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RESOLUTION OF THE SOUTHEAST MONMOUTH MUNICIPAL UTILITIES AUTHORITY, DETERMINING THE FORM AND OTHER DETAILS OF ITS "NOTE RELATING TO THE INTERIM FINANCING TRUST LOAN PROGRAM OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST", TO BE ISSUED IN THE PRINCIPAL AMOUNT OF UP TO \$8,600,000, AND PROVIDING FOR THE ISSUANCE AND SALE OF SUCH NOTE TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH NOTE BY THE SOUTHEAST MONMOUTH MUNICIPAL UTILITIES AUTHORITY IN FAVOR OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, ALL PURSUANT TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST INTERIM FINANCING TRUST LOAN PROGRAM

WHEREAS, The Southeast Monmouth Municipal Utilities Authority (the "Local Unit") has determined that there exists a need to among other things, undertake the construction of a new two (2) million gallon water storage tank and the replacement, acquisition and installation, as applicable, of two (2) caustic soda tanks, two (2) zinc orthophosphate tanks and delivery system, two (2) clarithickeners, one (1) equalization tank and a filter to waste piping and improvements to the recycle lagoon system (including the installation of a third recycle lagoon) and the electrical system (the "Project"), and it is the desire of the Local Unit to obtain financing for such Project through participation in the financing program (the "Environmental Infrastructure Financing Program") of the New Jersey Environmental Infrastructure Trust (the "Trust");

WHEREAS, the Local Unit has determined to temporarily finance the Project prior to the closing with respect to the Environmental Infrastructure Financing Program (scheduled to occur in the future), and to undertake such temporary financing with the proceeds of an interim loan to be made by the Trust (the "Interim Loan") to the Local Unit, pursuant to the Interim Financing Trust Loan Program of the Trust (the "Interim Financing Program");

WHEREAS, in order to (i) evidence and secure the repayment obligation of the Local Unit to the Trust with respect to the Interim Loan and (ii) satisfy the requirements of the Interim Financing Program, it is the desire of the Local Unit to issue and sell to the Trust the "Note Relating to the Interim Financing Trust Loan Program of the New Jersey Environmental Infrastructure Trust" in an aggregate principal amount not to exceed \$8,600,000 (the "Note");

WHEREAS, it is the desire of the Local Unit to authorize, execute, attest and deliver the Note to the Trust pursuant to the terms of the "Municipal and County Utilities Authority Law", constituting Chapter 183 of Laws of New Jersey of 1957 (codified at N.J.S.A. 40:14B-1 *et seq.*, as the same may from time to time be amended and supplemented) (the "Local Unit Enabling Act") and the "Local Authorities Fiscal Control Law", constituting Chapter 313 of the Pamphlet Laws of 1983 of the State of New

Jersey (codified at N.J.S.A. 40A:5A-1 *et seq.*), as the same may from time to time be amended and supplemented (the "Local Authorities Fiscal Control Law"); and

WHEREAS, Section 12 of the Local Authorities Fiscal Control Law and N.J.S.A. 58:11B-9 each allow for the sale of the Note to the Trust, without any public offering, all pursuant to the terms and conditions set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Local Unit as follows:

Section 1. In accordance with Section 12 of the Local Authorities Fiscal Control Law and N.J.S.A. 58:11B-9, the Local Unit hereby authorizes the issuance, sale and award of the Note in accordance with the provisions hereof. The obligation represented by the Note has been authorized by a resolution of the Authority duly adopted at a meeting duly called and held on March 26, 2009 and entitled, "Resolution Authorizing the Issuance of Revenue Bonds of The Southeast Monmouth Municipal Utilities Authority", as amended and supplemented heretofore (collectively, the "Local Unit Note Resolution"), at which time a quorum was present and acted throughout, all pursuant to the terms of the Local Unit Enabling Act, the Local Authorities Fiscal Control Law and other applicable law.

Section 2. The Chairman, Vice Chairman or the Executive Director of the Local Unit (the "Authority Officer") are each hereby authorized to determine pursuant to the terms and conditions hereof and of the Local Unit Note Resolution (i) the final principal amount of the Note (subject to the maximum limitation set forth in Section 4(a) hereof), and (ii) the dated date of the Note.

Section 3. Any determination made by the Authority Officer pursuant to the terms hereof shall be conclusively evidenced by the execution and attestation of the Note by the parties authorized pursuant to Section 4(h) hereof.

Section 4. The Local Unit hereby determines that certain terms of the Note shall be as follows:

- (a) the principal amount of the Note to be issued shall be an amount up to \$8,600,000;
- (b) the final maturity of the Note, after any renewals thereof, shall be no later than 2015;
- (c) the interest rate of the Note shall be 0.0% per annum;
- (d) the purchase price for the Note shall be par;
- (e) the Note shall be subject to prepayment prior to its stated maturity in accordance with the terms and conditions of the Note;
- (f) the Note shall be issued in a single denomination and shall be numbered as required by the Interim Financing Program;

- (g) the Note shall be issued in fully registered form and shall be payable to the registered owner thereof as to both principal and interest in lawful money of the United States of America; and
- (h) the Note shall be executed in accordance with the Local Unit Note Resolution.

Section 5. The Note shall be substantially in the form required by the Interim Financing Program and the Local Unit Note Resolution.

Section 6. The law firm of Wilentz, Goldman & Spitzer, P.A. is hereby authorized to arrange for the printing of the Note, which law firm may authorize McCarter & English, LLP, bond counsel to the Trust for the Interim Financing Program, to arrange for same.

Section 7. The Authority Officer of the Local Unit is hereby further authorized to (i) execute and deliver, and the Authority Secretary or Assistant Secretary are each hereby further authorized to attest to such execution and to affix the corporate seal of the Local Unit to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authority Officer or the Authority Secretary or Assistant Secretary, as applicable, in their respective sole discretion, after consultation with counsel and any advisors to the Local Unit and after further consultation with the Trust and its representatives, agents, counsel and advisors, to be executed in connection the issuance and sale of the Note and the participation of the Local Unit in the Interim Financing Program, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authority Officer and the Authority Secretary or Assistant Secretary deem necessary, desirable or convenient in relation to the execution and delivery of the Note and the participation of the Local Unit in the Interim Financing Program.

Section 8. This resolution shall take effect immediately.

Section 9. Upon the adoption hereof, the Secretary shall forward certified copies of this resolution to John M. Cantalupo, Esq, bond counsel to the Local Unit, David Zimmer, Executive Director of the Trust, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the Trust.