**, pursuant to Section 3.07 of the Loan Agreement, the prior written approval of the Trust is a condition precedent to such prepayment; and

**WHEREAS**, pursuant to Section 8.07 of the Series 2007A Bond Resolution, upon the prepayment, in whole or in part, of any Loan (as such term is defined in the Series 2007A Bond Resolution, and which includes the Loan as defined in this Resolution), the Trust shall elect to apply such prepayment either (i) to the redemption of Bonds or (ii) to the defeasance of Bonds in accordance with Section 12.01 of the Series 2007A Bond Resolution; and

**WHEREAS**, pursuant to the Series 2007A Bond Resolution, the Series 2007A Bonds are subject to redemption at the option of the Trust commencing on September 1, 2016, as further set forth in the Series 2007A Bond Resolution; and

**WHEREAS**, pursuant to Section 12.01(2) of the Series 2007A Bond Resolution, a portion of the Series 2007A Bonds shall be deemed to have been paid, upon deposit with the Trustee (as defined in the Series 2007A Bond Resolution) of moneys or Investment Securities (as defined in the Series 2007A Bond Resolution) sufficient to pay the principal, interest and/or redemption price of such portion of the Series 2007A Bonds when due, subject to other conditions set forth in Section 12.01(2) of the Series 2007A Bond Resolution; and

**WHEREAS**, it is the desire of the Trust to (i) approve the prepayment of the Loan, and (ii) effectuate the defeasance of that portion of the Series 2007A Bonds that relates to the Loan.

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

**Section 1.** The Board hereby approves the request by the City that it be permitted by the Trust to prepay the Loan from amounts available to City, including, without limitation, the City Proceeds, pursuant to, and in satisfaction of, the applicable provisions of the Loan Agreement, including, without limitation, Section 3.07 of the Loan Agreement.

**Section 2.** The Board hereby authorizes the defeasance, pursuant to, and in accordance with, the provisions of Section 12.01(2) of the Series 2007A Bond Resolution, of that portion of the Series 2007A Bonds that relates to the Loan to the City, provided that the City shall pay, from any available source, any and all costs relating to such defeasance.

**Section 3.** The Chairman, the Vice Chairman and the Executive Director of the Trust (each an “Authorized Officer”) are each hereby authorized and directed to (i) execute such certificates, instruments or other documents, in such form and with such terms and conditions as are consistent with the terms and provisions of this Resolution and the Series 2007A Bond Resolution, and as any Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, determines to be necessary, convenient or desirable to effect the transactions contemplated hereby in a manner consistent herewith, and (ii) take such other actions as any 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 and/or to comply with the provisions of the Series 2007A Bond Resolution.

Adopted Date: December 13, 2012

Motion Made By: Ms. Kreipke

Motion Seconded By: Mr. Barrack

Ayes: 7

Nays: 0

Abstentions: 0