

**THE SOUTHEAST MONMOUTH MUNICIPAL UTILITIES AUTHORITY
RESOLUTION NUMBER 2013-07**

**RESOLUTION OF THE SOUTHEAST MONMOUTH MUNICIPAL UTILITIES
AUTHORITY (THE "AUTHORITY"), IN THE COUNTY OF MONMOUTH, STATE
OF NEW JERSEY, AUTHORIZING THE EXECUTION AND DELIVERY OF
LOAN AGREEMENTS TO BE EXECUTED BY THE AUTHORITY AND EACH
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND
THE STATE OF NEW JERSEY, ACTING BY AND THROUGH THE NEW
JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION, AND
FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN
ESCROW AGREEMENT, ALL PURSUANT TO THE 2013 NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM**

WHEREAS, The Southeast Monmouth Municipal Utilities Authority (the "Authority"), in the County of Monmouth, State of New Jersey, has determined that there exists a need within the service area of the Authority to undertake the Project (as defined herein) and as further described and defined in each of that certain Loan Agreement (the "Trust Loan Agreement") to be entered into by and between the Authority and the New Jersey Environmental Infrastructure Trust (the "Trust") and that certain Loan Agreement (the "Fund Loan Agreement", and together with the Trust Loan Agreement, the "Loan Agreements") to be entered into by and between the Authority and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), all pursuant to the 2013 New Jersey Environmental Infrastructure Trust Financing Program (the "Program");

WHEREAS, the Authority has determined to finance the Project, which includes, but is not limited to, 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"), with the proceeds of a loan to be made by each of the Trust (the "Trust Loan") and the State (the "Fund Loan", and together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively;

WHEREAS, the Authority has already authorized \$8,600,000 in bonds and notes for the Project through its adoption of the Fourth Supplemental Resolution on June 7, 2012 and has issued \$6,093,278 Project Notes to the Program to temporarily finance the Project and will be issuing the below described Authority Bonds to the Program to permanently finance the Project Note loan;

WHEREAS, to evidence the Loans, each of the Trust and the State require the Authority to authorize, execute and deliver the Authority's Sewer Revenue Bonds in an aggregate principal amount not to exceed \$8,600,000, consisting of Water Revenue

Bonds, Series 2013G, to the Trust (the "Trust Loan Bond") and Water Revenue Bonds, Series 2013H, to the State (the "Fund Loan Bond", and together with the Trust Loan Bond, the "Authority Bonds") pursuant to the terms of applicable law and the Loan Agreements; and

WHEREAS, the Trust and the State have expressed their desire to close in escrow the making of the Loans, the issuance of the Authority Bonds and the execution and delivery of the Loan Agreements, all pursuant to the terms of an Escrow Agreement (the "Escrow Agreement") to be entered into by and among the Trust, the State, the Authority, the escrow agent named therein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Southeast Monmouth Municipal Utilities Authority, in the County of Monmouth, State of New Jersey, as follows:

Section 1. The Trust Loan Agreement, the Fund Loan Agreement and the Escrow Agreement (collectively, the "Financing Documents") are hereby authorized to be executed and delivered on behalf of the Authority by either the Chairman or the Vice Chairman in substantially the forms attached hereto as Exhibits A, B, and C, respectively, with such changes as the Chairman or the Vice Chairman (each an "Authorized Officer"), in their respective sole discretion, after consultation with bond and general counsel and any advisors to the Authority (collectively, the "Authority Consultants") and after further consultation with the Trust, the State and their representatives, agents, counsel and advisors (collectively, the "Program Consultants", and together with the Authority Consultants, the "Consultants"), shall determine, such determination to be conclusively evidenced by the execution of such Financing Documents by an Authorized Officer as determined hereunder. The Secretary of the Authority is hereby authorized to attest to the execution of the Financing Documents by an Authorized Officer of the Authority as determined hereunder and to affix the corporate seal of the Authority to such Financing Documents.

Section 2. The Authorized Officers of the Authority are hereby further severally authorized to (i) execute and deliver, and the Secretary of the Authority is hereby further authorized to attest to such execution and to affix the corporate seal of the Authority to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers or the Secretary of the Authority, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Financing Documents and the consummation of the transactions contemplated thereby, 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 Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

Section 3. This resolution shall take effect immediately.

Section 4. Upon the adoption hereof, the Secretary of the Authority shall forward certified copies of this resolution to John M. Cantalupo, Esq., of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, bond counsel to the Authority, and Richard T. Nolan, Esq., of McCarter & English, LLP, Newark, New Jersey, bond counsel to the Trust.