

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY**

**RESOLUTION OF THE OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY AUTHORIZING THE ACQUISITION, CONSTRUCTION, RENOVATION AND/OR INSTALLATION OF WATER AND SEWER PROJECTS AND THE ISSUANCE OF BONDS OF THE AUTHORITY TO FINANCE THE COSTS THEREOF, WITH THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND WITH THE STATE OF NEW JERSEY, ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, ALL PURSUANT TO THE FISCAL YEAR 2015 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM, AND FURTHER ACKNOWLEDGING THE APPLICATION OF THE AUTHORITY'S RATE COVENANT TO SUCH BONDS**

**WHEREAS**, the Old Bridge Municipal Utilities Authority (the "Authority") has been duly created by an ordinance duly adopted by the Township Council of the Township of Old Bridge, in the County of Middlesex, New Jersey (the "Township") as a public body politic and corporate of the State of New Jersey (the "State") pursuant to and in accordance with the Municipal and County Utilities Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1957 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

**WHEREAS**, pursuant to the Act the Authority has heretofore entered into an Indenture of Trust, dated as of August 1, 1986, as amended and supplemented (collectively, the "Indenture"), with Amboy Bank (formerly known as Amboy National Bank), as Trustee (the "Trustee"), pursuant to which the Authority has issued from time to time various series of bonds in furtherance of its corporate purposes; and

**WHEREAS**, pursuant to the Act the Authority has heretofore entered into a Service Agreement, dated as of July 1, 1986, as amended (the "Service Agreement"), with the Township, pursuant to which the Township has agreed to make certain payments from time to time in support of the Authority's bonds; and

**WHEREAS**, the Authority has determined that there exists a need within the service area of the Authority to acquire, construct, renovate and/or install projects relating to the Authority's Water and Sewer System (as defined in the Indenture) consisting of: (i) rehabilitation of the Perrine Road storage tank; (ii) upgrade to supervisory control and data acquisition system; (iii) construction of emergency fuel depot; and (iv) improvements to Laurence Harbor bulkhead (collectively, the "2015 Water and Sewer Projects" or "Projects"); and

**WHEREAS**, the Authority determined to finance the acquisition, construction, renovation and/or installation of the Projects with the proceeds of permanent loans to be made by

each of the New Jersey Environmental Infrastructure Trust (the "NJEIT") and the State, acting by and through the Department of Environmental Protection (the "NJDEP") through the NJEIT's Fiscal Year 2015 financing program (the "NJEIT Program"), and

**WHEREAS**, the Projects constitute Additional Projects (as defined in the Indenture); and

**WHEREAS**, to evidence the Trust Loan and the Fund Loan (collectively, the "Loans"), each of the NJEIT and the NJDEP require the Authority to authorize, execute and deliver various series of bonds of the Authority, which shall consist of the Authority's Water and Sewer Revenue Bonds (2015A Series), or as otherwise designated in the hereinafter defined Twenty-fifth Supplemental Indenture (the "Series 2015A Bonds") to be issued to the NJEIT, and the Authority's Water and Sewer Revenue Bonds (2015B Series), or as otherwise designated in the hereinafter defined Twenty-fifth Supplemental Indenture (the "Series 2015B Bonds"), to be issued to the NJDEP, in a combined aggregate principal amount not to exceed \$10,500,000; and

**WHEREAS**, the Series 2015A Bonds and the Series 2015B Bonds (collectively, the "2015 Bonds") will be issued as Additional Bonds (as defined in the Indenture) pursuant to the terms of the Act, this Resolution, the Indenture (as amended and supplemented to date) and a Twenty-fifth Supplemental Indenture, dated as of the date of closing of the Additional Bonds (the "Twenty-fifth Supplemental Indenture"), to be entered into between the Authority and the Trustee as a Supplemental Indenture (as defined in the Indenture); and

**WHEREAS**, on January 14, 2015 the Local Finance Board issued positive findings in respect of the proposed issuance of the 2015 Bonds and approved the issuance and sale of the 2015 Bonds to the NJEIT and the NJDEP pursuant to N.J.S.A. 58:11B-9; and

**WHEREAS**, as a condition to the issuance of the 2015 Bonds as Additional Bonds under the Indenture, the Indenture requires that, among other things, the Consulting Engineer (as defined in the Indenture) deliver a certificate concluding that the amount of Net Revenues (as defined in the Indenture) estimated to be collected in each of the two (2) Fiscal Years (as defined in the Indenture) next following any period during which any interest on such Additional Bonds is funded from the proceeds thereof, are at least equal to certain amounts required for the payment of debt service on all outstanding bonds of the Authority; and

**WHEREAS**, in making such estimate, the Consulting Engineer is permitted to utilize rates or charges in effect as of the date such Additional Bonds are issued, or such new rates and charges which have been formally acknowledged by the Authority by resolution; and

**WHEREAS**, the Authority has established its rates and charges for the Fiscal Year ending May 31, 2015, and as such, the Authority desires to acknowledge that such rates and charges will, at a minimum, (a) be sufficient to comply with the terms and conditions set forth in Section 7.11 of the Indenture and (b) be sufficient to produce Net Revenues which equal or exceed the amount of debt service payable with respect to all outstanding bonds of the Authority including such Additional Bonds; and

**WHEREAS**, the Authority now desires to authorize the undertaking of the Water and Sewer Projects, the issuance of the 2015 Bonds, the execution and delivery of the Twenty-fifth Supplemental Indenture, and certain other matters in connection therewith or in furtherance thereof;

**NOW, THEREFORE, BE IT RESOLVED** by the Members of the Old Bridge Municipal Utilities Authority, as follows (capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Indenture):

Section 1. **Section 1.** In order to finance all or a portion of the cost of the Water and Sewer Projects, the Series 2015A Bonds and the Series 2015B Bonds shall be and hereby are each authorized to be issued on a parity basis with all other Bonds issued under the Indenture, in a combined aggregate principal amount not to exceed \$10,500,000.

The Series 2015A Bonds (the "Trust Bonds") shall bear interest at a fixed interest rate or rates not to exceed 6.0% per annum if the bonds issued by the Trust are issued on a tax exempt basis and 8.0% if they are issued on a taxable basis. The Series 2015B Bonds (the "Fund Bonds") shall bear interest at a fixed interest rate of 0% per annum. The final maturity of all 2015 Bonds shall be not later than November 1, 2034. In accordance with the Act, the 2015 Bonds shall be and are authorized for issuance as Bonds pursuant to the terms of the Indenture (including the Twenty-fifth Supplemental Indenture authorized hereby), and shall be dated, shall bear interest at such rates of interest, shall be payable in the amounts and at the times as to principal, sinking fund installments, if any, interest and premium, if any, shall be issued in the form, shall be subject to redemption prior to maturity, and shall have such other details and provisions, all as determined by the Executive Director of the Authority (or his designee in writing or the officer in charge of the day to day managerial affairs of the Authority in his absence, incapacity or by Authority board resolution, the "Executive Director"), in his sole discretion after consultation with the Authority's bond counsel appointed for this transaction, Gibbons, P.C., and its financial advisor, Acacia Financial Group, Inc., and any other applicable counsel and/or other advisors approved by the Authority (collectively, the "Consultants"), but within the parameters set forth herein, all to be specified in the 2015 Bonds and in the Indenture (which financial terms may be incorporated into the Twenty-fifth Supplemental Indenture, and prior to the issuance of the 2015 Bonds without compliance with any amendment or supplement provision of the Indenture and in accordance with further amendatory or supplemental resolutions of the Members of the Authority) and delivered to the Trustee upon the issuance of the 2015 Bonds.

**Section 2.** The 2015 Bonds shall be direct and general obligations of the Authority and shall be secured by a pledge of the Trust Estate under and to the extent set forth in the Indenture. Neither the Members of the Authority nor any person executing the 2015 Bonds issued pursuant to this Resolution, the Act and other applicable law shall be liable personally on the 2015 Bonds by reason of the issuance thereof. The 2015 Bonds shall not be in any way a debt or liability of the State or any political subdivision thereof, other than the Authority, whether legal, moral or otherwise.

**Section 3.** The Chairman of the Authority, the Vice Chairman of the Authority and the Executive Director (collectively, the "Authorized Officers") are hereby severally authorized and, after satisfaction of all conditions precedent thereto as the Executive Director, in his sole discretion, after consultation with the Consultants, shall determine, are hereby severally directed to execute the Twenty-fifth Supplemental Indenture, and such other documents, instruments or certificates as the bond counsel and financial advisor to the Authority deem necessary, convenient, useful or desirable in order to issue the 2015 Bonds (together with this Resolution and the 2015 Bonds, collectively, the "Authorizing Documents") to which the Authority is an execution or acknowledgement party, as the case may be, in substantially the forms attached as Exhibit A hereto (and with respect to the 2015 Bonds, substantially in the forms set forth in the Supplemental Indenture), with such changes thereto as the Executive Director, in his sole discretion after consultation with the Consultants, shall determine to be necessary, desirable, useful or convenient in order to effect the financing of the Water and Sewer Project or any other transaction contemplated hereby and thereby, which changes shall be dispositively evidenced by the Authorized Officer's execution or acknowledgement, as the case may be, and delivery thereof, which changes shall include, at a minimum, the incorporation of the terms of the sale of the 2015 Bonds, all within the parameters set forth herein.

**Section 4.** The Authorized Officers are severally authorized and, after satisfaction of all conditions precedent thereto as the Executive Director, in his sole discretion, after consultation with the Consultants, shall determine, are hereby severally directed to execute or acknowledge, as the case may be, or cause to be executed or acknowledged such other Authorizing Documents, and other certificates, notices, instruments and other documents in such form as the Executive Director, in his sole discretion after consultation with the Consultants, shall determine to be within the parameters herein and of any Authorizing Document attached hereto and to be necessary, desirable, useful or convenient in order to effect the financing of the Water and Sewer Projects or any other transaction contemplated hereby and thereby, which respective forms thereof shall be dispositively evidenced by the Authorized Officer's execution or acknowledgement, as the case may be, and delivery thereof or with respect to such documents of a party other than the Authority, shall be evidenced by an authorized officer's execution thereof.

**Section 5.** The Secretary and Assistant Secretary of the Authority are hereby severally authorized and to the extent the Executive Director, in his sole discretion, after consultation with the Consultants, shall determine to be necessary, desirable, useful or convenient to effect the financing of the Water and Sewer Project or any other transaction contemplated hereby or thereby, are severally directed to affix the corporate seal of the Authority to and attest to the execution and acknowledgement, as the case may be, of all Authorizing Documents referred to in Section 3 and any other Authorizing Document, certificate, notice, instrument or other document referred to in Section 4 hereof.

**Section 6.** After the execution and, if applicable, the sealing and attestation of any document contemplated by this Resolution, the Executive Director is hereby authorized and shall deliver any such document in such manner or take such other action as the Executive Director in his sole discretion shall determine, after consultation with the Consultants, to be necessary, desirable, useful or convenient to effect the financing of the Water and Sewer Project or the

consummation of any other transaction contemplated hereby or thereby. In connection with the execution or acknowledgement, as the case may be, of any documents referred to or contemplated by this Resolution or the other Authorizing Documents, the Authorized Officers are hereby designated to be the authorized representatives of the Authority, charged by this Resolution with the responsibility for issuing the 2015 Bonds, and further, are severally authorized to take such other action as the Executive Director, in his sole discretion, after consultation with the Consultants, shall determine to be necessary, convenient, useful or desirable in order to effect the financing of the Water and Sewer Project or any other transaction contemplated hereby or thereby.

**Section 7.** The 2015 Bonds shall be in substantially the form set forth in the Indenture with such insertions, omissions or variations as the Executive Director, in his sole discretion after consultation with the Consultants, determines to be necessary, convenient, useful or desirable to effect the financing of the Water and Sewer Project or any other transaction contemplated hereby or thereby, all within the parameters set forth herein and therein. The 2015 Bonds shall be executed and authenticated in accordance with the Indenture. Following execution of the 2015 Bonds, any Authorized Officer (as defined in the Indenture) is hereby authorized to deliver the 2015 Bonds to the NJEIT or the NJDEP, as the case may be, against receipt of the purchase price or unpaid balance thereof.

**Section 8.** In setting its rates and charges applicable to the Water/Sewer System, the Authority hereby acknowledges and reaffirms its obligation to satisfy the terms and conditions set forth in Section 7.11 of the Indenture in each Fiscal Year. Specifically, with respect to the issuance of the 2015 Bonds, the Authority hereby covenants to establish, charge and collect rates and charges for or with respect to the Water and Sewer System in an amount which is sufficient to collect in each Fiscal Year that such 2015 Bonds are outstanding, Net Revenues which are at least sufficient to provide for the payment of debt service on all outstanding bonds of the Authority including such 2015 Bonds and to provide for any deposits required to be made into the Debt Service Reserve Fund securing such 2015 Bonds.

**Section 9.** The Consulting Engineer or the Authority's Accountant shall prepare a projection of such rates and charges required to be charged and collected during such Fiscal Years as may be required under the Indenture and/or the Service Agreement in connection with the issuance of the 2015 Bonds and the undertaking of the Water and Sewer Project, in order to enable the Authority to satisfy the provisions thereof.

**Section 10.** In case any one or more of the provisions of the Authorizing Documents or any other document contemplated hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or document thereof, which other provisions and documents shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

**Section 11.** A copy of this Resolution shall be filed with the Clerk of the Township and with the Director of the Division of Local Government Services in the Department of Community Affairs of the State, as required by the Act. The Executive Director is hereby authorized and directed to publish, in (i) a newspaper published or circulating in the district of

the Authority and (ii) any other official newspaper of the Authority, a notice of adoption (in substantially the form attached hereto as Exhibit B) relating to this Resolution in accordance with the provisions of N.J.S.A. 40:14B-28.

**Section 12.** After issuance of the 2015 Bonds, the Executive Director is authorized to pay costs of issuance of the 2015 Bonds up to the maximum amounts on file with the Executive Director, or such additional amounts as the members of the Authority shall approve by resolution.

**Section 13.** The Executive Director, in his sole discretion, after consultation with the Consultants, shall make such investment decisions with respect to the 2015 Bond proceeds or other monies available for investment at the direction of the Authority under the Authorizing Documents, so long as such investments conform with the Act, the Indenture and other applicable law.

**Section 14.** The terms of the Service Agreement and the Indenture (as supplemented by the Twenty-fifth Supplemental Indenture authorized hereunder) are hereby ratified, confirmed and approved.

**Section 15.** Amboy Bank, Old Bridge, New Jersey, is hereby appointed Trustee, Bond Registrar and Paying Agent for the 2015 Bonds. The Trustee, Bond Registrar and Paying Agent shall signify its acceptance of the trusts and duties hereunder and under the Indenture by its execution of the Twenty-fifth Supplemental Indenture.

**Section 16.** All prior resolutions of the Authority or portions thereof inconsistent herewith, if any, are hereby repealed.

**Section 17.** This Resolution shall take effect immediately.

**Section 18.** Upon the adoption hereof, the Secretary of the Authority shall forward certified copies of this Resolution to Gibbons P.C., Bond Counsel to the Authority for this transaction, and to Richard Nolan, Esq., McCarter & English, LLP, Bond Counsel to the NJEIT.

Motion by: Frank Weber

Second by: Richard Greene

Ayes: Greene, Greenberg, Weber, Cahill, Haney


Nays: None

Absent: Testino

Abstain: None

Adopted: February 18, 2015

This is a certified copy of an original Resolution adopted on February 18, 2015.



---

Guy Doratelli, Executive Director

**EXHIBIT A**

Form of Twenty-fifth Supplemental Indenture is attached hereto.



## EXHIBIT B

### **NOTICE OF ADOPTION OF BOND RESOLUTION OF THE OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY AUTHORIZING THE ISSUANCE OF ITS WATER AND SEWER REVENUE BONDS (2015A SERIES) AND WATER AND SEWER REVENUE BONDS (2015B SERIES)**

NOTICE IS HEREBY GIVEN that a resolution entitled "RESOLUTION OF THE OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY AUTHORIZING THE ACQUISITION, CONSTRUCTION, RENOVATION AND/OR INSTALLATION OF WATER AND SEWER PROJECTS AND THE ISSUANCE OF BONDS OF THE AUTHORITY TO FINANCE THE COSTS THEREOF, WITH THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND WITH THE STATE OF NEW JERSEY, ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, ALL PURSUANT TO THE FISCAL YEAR 2015 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM, AND FURTHER ACKNOWLEDGING THE APPLICATION OF THE AUTHORITY'S RATE COVENANT TO SUCH BONDS" (the "Resolution") has been finally adopted by the Old Bridge Municipal Utilities Authority (the "Authority") on February 18, 2015. Notice is further given that copies of said Resolution have been filed for public inspection at the offices of the Authority at 71 Boulevard West, Cliffwood Beach, New Jersey and at the office of the Clerk of the Township of Old Bridge at 1 Old Bridge Plaza, Old Bridge, New Jersey, in accordance with Section 28 of the Municipal and County Utilities Authorities Law (N.J.S.A. 40:14B-28). Notice is hereby given that the twenty (20) day period of limitation has begun to run during which time actions or proceedings questioning the validity or proper authorization of the Revenue Bonds provided for by said Resolution, or the validity of any covenants, agreements or contracts provided for by said Resolution, shall be commenced or instituted. After such twenty day period has run, all the residents and taxpayers and owners of property in the district of said Authority and users of the Authority's utility system and all other persons whatsoever shall be forever barred and foreclosed from instituting or commencing any action or proceeding in any Court, or from pleading any defense to any action or proceedings, questioning the validity of the creation and establishment of the Authority, or the validity or proper authorization of such Revenue Bonds, or the validity of any such covenants, agreements or contracts, and said Authority shall be conclusively deemed to have been validly created and established and to be authorized to transact business and exercise powers as a municipal authority under the Municipal and County Utilities Authorities Law, and said Revenue Bonds, covenants, agreements and contracts shall be conclusively deemed to be valid and binding obligations in accordance with their terms and tenor.

Dated: February 18, 2015

Published by Order of  
OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY  
Guy Donatelli, Executive Director