

RESOLUTION NO. 14-52

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING AN AUTHORIZED OFFICER OF THE TRUST TO CONSENT ON BEHALF OF THE TRUST, AS BONDHOLDER, TO THE REMOVAL OF TD BANK, NATIONAL ASSOCIATION, AS TRUSTEE PURSUANT TO CERTAIN BOND RESOLUTIONS OF THE WARREN COUNTY (PEQUEST RIVER) MUNICIPAL UTILITIES AUTHORITY

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 system projects that Borrowers may lawfully undertake or acquire and for which they are authorized by law to borrow funds; and

WHEREAS, on November 7, 2002, the Trust issued its Environmental Infrastructure Bonds, Series 2002A, in the original aggregate principal amount of \$90,310,000 (the "Series 2002A Bonds"), pursuant to a resolution of the Trust entitled "Environmental Infrastructure Bond Resolution, Series 2002A", adopted on September 16, 2002, as supplemented by (i) a resolution of the Trust entitled "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2007B (2002A Financing Program) of the New Jersey Environmental Infrastructure Trust", adopted by the Trust on January 11, 2007, and (ii) a resolution of the Trust entitled "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2010A of the New Jersey Environmental Infrastructure Trust" (the "2010A Supplemental Resolution"), adopted by the Trust on July 8, 2010 (as so amended and supplemented, the "2002A Resolution"); and

WHEREAS, on September 26, 2007, the Trust issued its Environmental Infrastructure Refunding Bonds, Series 2007B (2002A Financing Program), in the original aggregate principal amount of \$37,440,000 (the "Series 2007B Refunding Bonds"), pursuant to the 2002A Resolution, for the purpose of advance refunding a portion of the Series 2002A Bonds; and

WHEREAS, on August 18, 2010, the Trust issued its Environmental Infrastructure Refunding Bonds, Series 2010A, in the original aggregate principal amount of \$68,570,000 (the "Series 2010A Refunding Bonds"), pursuant to the 2002A Resolution, a portion (the "2002A Allocable Portion of the Series 2010A Refunding Bonds") of the proceeds of which was used for the purpose of advance refunding a portion of the Series 2002A Bonds; and

WHEREAS, on November 6, 2003, the Trust issued its “Environmental Infrastructure Bonds, Series 2003A”, in the original aggregate principal amount of \$66,420,000 (the “Series 2003A Bonds”), pursuant to a resolution of the Trust entitled “Environmental Infrastructure Bond Resolution, Series 2003A” of the Trust, duly adopted by the Trust on September 15, 2003, as supplemented by (i) the 2010A Supplemental Resolution, and (ii) a resolution of the Trust entitled “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2012C-R (Federally Taxable) of the New Jersey Environmental Infrastructure Trust”, adopted by the Trust on July 12, 2012 (as so amended and supplemented, the “2003A Resolution”);

WHEREAS, on August 18, 2010, the Trust issued the Series 2010A Refunding Bonds, a portion (the “2003A Allocable Portion of the Series 2010A Refunding Bonds”) of the proceeds of which was used for the purpose of advance refunding a portion of the Series 2003A Bonds; and

WHEREAS, on August 23, 2012, the Trust issued its Environmental Infrastructure Refunding Bonds, Series 2012C-R (Federally Taxable), in the original aggregate principal amount of \$9,010,000 (the “Series 2012C-R Refunding Bonds”), pursuant to the 2003A Resolution, the proceeds of which were used for the purpose of currently refunding a portion of the Series 2003A Bonds; and

WHEREAS, the Trust and the Warren County (Pequest River) Municipal Utilities Authority (the “WCMUA”), a public body corporate and politic created and existing pursuant to the laws of the State, have entered into that certain Loan Agreement, dated as of November 1, 2002 (the “2002 Loan Agreement”), pursuant to the terms of which the Trust has made a loan to the WCMUA (the “2002 Loan”), from a portion of the proceeds of the Series 2002A Bonds (a portion of which was refunded with proceeds of the Series 2007B Refunding Bonds and a portion of which was refunded with proceeds of the 2002A Allocable Portion of the 2010A Refunding Bonds), to finance a portion of the Project as defined and described in the 2002 Loan Agreement; and

WHEREAS, the Trust and the WCMUA have entered into that certain Loan Agreement, dated as of November 1, 2003 (the “2003 Loan Agreement”, the 2002 Loan Agreement and the 2003 Loan Agreement shall be referred to collectively herein as the “Loan Agreements”), pursuant to the terms of which the Trust has made a loan to the WCMUA (the “2003 Loan”, the 2002 Loan and the 2003 Loan shall be referred to collectively herein as the “Loans”), from a portion of the proceeds of the Series 2003A Bonds (a portion of which was refunded with proceeds of the Series 2003A Allocable Portion of the Series 2010A Refunding Bonds and a portion of which was refunded with proceeds of the Series 2012C-R Refunding Bonds), to finance a portion of the Project as defined and described in the 2003 Loan Agreement; and

WHEREAS, to evidence and secure the repayment of the 2002 Loan pursuant to the 2002 Loan Agreement, the WCMUA issued to the Trust a bond (the “2002 Trust Loan Bond”), pursuant to a resolution of the WCMUA adopted on June 26, 2002 and entitled “Resolution Authorizing the Issuance of Not To Exceed \$5,000,000 Wastewater Revenue Bonds (Junior Lien,

Series 2002) of the Warren County (Pequest River) Municipal Utilities Authority” (the “2002 WCMUA Bond Resolution”); and

WHEREAS, to evidence and secure the repayment of the 2003 Loan pursuant to the 2003 Loan Agreement, the WCMUA issued to the Trust a bond (the “2003 Trust Loan Bond”; the 2002 Trust Loan Bond and the 2003 Trust Loan Bond shall be referred to collectively herein as the “Trust Loan Bonds”), pursuant to a resolution of the WCMUA adopted on June 25, 2003 and entitled “Resolution Authorizing the Issuance of Not To Exceed \$2,100,000 Wastewater Revenue Bonds (Junior Lien, Series 2003) of the Warren County (Pequest River) Municipal Utilities Authority” (the “2003 WCMUA Bond Resolution”, the 2002 WCMUA Bond Resolution and the 2003 WCMUA Bond Resolution shall be referred to collectively herein as the “WCMUA Bond Resolutions”); and

WHEREAS, TD Bank, National Association (the “Borrower Trustee”) currently serves as trustee pursuant to each of the WCMUA Bond Resolutions; and

WHEREAS, on August 20, 2014, the WCMUA adopted resolutions (i) removing the Borrower Trustee pursuant to and in satisfaction of the terms and provisions of the WCMUA Bond Resolutions, and (ii) authorizing and directing the WCMUA to carry out the duties and responsibilities of the trustee pursuant to terms and provisions of the WCMUA Bond Resolutions, all subject to the consent of the Trust and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection; and

WHEREAS, the WCMUA has submitted a written request to the Trust, seeking the written consent of the Trust, as holder of the Trust Loan Bonds (the “Consent”), to (i) the removal of the Borrower Trustee pursuant to and in satisfaction of the terms and provisions of the WCMUA Bond Resolutions, and (ii) the appointment of the WCMUA to carry out the duties and responsibilities of the trustee pursuant to the terms and provisions of the WCMUA Bond Resolutions; and

WHEREAS, the Trust does not require borrowers participating in the Financing Program to employ a trustee pursuant to their respective bond resolutions; and

WHEREAS, it is the desire of the Trust to provide the Consent, due to the fact that the Consent would not result in any material diminishment of the security for the Trust Loan Bonds.

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

Section 1. The Board hereby consents to (i) the removal of the Borrower Trustee pursuant to and in satisfaction of the terms and provisions of the WCMUA Bond Resolutions, and (ii) the appointment of the WCMUA to carry out the duties and responsibilities of the trustee pursuant to the terms and provisions of the WCMUA Bond Resolutions, due to the fact that (A) the Trust does not require borrowers participating in the Financing Program to employ

a trustee pursuant to their respective bond resolutions, and (B) such Consent will not result in any material diminishment of the security for the Trust Loan Bonds.

Section 2. The Chairman, the Vice Chairman and the Executive Director of the Trust (each an “Authorized Officer”) are hereby severally authorized and directed to evidence the Consent by the execution of a certificate in such form as may be approved by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State.

Section 3. The Executive Director and any other Authorized Officer are hereby severally authorized and directed to (i) execute such other certificates, instruments or other documents, in such form and with such terms and conditions as the Executive Director, or any other Authorized Officer, 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 (ii) take such other actions as the Executive Director, or any other Authorized Officer, in their 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: September 11, 2014

Motion Made By: James Requa

Motion Seconded By: Daniel Kennedy

Ayes: 6

Nays: 0

Abstentions: 0

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