

## RESOLUTION NO. 14-31

### RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST APPROVING THE TRUST'S AMENDED AND RESTATED CREDIT POLICY

**WHEREAS**, the New Jersey Environmental Infrastructure Trust (the "Trust"), pursuant to and in accordance with the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (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"), is authorized to make and contract to make loans to project sponsors to finance a portion of the costs of the respective environmental infrastructure system 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 Act and the purposes of the Trust; and

**WHEREAS**, prior to State Fiscal Year 2013, applicants for financing through the New Jersey Environmental Infrastructure Financing Program (the "NJEIFP") were required to comply with the creditworthiness standards set forth in a letter, dated October 29, 2001, from the State Treasurer to the Executive Director of the Trust;

**WHEREAS**, in recognition of possible enhanced credit risks posed by certain NJEIFP applicants, the staff of the Trust, commencing in November of 2011, undertook a comprehensive review of the credit risk as it related to all NJEIFP borrower classes;

**WHEREAS**, as a result of such comprehensive review, the Trust developed a new policy (the "2013 Creditworthiness Policy") intended (i) to ensure consistency and appropriate management of all credit risk on the part of the Trust with respect to all NJEIFP borrower classes on a programmatic basis, and (ii) to provide improved and consistent transparency to all NJEIFP applicants with respect to the creditworthiness standards of the NJEIFP;

**WHEREAS**, the Board of Directors of the Trust (the "Board"), on January 10, 2013, adopted that certain "Resolution Approving a Credit Policy" (Resolution No. 13-02) (the "2013 Resolution"), pursuant to which the 2013 Creditworthiness Policy was approved and implemented;

**WHEREAS**, the Board, on March 7, 2014, adopted that certain "Resolution Approving the Trust's Amended and Restated Credit Policy" (Resolution No. 14-07) , pursuant to which the 2013 Creditworthiness Policy was approved and implemented;

**WHEREAS**, the staff of the Trust, as a result of ongoing assessment and evaluation of the implementation of the 2013 Creditworthiness Policy, has prepared and submitted to the Board an "Amended and Restated New Jersey Environmental Infrastructure Trust Credit Policy" (the "Amended Creditworthiness Policy") for purposes of (i) refining certain elements of the 2013

Creditworthiness Policy, (ii) further ensuring consistency and appropriate management of all credit risk on the part of the Trust with respect to all NJEIFP borrower classes on a programmatic basis, and (iii) further ensuring improved and consistent transparency to all NJEIFP applicants with respect to the creditworthiness standards of the NJEIFP; and

**WHEREAS**, it is the desire of the Board to authorize and adopt the Amended Creditworthiness Policy in the form attached hereto as Exhibit A and made a part hereof.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Trust that the Board hereby authorizes and approves (i) the adoption by the Trust of the Amended Creditworthiness Policy, in the form attached hereto as Exhibit A and made a part hereof, with such immaterial modifications thereto as the Executive Director of the Trust shall approve, following consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust, and (ii) the implementation by the Trust of such Amended Creditworthiness Policy pursuant to the terms thereof, commencing with the State Fiscal Year 2014 NJEIFP. 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: June 12, 2014

Motion Made By: Mr. Requa

Motion Seconded By: Ms. Campbell

Ayes: 5

Nays: 0

Abstentions: 0

**EXHIBIT A**

**AMENDED CREDITWORTHINESS POLICY**