

RESOLUTION NO. 10-22

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 CERTAIN PROPOSED AMENDMENTS TO THE GENERAL BOND RESOLUTION OF THE LAKEWOOD 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, in connection with the annual Environmental Infrastructure Financing Program (the "Financing Program") of the Trust and the State, acting by and through the New Jersey Department of Environmental Protection (the "NJDEP"), 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 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 (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, the Trust and the Lakewood Municipal Utilities Authority (the "Authority"), 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 Authority (the "2002 Loan"), from a portion of the proceeds of the Series 2002A Bonds (a portion of which were refunded with proceeds of the Series 2007B Refunding Bonds), to finance a portion of the Project as defined and described in the 2002 Loan Agreement; and

WHEREAS, to evidence and secure the repayment of the 2002 Loan pursuant to the 2002 Loan Agreement, the Authority issued to the Trust its Lakewood Municipal Utilities

Authority Revenue Bonds, Series 2002A in the aggregate principal amount of \$2,790,000 (the "2002 Trust Loan Bond"), pursuant to the General Bond Resolution of the Authority, adopted February 16, 1977, as amended and supplemented (the "Authority Bond Resolution"); and

WHEREAS, simultaneously with the extension of the 2002 Loan by the Trust to the Authority, the State, acting by and through the NJDEP, extended a loan to the Authority (the "2002 Fund Loan"), pursuant to a Loan Agreement, dated as of November 1, 2002, by and between the State and the Authority (the "2002 Fund Loan Agreement"); and

WHEREAS, to evidence and secure the repayment of the 2002 Fund Loan pursuant to the 2002 Fund Loan Agreement, the Authority issued to the NJDEP its Lakewood Municipal Utilities Authority Revenue Bonds, Series 2002B in the aggregate principal amount of \$2,275,511.93 (the "2002 Fund Loan Bond"), pursuant to the Authority Bond Resolution; and

WHEREAS, on November 6, 2008, in connection with the Financing Program, the Trust issued its Environmental Infrastructure Bonds, Series 2008A, in the original aggregate principal amount of \$128,450,000 (the "Series 2008A Bonds"), pursuant to a resolution of the Trust entitled "Environmental Infrastructure Bond Resolution, Series 2008A", adopted on September 16, 2008; and

WHEREAS, the Trust and the Authority have entered into that certain Loan Agreement, dated as of November 1, 2008 (the "2008 Loan Agreement"), pursuant to the terms of which the Trust has made a loan to the Authority (the "2008 Loan"), from a portion of the proceeds of the Series 2008A Bonds, to finance a portion of the Project as defined and described in the 2008 Loan Agreement; and

WHEREAS, to evidence and secure the repayment of the 2008 Loan pursuant to the 2008 Loan Agreement, the Authority issued to the Trust its Lakewood Municipal Utilities Authority Revenue Bonds, Series 2008A in the aggregate principal amount of \$9,345,000 (the "2008 Trust Loan Bond"; the 2002 Trust Loan Bond and the 2008 Trust Loan Bond shall be referred to collectively herein as the "Trust Loan Bonds"), pursuant to the Authority Bond Resolution; and

WHEREAS, simultaneously with the extension of the 2008 Loan by the Trust to the Authority, the State, acting by and through the NJDEP, extended a loan to the Authority (the "2008 Fund Loan"), pursuant to a Loan Agreement, dated as of November 1, 2008, by and between the State and the Authority (the "2008 Fund Loan Agreement"); and

WHEREAS, to evidence and secure the repayment of the 2008 Fund Loan pursuant to the 2008 Fund Loan Agreement, the Authority issued to the NJDEP its Lakewood Municipal Utilities Authority Revenue Bonds, Series 2008B in the aggregate principal amount of \$7,024,580 (the "2008 Fund Loan Bond"; the 2002 Fund Loan Bond and the 2008 Fund Loan Bond shall be referred to collectively herein as the "Fund Loan Bonds"), pursuant to the Authority Bond Resolution; and

WHEREAS, the Trust Loan Bonds and the Fund Loan Bonds are the only obligations currently outstanding pursuant to the Authority Bond Resolution; and

WHEREAS, the Authority recently has submitted a written request to the Trust seeking the consent of the Trust, as holder of the Trust Loan Bonds, to a certain proposed amendment to the Authority Bond Resolution (the "Proposed Amendment"), which Proposed Amendment is attached hereto as Exhibit A; and

WHEREAS, if implemented, the Proposed Amendment would expand the definition of "Investment Obligations" pursuant to the Authority Bond Resolution, as set forth in the Proposed Amendment; and

WHEREAS, the Proposed Amendment would not result in any material diminishment of the security for the Trust Loan Bonds; and

WHEREAS, it is the desire of the Trust to consent to the Proposed Amendment, due to the fact that the Proposed Amendment 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 the Proposed Amendment in the form presented to the Trust and attached as Exhibit A hereto, due to the fact that the Proposed Amendment would not result in any material diminishment of the security for the Trust Loan Bonds.

Section 2. The Chairman, the Vice Chairman, the Executive Director and the Acting Executive Director of the Trust (each an "Authorized Officer") are hereby severally authorized to evidence the consent of the Trust to the Proposed Amendment by the execution of the consent certificate in the form attached as Exhibit B hereto; provided, however, that the execution of such consent certificate by an Authorized Officer shall be conditioned upon the consent in writing to the Proposed Amendment by the NJDEP, in the form of an appropriate consent certificate.

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, 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, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

Section 4. This Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: May 6, 2010

Motion Made By: Ms. Rendeiro

Motion Seconded By: Mr. Barrack

Ayes: 7

Nays: 0

Abstentions: 0