

RESOLUTION NO. 13-06

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING THE STATE FISCAL YEAR 2014 SUPPLEMENTAL FINANCING 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 of New Jersey (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 a supplemental financing program (the “Supplemental Financing Program”), to make short-term or temporary loans (each, a “Supplemental Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing, with respect to a project (each, an “Existing Project”) for which a loan previously has been made to such Borrower by the Trust pursuant to N.J.S.A. 58:11B-9(a) (each, an “Existing Loan”), to pay for additional eligible costs of such Existing Project (the “Additional Costs”), that have been incurred by such Borrower in connection with the completion of such Existing Project and in excess of (i) the principal amount of the Existing Loan, plus (ii) the principal amount of the companion loan made to the Borrower by the State, acting by and through the New Jersey Department of Environmental Protection (the “NJDEP”), provided that each such Supplemental Loan made by the Trust to a Borrower satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9.4, and any applicable Regulations; and

WHEREAS, the Act, specifically N.J.S.A. 58:11B-9.4, provides for the making of Supplemental Loans to Borrowers with respect to Existing Projects that are not included on the project priority lists, for the ensuing fiscal year, that have been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 and/or N.J.S.A. 58:11B-20.1 (collectively, the “Priority List”); and

WHEREAS, pursuant to the Act, the source of funding for the Supplemental Financing Program authorized hereby shall be amounts on deposit in the Supplemental Loan Fund created by N.J.S.A. 58:11B-9.4(a) (the “Available Funds”); 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 Supplemental Financing Program for State Fiscal Year 2014 (the “SFY 2014 Supplemental Financing Program”), pursuant to the parameters set forth herein, including, without limitation, the following conditions precedent that must be satisfied in full in connection with any Supplemental Loan made by the Trust to a qualifying Borrower for the Additional Costs of its Existing Project: (i) the Borrower has submitted to the Trust and the NJDEP a complete Supplemental Financing Program application with respect to the Additional Costs of the Existing Project; (ii) the proposed scope of the Additional Costs of the Existing Project have been certified for funding by the Trust through the Supplemental Financing Program in accordance with N.J.A.C. 7:22-4.13; (iii) there exists sufficient Available Funds for the making of the Supplemental Loan to the Borrower for the Additional Costs of the Existing Project; and (iv) the Borrower has not previously received financing from the Trust or the NJDEP, through the Supplemental Financing Program or otherwise, for the Additional Costs of the Existing Project proposed to be financed through the SFY 2014 Supplemental Financing Program (items (i) through (iv) hereof shall be referred to collectively herein as the “Supplemental Financing Program Conditions Precedent”); and

WHEREAS, it is the desire of the Trust to establish certain terms for each Supplemental Loan made by the Trust as part of the SFY 2014 Supplemental Financing Program authorized hereby.

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

Section 1. The Board hereby authorizes the establishment of the SFY 2014 Supplemental Financing Program, provided (i) such SFY 2014 Supplemental Financing Program shall be funded solely from the Available Funds, (ii) aggregate, outstanding Supplemental Loans shall not exceed \$2,000,000 at any time, (iii) the availability to qualifying applicants of Supplemental Loans shall be prioritized based upon the chronological order of the certification of proposed Additional Costs of Existing Projects for funding through the SFY 2014 Supplemental Financing Program by the Trust in accordance with N.J.A.C. 7:22-4.13, (iv) Supplemental Loans shall fully comply with the provisions of the Act, the Regulations applicable thereto and the terms of this Resolution, including, without limitation, the Supplemental Financing Program Conditions Precedent.

Section 2. Any Supplemental Loan made by the Trust as part of the SFY 2014 Supplemental Financing Program shall be evidenced by (i) a note or other appropriate obligation of the Borrower to be issued to the Trust (the “Obligation”), and (ii) any other documentation as shall be deemed necessary and appropriate by the Chairman, Vice Chairman or 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”). Each Obligation shall be in substantially the applicable form attached hereto as Exhibit A, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State. The Loan Instruments shall include such terms and provisions relating to the SFY 2014 Supplemental Financing Program as shall be determined by the 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 Supplemental Loan made by the Trust to a Borrower as part of the SFY 2014 Supplemental Financing Program:

(i) shall be funded solely from the Available Funds;

(ii) shall bear interest at a rate of (a) with respect to a Supplemental Loan made to (1) a local government unit (as such term is defined in the Act) or (2) a public water utility (as such term is defined in the Act) or small water company (as such term is defined in the Act), in each case, serving fewer than 10,000 residents, 0%, and (b) with respect to a Supplemental Loan made to (1) a public water utility or small water company, in each case, serving greater than 10,000 residents, (2) any other private person, or (3) a local government unit on behalf of any private person, 2%;

(iii) shall not exceed \$300,000 in principal amount;

(iv) shall have a maturity date (the “Maturity Date”) not later than the date of closing with respect to the applicable long-term financing within the State Fiscal Year 2015 New Jersey Environmental Infrastructure Financing Program as administered by the Trust and the NJDEP (the “Financing Program”), which shall be no later than June 30, 2015;

(v) shall be repaid by the Borrower from the participation by the Borrower in the Financing Program prior to the Maturity Date, or, in the event of the failure on the part of the Borrower to qualify for and participate in the Financing Program prior to the Maturity Date for any reason, a source of funds, other than the Financing Program, that is available to the Borrower for such purpose, including, without limitation, the proceeds of short-term or long-term debt that may be incurred by the Borrower; and

(vi) shall not be subject to the imposition by the Trust of an administrative fee.

Section 3. No Supplemental Loan shall be made by the Trust to a Borrower with respect to the Additional Costs of its Existing Project without the prior approval of the Board in the form of a resolution duly adopted pursuant to and in satisfaction of the requirements of the Act (the “Authorizing Resolution”), provided that such Borrower and such Additional Costs of such Existing Project each shall qualify for funding through the SFY 2014 Supplemental Financing Program pursuant to the terms and provisions of the Act and the Regulations and the terms and provisions of this Resolution, including, without limitation, the Supplemental Financing Program Conditions Precedent. The Authorizing Resolution shall include, without limitation, the certification for funding of the proposed scope of the Additional Costs of the Existing Project in accordance with the provisions of N.J.A.C. 7:22-4.13, provided, however, that prior to the closing with respect to such Supplemental Loan, the proposed scope of the Additional Costs of the Existing Project shall have been certified for funding by the Commissioner of the NJDEP pursuant to and in satisfaction of the provisions of N.J.A.C. 7:22-3.13.

Section 4. The Authorized Officers are 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 SFY 2014 Supplemental Financing 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. This Resolution shall become effective in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)).

Adopted Date: January 10, 2013

Motion Made By: Mr. Briant

Motion Seconded By: Mr. Requa

Ayes: 7

Nays: 0

Abstentions: 0

EXHIBIT A
FORMS OF OBLIGATION