

RESOLUTION 2012-028

**SUPPLEMENTAL RESOLUTION AUTHORIZING THE
ISSUANCE AND SALE AND DELEGATING THE POWER
TO AWARD REVENUE BONDS, SERIES I, OF THE
BORDENTOWN SEWERAGE AUTHORITY**

**BE IT RESOLVED BY THE BORDENTOWN SEWERAGE AUTHORITY, AS
FOLLOWS:**

ARTICLE I

Definitions and Interpretation

Section 101. Short Title. This resolution may hereafter be cited by the Authority, and is hereinafter sometimes referred to, as the "Series I Bond Resolution".

Section 102. Definitions and Terms. As used or referred to in the Series I Bond Resolution, all words and terms defined in Section 101 of the 1986 Bond Resolution of the Authority, adopted July 24, 1986, as amended, shall have the meaning ascribed thereto in said Section 101. In addition, as used or referred to in the Series I Bond Resolution, unless a different meaning clearly appears from the context:

“Authorized Authority Representative” mean the Chairman, the Vice Chairman or the Executive Director of the Authority.

“Escrow Agent” means the bank or trust company appointed by the Trust to serve as escrow agent under the Escrow Agreement.

“Escrow Agreement” shall mean the Escrow Agreement, by and among the Authority, the Trust, the State, the Trustee and the Escrow Agent and which may provide for principal forgiveness of a portion of the 2012 Fund Loan.

"Series I-1 Bond" means any of the Bonds authorized by this Series I Bond Resolution and authenticated and delivered under and pursuant to Section 311 and Section 312 of the 1986 Bond Resolution.

"Series I-2 Bond" means any of the Bonds authorized by this Series I Bond Resolution and authenticated and delivered under and pursuant to Section 311 and Section 312 of the 1986 Bond Resolution.

"Series I Bonds" means collectively, the Series I-1 Bonds and the Series I-2 Bonds.

"2012 Fund Loan" shall have the meaning as set forth in Section 501 hereof.

"2012 Fund Loan Agreement" shall have the meaning as set forth in Section 501 hereof and which may provide for principal forgiveness of a portion of the 2012 Fund Loan.

"2012 Project" means (a) the implementation of energy conservation improvements including the acquisition and installation of a plant influent screening mechanism, a secondary sludge conveyor; the replacement of oxidation plant motors and the addition of variable frequency speed drives and the acquisition and installation of premium efficiency motors and including all work and related materials necessary therefor or incidental thereto and (b) payment of the costs of issuing the Series I Bonds.

"2012 Trust Loan" shall have the meaning as set forth in Section 501 hereof.

"2012 Trust Loan Agreement" shall have the meaning set forth in Section 501 hereof.

"State" means the State of New Jersey.

"Trust" means the New Jersey Environmental Infrastructure Trust.

As used in the Series I Bond Resolution, the terms "herein", "hereunder", "hereby", "hereof", and any similar terms refer to the Series I Bond Resolution; the term "heretofore"

means before the time of adoption of the Series I Bond Resolution; and the term "hereafter" means after the time of adoption of the Series I Bond Resolution.

As used in the Series I Bond Resolution, words importing persons include firms, associations and corporations, and words importing the singular number include the plural number and vice versa.

Section 103. Articles and Sections. Articles and Sections mentioned by number only herein are the respective Articles and Sections of the Series I Bond Resolution so numbered.

Section 104. Successors and Assigns. Whenever in the Series I Bond Resolution the Authority is named or referred to, it shall and shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Authority contained in the Series I Bond Resolution shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law, or who or which is empowered to exercise or perform, any right, power or duty of the Authority, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with or perform any of the covenants, stipulations, obligations, agreements or other provisions of the Series I Bond Resolution or comply with or fulfill any conditions set forth in the Series I Bond Resolution.

Section 105. Parties Interested Herein. Nothing in the Series I Bond Resolution expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Authority, the Trustee, the Bond Insurer of the Series I Bonds and the holders and beneficial owners of the Bonds, any right, remedy or claim under or by reason of the

Series I Bond Resolution, the 1986 Bond Resolution or any covenant, condition or stipulation hereof or thereof. All the covenants, stipulations, promises and agreements in the Series I Bond Resolution or the 1986 Bond Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Bond Insurer of the Series I Bonds and the holders and beneficial owners of the Bonds.

Section 106. Severability of Invalid Provisions. If any one or more of the provisions, covenants or agreements in the Series I Bond Resolution on the part of the Authority or the Trustee to be performed should be contrary to law, then such provision or provisions, covenant or covenants, agreement or agreements, shall be deemed separable from the remaining provisions, covenants and agreements, and shall in no way affect the validity of the other provisions of the Series I Bond Resolution or of the Series I Bonds.

ARTICLE II

Statutory Determinations and Obligations of the Authority

Section 201. Authority for Series I Bond Resolution. The Series I Bond Resolution is adopted by virtue of the Act and pursuant to its provisions and is a Supplemental Resolution as referred to in clause (7) of Section 801 of the 1986 Bond Resolution. The Authority has ascertained and hereby determines that each act or matter as to which provision is made herein is necessary in order to effectuate the purposes of the Authority in accordance with the Act and to carry out powers expressly given in the Act and to secure or further secure the payment of the principal of and interest on the Series I Bonds.

Section 202. Authorization of 2012 Project. The Series I Bonds shall be issued to the State for the purpose of securing the Authority's obligations under the 2012 Fund Loan Agreement, and the Series I Bonds shall be issued to the Trust for the purpose of securing the

Authority's obligations under the 2012 Trust Loan Agreement. The proceeds of the 2012 Trust Loan and the 2012 Fund Loan shall be used, together with other available funds of the Authority, to (a) finance the 2012 Project, (b) make the required deposit in to the Bond Reserve Fund, and (c) pay a portion of the costs of authorization, issuance and delivery of the Series I Bonds.

Section 203. Estimated Cost. The estimated cost (as defined in the Act) of the 2012 Project is \$2,650,000. Said estimated cost is inclusive of any discount to be incurred upon the sale of the Series I Bonds, of amounts to be deposited in the Bond Service Fund or the Bond Reserve Fund, and of the costs of issuance of the Series I Bonds.

Section 204. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Series I Bonds by those who shall hold the same from time to time, the provisions of the Series I Bond Resolution shall be a part of the contract of the Authority with the holders from time to time of the Series I Bonds. Any pledge made in the Series I Bond Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the holders of any and all of the Series I Bonds.

Section 205. Obligation of Bonds. The Series I Bonds shall constitute a Series of Additional Bonds issued under the 1986 Bond Resolution and all of the Series I Bonds shall be of equal rank with all Outstanding Bonds and other Additional Bonds issued or to be issued under the 1986 Bond Resolution without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to the 1986 Bond Resolution. As provided in Section 205 of the 1986 Bond Resolution, the Series I Bonds shall be direct and general obligations of the Authority and the full faith and credit of the Authority are pledged to the payment of the principal or Redemption Price of and interest on the Series I Bonds.

ARTICLE III

Authorization and Terms of the Series I Bonds

Section 301. Authorization of Series I Bonds. In accordance with Section 12 of the Act and subject to and pursuant to the provisions of the 1986 Bond Resolution and for the purpose of raising funds to pay costs of the 2012 Project described in Section 202 hereof, one or more series of Series I Bonds of the Authority are hereby authorized to be issued in the aggregate principal amount not to exceed \$2,650,000. Each Series I-1 Bond shall be designated "Revenue Bonds, Series I-1" with such other distinguishing information as shall be necessary to evidence the 2012 Fund Loan. Each Series I-2 Bond shall be designated "Revenue Bonds, Series I-2" with such other distinguishing information as shall be necessary to evidence the 2012 Trust Loan.

Section 302. Issuance and Sale of Series I Bonds. The Series I Bonds are issued for a purpose specified in clause (b) of paragraph (1) of Section 311 of the 1986 Bond Resolution and the Trustee shall not authenticate or deliver to the Authority or upon its order any Series I Bonds unless theretofore or simultaneously therewith the applicable conditions set forth in Section 312 of the 1986 Bond Resolution shall have been satisfied.

The Authority hereby determines that the Authorized Authority Representatives are each hereby designated and authorized to sell and to award the Series I Bonds on behalf of the Authority to the purchaser(s) thereof, including the power to determine, among other things, (a) the amount of Series I Bonds to be issued, (b) the principal amount of the Series I-1 Bonds and the Series I-2 Bonds based upon the allocation of the Series I Bonds by the Trust, (c) the time and the manner of sale of the Series I Bonds, (d) the dated date and the maturity or maturities of the Series I Bonds and the provisions pertaining to redemptions thereof and/or Sinking Funds Installments established therefor, (e) the rate or rates of interest for the Series I Bonds, (f) any

additional series or subseries designation of the Series I-1 Bonds and Series I-2 Bonds as shall be necessary to evidence one or more 2012 Trust Loans and 2012 Fund Loans to finance separate portions of the 2012 Project, and (g) such other terms and conditions as may be necessary or related to the sale of the Series I Bonds; provided, however, that (i) the aggregate principal amount of the Series I Bonds shall not exceed \$2,650,000, and (ii) the Series I Bonds shall mature on August 1 and the final maturity date of the Series I Bonds shall not be later than August 1, 2032.

The sale and award of the Series I Bonds by an Authorized Authority Representative shall be evidenced by the execution of an Award Certificate of Authorized Authority Representative as of the date of the sale and the award of the Series I Bonds and such Award Certificate shall be presented to the members of the Authority at the next regular meeting of the Authority following such sale and award as evidence of the terms and details of the sale of such Series I Bonds.

Section 303. Appointment of Paying Agent. T.D. Bank, N. A. is hereby named and appointed as a Paying Agent for the Series I Bonds.

ARTICLE IV

Sale and Delivery of Bonds

Section 401. Form of the Series I Bonds. The Series I Bonds shall be issued in the form set forth in the 1986 Bond Resolution with such further and additional provisions as required by the 2012 Fund Loan Agreement and the 2012 Trust Loan Agreement.

Section 402. Authentication and Delivery of Bonds. The Chairman and Secretary of the Authority are hereby authorized and directed to execute the Series I Bonds on behalf of the Authority, to deliver the executed Series I Bonds to the Trustee for authentication under the 1986

Bond Resolution, to deliver to the Trustee a written order of the Authority authorizing and directing the delivery of the Series I Bonds to or upon the order of the Underwriter, upon such authentication and upon receipt from the Underwriter of the purchase price for the Series I Bonds plus accrued interest, and to do and perform, or cause to be done or performed, each and every thing necessary for the issuance and delivery of the Series I Bonds.

Section 403. Application of Proceeds. The proceeds of sale of the Series I Bonds, together with other available funds of the Authority, shall be paid or applied by the Authority as follows:

(a) The proceeds of the Series I-1 Bonds shall be maintained by the State on behalf of the Authority and applied to the payment of the 2012 Project in accordance with the terms of the 1986 Bond Resolution and the 2012 Fund Loan Agreement. The proceeds of the Series I-2 Bonds shall be maintained by the Trust on behalf of the Authority and applied to the payment of the 2012 Project in accordance with the terms of the 1986 Bond Resolution and the 2012 Trust Loan Agreement; and

(b) Available funds of the Authority shall be transferred to the Trustee, to be held in the Bond Reserve Fund, in the amount required to make the total sum held in the Bond Reserve Fund equal to the Bond Reserve Requirement, as of the time immediately following the delivery of the Series I Bonds.

ARTICLE V

Financing Documents

Section 501. Approval of Financing Documents.

A. The Authority hereby ratifies and confirms the Authority's applications for loans for eligible costs of the 2012 Project from the Trust and the State and the associated costs of the

Trust's financing in connection therewith (the "2012 Trust Loan" and "2012 Fund Loan," respectively). All actions heretofore taken by or on behalf of the Authority in respect of its applications for the 2012 Trust Loan and the 2012 Fund Loan are hereby ratified, confirmed and reconfirmed

B. The 2012 Trust Loan Agreement, the 2012 Fund Loan Agreement and the Escrow Agreement (collectively, the "Financing Documents") are hereby authorized to be executed and delivered on behalf of the Authorized Authority Representatives in substantially the forms presented at this meeting, with such changes as the Authorized Authority Representatives, in their respective sole discretion, after consultation with 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 Authority Representatives as determined hereunder. The Secretary of the Authority is hereby authorized to attest to the execution of the Financing Documents by an Authorized Authority Representatives of the Authority as determined hereunder and to affix the corporate seal of the Authority to such Financing Documents.

C. The Authorized Authority Representatives 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 Authority Representatives 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 Series I Bonds and 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 Authority Representatives deem necessary, desirable or convenient in relation to the execution and delivery thereof.

D. All amounts payable by the Authority in respect of the 2012 Trust Loan and the 2012 Fund Loan, under the 2012 Trust Loan Agreement and the 2012 Fund Loan Agreement, respectively, shall be paid by the Trustee on behalf of the Authority pursuant to and in accordance with the provisions of the 1986 Bond Resolution.

ARTICLE VI

Miscellaneous

Section 601. Remedies. The holders of the Series I Bonds shall be entitled to the benefits, and be subject to the provisions, of Section 17 and Section 18 of the Act to the extent, and in the manner, provided by Article X of the 1986 Bond Resolution, which is incorporated herein by reference.

Section 602. Tax Covenants. The Authority shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Series I Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Series I Bond is subject on the date of original issuance thereof.

The Authority shall not permit any of the proceeds of the Series I Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Series I Bond to

constitute a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986.

The Authority shall not permit any of the proceeds of the Series I Bonds or other moneys to be invested in any manner that would cause any Series I Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986 or a "hedge bond" within the meaning of Section 149(g) of said Code.

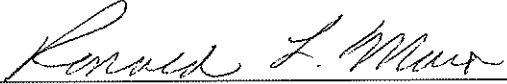
The Authority shall comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986 relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

Section 603. Authorized Acts of Officers. The Chairman, the Vice-Chairman, the Executive Director and the Secretary of the Authority are and each of them hereby is authorized and directed to do and perform all things, to execute all papers in the name of the Authority and to make all payments necessary for the Authority to carry out its obligations under the terms of the Series I Bonds, the 1986 Bond Resolution and the Series I Bond Resolution.

Section 604. Effective Date. This Series I Bond Resolution shall be effective immediately.

Adopted: March 19, 2012

(SEAL)



Chairman

Attest:

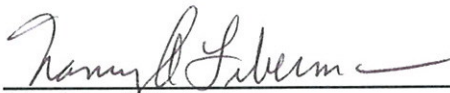


(Assistant) Secretary

SECRETARY'S CERTIFICATE

I, Nancy Liberman, (Assistant) Secretary of THE BORDENTOWN SEWERAGE AUTHORITY, a public body politic and corporate of the State of New Jersey, HEREBY CERTIFY that the foregoing resolution entitled "Supplemental Resolution Authorizing the Issuance and Sale and Delegating the Power to Award Revenue Bonds, Series I, of The Bordentown Sewerage Authority" is a true copy of an original resolution, which was duly adopted by said Authority at a meeting thereof which was duly called and held on March 19, 2012, and that a quorum was present and acting throughout said meeting, and that said copy has been compared by me with the original resolution recorded in the records of the Authority and that it is a correct transcript thereof and of the whole of said resolution, and that said original resolution has not been altered, amended or repealed but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority, this 19 day of March, 2012.



(Assistant) Secretary

(SEAL)

