

RESOLUTION NUMBER 2012-15

RESOLUTION OF THE SOUTHEAST MONMOUTH MUNICIPAL UTILITIES AUTHORITY (THE "AUTHORITY"), IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, ACKNOWLEDGING THE REVIEW AND POSITIVE FINDINGS CONTAINED IN THE LOCAL FINANCE BOARD RESOLUTIONS DATED MAY 9, 2012 IN CONNECTION WITH THE AUTHORITY'S ISSUANCE OF NOT EXCEEDING \$8,600,000 WATER REVENUE BONDS, CONSISTING OF WATER REVENUE BONDS, SERIES 2012G AND WATER REVENUE BONDS, SERIES 2012H, AND/OR PROJECT NOTES TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM

WHEREAS, The Southeast Monmouth Municipal Utilities Authority (the "Authority"), in the County of Monmouth, a public body politic and corporate of the State of New Jersey, authorized the issuance of not exceeding \$8,600,000 Water Revenue Bonds, consisting of Water Revenue Bonds, Series 2012G (the "Series 2012G Bonds") and Water Revenue Bonds, Series 2012H (the "Series 2012H Bonds" and together with the Series 2012G Bonds, the "Bonds") and/or Project Notes (the "Project Notes") to the New Jersey Environmental Infrastructure Trust Financing Program; and

WHEREAS, prior to such authorization, the Authority was required, pursuant to N.J.S.A. 40A:5A-6 and 7, to submit said financing proposal to the Local Finance Board (as hereinafter defined); and

WHEREAS, the Authority authorized said submission to the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board"), by a resolution duly approved May 3, 2012; and

WHEREAS, the Local Finance Board held the required hearing on such application on May 9, 2012, pursuant to N.J.S.A. 40A:5A-7; and

WHEREAS, as a result thereof the Local Finance Board adopted resolutions setting forth its findings and conclusions with respect to the Authority's proposed financing in the New Jersey Environmental Infrastructure Trust Financing Program, which resolutions are attached hereto as Exhibit A and Exhibit B, respectively, and incorporated by this reference herein; and

WHEREAS, N.J.S.A. 40A:5A-7 requires the Authority to adopt a resolution certifying that each member of the Authority has reviewed the findings of the Local Finance Board and that each member evidenced same by the execution of an affidavit by all Authority members.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE SOUTHEAST MONMOUTH MUNICIPAL UTILITIES AUTHORITY, as follows:

1. We have each reviewed the resolutions of the Local Finance Board, dated May 9, 2012 attached hereto as Exhibit A and Exhibit B (the "LFB Resolutions") setting forth the positive findings of the Local Finance Board and approving the proposed issuance of not exceeding \$8,600,000 Water Revenue Bonds, consisting of Water Revenue Bonds, Series 2012G and Water Revenue Bonds, Series 2012H, and/or Project Notes to the New Jersey Environmental Infrastructure Trust Financing Program.

2. We each hereby acknowledge the approvals and positive findings of the Local Finance Board contained in the aforesaid LFB Resolutions.

3. Each of the Members of the Authority are hereby authorized and directed to execute the attached Certification acknowledging their review of the approvals and findings of the Local Finance Board contained in the LFB Resolutions and Wilentz, Goldman & Spitzer, P.A., bond counsel, on behalf of the Authority, is hereby authorized and directed to file this resolution with the attached affidavit with the Local Finance Board in satisfaction of the requirements of N.J.S.A. 40A:5A-7.

5. A copy of each of the LFB Resolutions are attached hereto and incorporated by reference herein.

6. The governing body of The Southeast Monmouth Municipal Utilities Authority hereby states that it has complied with the requirements of N.J.S.A. 40A:5A-7 and does hereby submit a certified copy of this resolution and the required affidavit to the Local Finance Board to evidence such compliance.

7. This resolution shall take effect immediately.

Exhibit A



State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS

101 SOUTH BROAD STREET

PO Box 803

TRENTON, NJ 08625-0803

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

RICHARD E. CONSTABLE, III
Acting Commissioner

LOCAL FINANCE BOARD RESOLUTION

WHEREAS, proposed project financings have been submitted to the Local Finance Board for review pursuant to N.J.S.A. 40A:5A-6 by the various independent local authorities as listed on the attached schedule; and

WHEREAS, the Local Finance Board has held a hearing pursuant to N.J.S.A. 40A:5A-7 on May 9, 2012, to review proposed project financings in various amounts not to exceed the amounts listed for each independent local authority on the attached schedule in connection with applications submitted to the Local Finance Board for participation in the New Jersey Environmental Infrastructure Trust Program; and

WHEREAS, the Local Finance Board has given consideration to those matters, to the extent applicable, as provided for by Law, and has examined estimates, computations or calculations made in connection with such submissions and has required the production of such papers, documents, witnesses or information and taken such action which it has deemed necessary for its review of such submission;

NOW, THEREFORE, BE IT RESOLVED that the Local Finance Board does hereby make the following findings:

- a) that the project costs have been determined by reasonable and accepted methods;
- b) that the method proposed for the funding of the project costs, proposed or maximum terms and provision of the financing and of proposed service contracts are not unreasonable nor impracticable, and would not impose an undue and unnecessary financial burden on the local inhabitants within the Authority's jurisdiction or would not materially impair the ability to pay promptly the principal of and the interest on the outstanding indebtedness thereof or to provide essential public services to the inhabitants thereof;
- c) that the proposed or maximum terms and conditions of the sale are, in light of current market conditions for obligations of similar quality, reasonable;



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BE IT FURTHER RESOLVED that the Local Finance Board does not deem it necessary to make any of the recommendations with regard to this project financing which the Board is authorized to make pursuant to N.J.S.A. 40A:5A-8; and

BE IT FURTHER RESOLVED that the various independent local authorities shall, within 30 days of the closing date of the financing that is the subject of this resolution, file with the Executive Secretary of the Local Finance Board a statement setting forth a complete accounting of the actual issuance costs incurred by the various independent local authorities in undertaking the financing which statement shall include the following: the name of the various independent local authorities; the closing date of the financing; the total amount of the financing; the name of the professionals or others who provided services to the various independent local authorities in undertaking the financing; the estimated dollar amount for each type of issuance cost as set forth in the application submitted by the various independent local authorities to the Local Finance Board with regard to the financing; and the actual dollar amount for each type of issuance cost incurred by the various independent local authorities in undertaking the financing; and

BE IT FURTHER RESOLVED that the details of the issuance of any permanent bonds associated with these applications as included in the term sheets (closing statements) shall be promptly provided to the Executive Secretary by forwarding a copy of said term sheets (closing statements); and

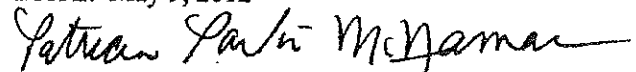
BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby authorized and directed to certify or endorse such documents or instruments as may be necessary, convenient or desirable in order to carry out the purpose and provisions of the Law and this Resolution; and

BE IT FURTHER RESOLVED that pursuant to N.J.S.A. 40A:5A-7, the governing bodies of the various authorities shall provide to the Executive Secretary within 45 days of receipt of this resolution, the required Authority resolution and affidavit; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED BY:
THE LOCAL FINANCE BOARD

DATE: May 9, 2012



PATRICIA PARKIN MCNAMARA
EXECUTIVE SECRETARY
LOCAL FINANCE BOARD

Exhibit B

**State of New Jersey****DEPARTMENT OF COMMUNITY AFFAIRS****101 SOUTH BROAD STREET****PO BOX 803****TRENTON, NJ 08625-0803****CHRIS CHRISTIE**
*Governor***KIM GUADAGNO**
*Lt. Governor***RICHARD E. CONSTABLE, III**
*Acting Commissioner***LOCAL FINANCE BOARD
RESOLUTION**

WHEREAS, pursuant to N.J.S.A. 58:11B-9 of the New Jersey Environmental Infrastructure Trust Act (N.J.S.A. 58:11B-1 et. seq.), (the "Act"), the Local Finance Board, at its scheduled meeting of May 9, 2012, reviewed applications from various local governments as listed on the attached schedule for approval of loans to be made to the various local governments as listed on the attached schedule from the New Jersey Environmental Infrastructure Trust in the various amounts not to exceed the amounts listed for each local government on the attached schedule plus amounts necessary to provide for capitalized interest and related issuance costs to partially finance the construction of the New Jersey Environmental Infrastructure System Projects and of a bond to be issued by the various local governments as listed on the attached schedule to the New Jersey Environmental Infrastructure Trust to evidence such loan; and

WHEREAS, in conjunction with its review of the application for a loan from the New Jersey Environmental Infrastructure Trust, the Local Finance Board has also reviewed applications from the various local governments as listed on the attached schedule for approval of a matching zero interest loan to be made to the various local governments as listed on the attached schedule from the State of New Jersey, acting through the Department of Environmental Protection, from the applicable Fund (as defined in the regulations promulgated pursuant to the Act, being N.J.A.C. 7:22-3.4.) in the various amounts not to exceed the amount listed for each local government on the attached schedule to partially finance the construction of the Environmental Infrastructure System Projects by the various local governments as listed on the attached schedule and of a bond to be issued by the various local governments as listed on the attached schedule to the State of New Jersey to evidence such loans; and

WHEREAS, the applications submitted to the Local Finance Board outlined the details of the proposed financing of the Environmental Infrastructure System Project to be undertaken by the various local governments as listed on the attached schedule and of the Bonds to be issued by the various local governments as listed on the attached schedule to the Trust and the State to partially finance the Project; and

WHEREAS, the Local Finance Board, at its public hearing on the application, gave consideration to those matters, to the extent applicable, as provided for by law, and examined estimates, computations or calculations made in connection with such submissions and required the production of such papers, documents, witnesses or information and took such action as it had deemed necessary for its review of such submissions,



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NOW, THEREFORE, BE IT RESOLVED by the Local Finance Board that the cost, terms and conditions of the proposed loans from the New Jersey Environmental Infrastructure Trust and the State of New Jersey, acting through the Department of Environmental Protection, from the applicable Fund to the various local governments as listed on the attached schedule for financing a portion of the cost of the Environmental Infrastructure System Project and the bonds to be issued by the various local governments as listed on the attached schedule to the New Jersey Environmental Infrastructure Trust and the State of New Jersey to evidence such loans are, in light of current market conditions for obligations of similar quality, reasonable and will not materially impair the credit of the various local governments as listed on the attached schedule or substantially reduce the local governments' ability to pay punctually the principal of and interest on its debt and to supply other essential public improvements and services; and

BE IT FURTHER RESOLVED that the Local Finance Board hereby approves the loans to be provided from the New Jersey Environmental Infrastructure Trust and the State of New Jersey from the applicable Fund to the various local governments as listed on the attached schedule Environmental Infrastructure System Projects, and the bonds to be issued to the New Jersey Environmental Infrastructure Trust and the State of New Jersey by the various local governments as listed on the attached schedule to evidence such loans; and

BE IT FURTHER RESOLVED that the passage of this resolution is contingent upon the approval by the Treasurer of the State of New Jersey of the loans, and the terms and conditions thereof, to be issued to the various local governments as listed on the attached schedule by the New Jersey Environmental Infrastructure Trust; and

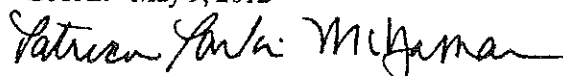
BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby authorized and directed to certify or endorse such documents or instruments as may be necessary, convenient or desirable in order to carry out the purpose and provisions of the Law and this Resolution; and

BE IT FURTHER RESOLVED that the details of the issuance of any permanent bonds associated with this application as included in the term sheet (closing statement) shall be promptly provided to the Executive Secretary by forwarding a copy of said term sheet (closing statement); and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED BY:
THE LOCAL FINANCE BOARD

DATE: May 9, 2012



PATRICIA PARKIN MCNAMARA
EXECUTIVE SECRETARY
LOCAL FINANCE BOARD