

RESOLUTION NO. 16 - 39

**AMENDED AND RESTATED RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST (I) CERTIFYING CERTAIN PROJECTS OF THE PASSAIC VALLEY
SEWERAGE COMMISSIONERS FOR FINANCING THROUGH THE DISASTER RELIEF EMERGENCY
FINANCING PROGRAM, (II) MAKING CERTAIN DETERMINATIONS WITH RESPECT TO RELIEF
LOANS TO THE PASSAIC VALLEY SEWERAGE COMMISSIONERS, AND (III) AUTHORIZING OTHER
NECESSARY AND INCIDENTAL ACTIONS IN CONNECTION THEREWITH**

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 (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”), is authorized, pursuant to a Disaster Relief Emergency Financing Program, also known as the “Statewide Assistance Infrastructure Loan Program” or “SAIL”, to make loans (each, a “Relief Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of eligible environmental infrastructure projects (each, a “Project”), provided that each such Relief Loan made by the Trust to a Borrower and each such Project satisfies the requirements of the Act; and

WHEREAS, the Board of Directors of the Trust (the “Board”) established the terms, requirements and parameters of SAIL pursuant to Resolution No. 13-73, duly adopted by the Board on December 12, 2013 and entitled “Second Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Disaster Relief Emergency Financing Program” (the “SAIL Program Resolution”; a copy of which is attached hereto as Exhibit A; capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed thereto in the SAIL Program Resolution); and

WHEREAS, the SAIL Program Resolution set forth the Relief Funding Eligibility Conditions that must be satisfied prior to the making of a Relief Loan by the Trust to a Borrower for a Project, which Relief Funding Eligibility Conditions include, without limitation, the certification of the Project by the Board; and

WHEREAS, the Passaic Valley Sewerage Commissioners (“PVSC”), is a public body corporate and politic with corporate succession duly created and validly existing pursuant to N.J.S.A. 58:14-1 *et seq.*, as amended and supplemented; and

WHEREAS, with respect to each of the PVSC projects that are identified in the Project Priority List set forth in the Trust’s State Fiscal Year 2017 May Report (specifically, projects numbered S340689-23, 25, 30, 33, 37, 40, 41, 42, and 43) (collectively, the “PVSC Projects”), PVSC has applied to the Trust for financing through SAIL for (i) approximately ten percent (10%) of the total project cost thereof (with the aggregate total project costs estimated to equal \$508,000,000), with such ten percent (10%) of each total project cost relating to the “match” that is required by FEMA to be contributed by a FEMA grant recipient to the cost of a given project (the “Local Share Costs”), and (ii) any additional non-FEMA eligible costs that are otherwise allowable and eligible under the SAIL Program (the “Non-FEMA Eligible Costs”); and

WHEREAS, the Trust desires to certify the PVSC Projects for financing through SAIL pursuant to the provisions of the Act and the SAIL Program Resolution, subject to the receipt by the Trust of the certification thereof by the Commissioner of the NJDEP; and

WHEREAS, the Trust desires to extend Relief Loans to PVSC (each a “PVSC Relief Loan”) in an aggregate principal amount not to exceed \$50,800,000 for the purpose of financing the Local Share Costs of the PVSC Projects, provided, however, that such aggregate principal amount may be increased by an amount that shall not exceed \$10,000,000 for each PVSC Project that is the subject of a PVSC Relief Loan to the extent that (i) Non-FEMA Eligible Costs are incurred by PVSC in connection with a given PVSC Project and (ii) such Non-FEMA Eligible Costs relating to such PVSC Project are eligible for funding under the SAIL Program; and

WHEREAS, the terms and conditions of the PVSC Relief Loans shall be as set forth in the Memorandum of Agreement, dated July 20, 2016 (“MOA”; a copy of which is attached hereto as Exhibit B), by and between the Trust and PVSC, and it is the desire of the Board to ratify the MOA and the terms and provisions thereof; and

WHEREAS, the Board adopted Resolution No. 14-08 on February 20, 2014 (the “Original PVSC Authorizing Resolution”; a copy of which is attached hereto as Exhibit C), which PVSC Authorizing Resolution certified certain PVSC projects for funding through SAIL and approved certain structural features relating to Relief Loans to PVSC, in the context of SAIL parameters established by the SAIL Program Resolution; and

WHEREAS, it is the desire of the Board to amend and restate in its entirety the Original PVSC Authorizing Resolution (i) to address certain changed facts and circumstances relating to PVSC and the PVSC Projects, and (ii) to ensure that SAIL and the PVSC Relief Loans effectively respond to the unique applicant needs that are presented by PVSC, in the context of SAIL parameters established by the SAIL Program Resolution.

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

Section 1. The Board hereby amends and restates the Original PVSC Authorizing Resolution in its entirety pursuant to the terms and provisions hereof.

Section 2. The MOA, and the terms and provisions thereof in the form attached hereto as Exhibit B, are hereby ratified and approved by the Board for the purpose of authorizing the PVSC Relief Loans to PVSC pursuant to the terms hereof.

Section 3. Subject to the prior receipt by the Trust of the certification thereof by the Commissioner of the NJDEP, the Board hereby certifies the PVSC Projects for financing pursuant to SAIL in accordance with the provisions of the Act, the SAIL Program Resolution and this Amended and Restated Resolution (including the terms of the MOA approved hereby).

Section 4. The Board hereby authorizes and approves the PVSC Relief Loans by the Trust to PVSC for the purpose of financing the PVSC Projects, pursuant to and in accordance with the terms and provisions of the Act, the SAIL Program Resolution and this Amended and Restated Resolution (including the terms of the MOA approved hereby), including, without limitation, the provisions of the SAIL Program Resolution relating to the prior satisfaction in full by PVSC of the Relief Funding Eligibility Conditions. The Board hereby further determines that the PVSC Relief Loans shall be made (via one or more loans) by the Trust to PVSC in an aggregate principal amount that shall not exceed \$50,800,000 for the purpose of financing the Local Share Costs of the PVSC Projects, provided, however, that such aggregate principal amount may be increased by an amount that shall not exceed \$10,000,000 for each PVSC Project that is the subject of a PVSC Relief Loan to the extent that (i) Non-FEMA Eligible Costs are incurred by PVSC in connection with a given PVSC Project, and (ii) such Non-FEMA Eligible Costs relating to such PVSC Project are eligible for financing under the SAIL Program .

Section 5. The Board hereby determines that, notwithstanding any provision of the SAIL Program Resolution to the contrary, (i) one hundred percent (100%) of the aggregate principal amount of the PVSC Relief Loans shall be financed with monies received by the Trust pursuant to the Appropriation, and (ii) each PVSC Relief Loan shall bear interest at the rate that has been established by the Board, as of the date of closing with respect to such PVSC Relief Loan, for the short term financing programs of the Trust.

Section 6. Any Authorized Officer is hereby authorized and directed to execute such documents and to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with the Professional Advisors, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

Section 7. This Amended and Restated Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: August 11, 2016

Motion Made By: Timothy Cunningham

Motion Seconded By: Dan Kenndy

Ayes: 6

Nays: 0

Abstentions: 0