SALEM COUNTY IMPROVEMENT AUTHORITY

Resolution # 2016-35

RESOLUTION

March 10, 2016

Of The Salem County Improvement Authority
In The County Of Salem, State Of New Jersey

RESOLUTION OF THE SALEM COUNTY IMPROVEMENT AUTHORITY AUTHORIZING CERTAIN ACTIONS AND APPROVING CERTAIN DOCUMENTS NECESSARY IN CONNECTION WITH THE ISSUANCE OF THE AUTHORITY’S PROPOSED NOT TO EXCEED $8,220,000 AGGREGATE PRINCIPAL AMOUNT OF COUNTY-GUARANTEED SOLID WASTE REVENUE BONDS OR PROJECT NOTES (LANDFILL EXPANSION PROJECT - PHASE I)

WHEREAS, pursuant to the County Improvement Authorities Law, constituting chapter 183 of the Laws of New Jersey of 1960 (N.J.S.A. 40:37A-44 et seq.), and the acts amendatory thereof and supplemental thereto ("Act"), The Salem County Improvement Authority ("Authority") was created by virtue of an ordinance, duly and finally adopted by the governing body of the County of Salem ("County"), State of New Jersey ("State") and is a public body politic and corporate of the State organized and existing under the Act, constituting a political subdivision of the State and established as an instrumentality exercising public and essential governmental functions to provide for the public health and welfare; and

WHEREAS, the Authority is authorized, pursuant to Section 11 of the Act (N.J.S.A. 40:37A-54(a) and (g)), to issue its bonds, notes or other obligations for the purpose of financing the cost of the provision within the County of "public facilities" (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes, including the acquisition, construction, maintenance and operation of garbage and solid waste disposal systems for the purpose of collecting and disposing of garbage, solid waste or refuse matter, whether owned or operated by the Authority to accomplish such purpose; and

WHEREAS, pursuant to and in accordance with the provisions of the Solid Waste Management Act, constituting chapter 39 of the Laws of New Jersey of 1970 and the acts amendatory thereof and supplemental thereto ("Solid Waste Act"), the County has been designated as a "solid waste management district" and as such, is required to,
among other things, develop and formulate a solid waste management plan and such Plan must include the designation of a department, unit or committee of the County government to supervise the implementation of the Plan; and

WHEREAS, in February 1980, the Board of Chosen Freeholders of the County ("Board") approved a Plan in accordance with the provisions of the Solid Waste Act, providing a comprehensive strategy for the solid waste disposal needs of the County, as such Plan has been updated and amended from time to time ("Plan"); and

WHEREAS, pursuant to and in accordance with the provisions of the Solid Waste Act, the Plan has been approved by the New Jersey Department of Environmental Protection ("NJDEP"); and

WHEREAS, in 1980, the Board created the Salem County Utilities Authority to implement the Plan, including the disposal of solid waste generated within the County at the Salem County Solid Waste Facility located in the Township of Alloway, in the County ("Landfill"); and

WHEREAS, on August 20, 2008, the Board approved a plan to dissolve the Salem County Utilities Authority and transfer operation of the Landfill to the Authority, which transfer was approved by the NJDEP on March 4, 2009, and

WHEREAS, the original 39-acre Landfill design, with vertical expansions, contained seven operational cells which provided waste disposal capacity from 1988 through 2012; and

WHEREAS, pursuant to the Plan, and in an effort to address the solid waste disposal needs of the County into the future and to ensure that the Landfill solid waste disposal operations continue uninterrupted upon such time as Cells 1 through 7 reached capacity, in 2011 the Authority received the necessary permits from the NJDEP to conduct a 31-acre, approximately 4,977,582 cubic yard (including final cover), landfill expansion through a four phase construction of an additional five (5) operational cells (Cells 8 through 12) (collectively, the "Landfill Expansion Project"); and

WHEREAS, the Landfill Expansion Project is anticipated to extend the operating life expectancy of the Landfill by approximately 33 years, or until 2045; and

WHEREAS, in 2012 and 2014, respectively, Cell 8 and Cell 9 were constructed and are currently being filled with full capacity to be reached between September and December of 2016; and

WHEREAS, as a result of the expected full capacity of the Landfill as described above, the Authority has determined to construct Cell 11 to further the Landfill Expansion Project and continue operation of the Landfill ("Cell 11 Expansion"); and
WHEREAS, in particular Cell 11 Expansion includes the construction of an 8.3-acre double composite lined landfill cell, leachate collection system, leachate pumping and conveyance system, and environmental monitoring system; and

WHEREAS, the Authority has heretofore received approval from the New Jersey Environmental Infrastructure Trust ("Trust") to receive low-cost financial assistance to pay for the costs to construct the Cell 11 Expansion and, in furtherance thereof, has received approval from the NJDEP to issue not to exceed $8,220,000 aggregate principal amount of its bonds, notes or other evidences of indebtedness, the proceeds of which shall be used by the Authority to pay: (i) the costs of the Cell 11 Expansion; (ii) the completion of such other improvements and work and acquisition of equipment and materials as may be necessary or appropriate for the completion of the capital improvements described above (items (i) and (ii) shall be referred to herein as the "Construction Project"); (iii) the costs of issuing any bonds, notes or other evidences of indebtedness; and (iv) the costs and fees associated with financing the Cell 11 Expansion through the NJEIT Financing Program (as hereinafter defined) (collectively, the "Project"); and

WHEREAS, the Authority has submitted a petition to NJDEP, pursuant to N.J.S.A. 48:3-9, to: (i) request authorization to issue up bonds, notes or other evidences of indebtedness in an amount not to exceed $8,220,000 for more than a one (1) year period from the date of issuance; and (ii) request an exemption from the State of New Jersey Board of Public Utilities policy requiring the competitive sale of such obligations ("NJDEP Petition"); and

WHEREAS, the Authority reasonably anticipates an NJDEP approval, via order, of the NJDEP Petition; and

WHEREAS, to induce prospective purchasers of any bonds, notes or other evidences of indebtedness issued to finance the Costs of the Project to purchase the same and provide additional security to the owners thereof, the County has, in accordance with Section 37 of the Act, N.J.S.A. 40:37A-80, agreed to unconditionally and irrevocably guaranty the punctual payment of the principal of and interest on any bonds, notes or other evidences of indebtedness issued to finance the Costs of the Project ("County Guaranty") and the County and the Authority intend to enter into a County Guarantee Agreement (the "Guarantee Agreement"), wherein the County shall unconditionally guarantee the punctual payment of the principal of and interest on any bonds, notes or other evidences of indebtedness issued to finance the Costs of the Project; and

WHEREAS, the Authority and the County have also each determined that it will be economical, efficient and otherwise advantageous to each of them and to the residents of the County for the County and the Authority to enter into an agreement providing for certain financial assistance ("Support Agreement"), which Support Agreement shall, among other things, additionally obligate the County, subject to appropriation, to pay to the Authority such sums of money as may be determined
annually by the County to be applied to the payment of deficiencies incurred by the Authority for debt service with respect any to bonds, notes or other evidences of indebtedness issued to finance the Costs of the Project from amounts which are available therefore; and

WHEREAS, the Authority desires, by adoption of this resolution, to authorize and approve the attached master bond resolution authorizing the issuance and sale of its bonds, notes or other evidences of indebtedness in an amount not to exceed $8,220,000, to prescribe the limits of the maturity and interest rate on such obligations, to delegate to the Executive Director of the Authority the power to determine certain terms and conditions for the sale of such obligations and to make various other determinations and approvals with respect thereto.

WHEREAS, the Board of Chosen Freeholders of the County, by resolution or ordinance, will consent to the undertaking of the financing by the Authority and a guarantee of the Authority’s Bonds (as defined herein); and

WHEREAS, pursuant to the authorization set forth in the ordinance to be finally adopted by the County authorizing the guarantee by the County of the payment of principal of and interest on the County-Guaranteed Solid Waste Revenue Bonds or Project Notes (Landfill Expansion Project - Phase I) in an aggregate principal amount not to exceed $8,220,000 (the "Guarantee Ordinance"), the County and the Authority intend to enter into a Guarantee Agreement, wherein the County shall unconditionally guarantee the punctual payment of the principal of and interest on the Bonds; and

WHEREAS, the Authority submitted the required application (the "Application") to the Local Finance Board in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board") for the County’s guarantee of the issuance of its proposed not to exceed $8,220,000 County-Guaranteed Solid Waste Revenue Bonds or Project Notes (Landfill Expansion Project - Phase I) (the "Bonds"); and

WHEREAS, the Local Finance Board issued findings with respect to the Authority’s Application on the County’s guarantee of the Bonds on March 9, 2016; and

WHEREAS, the Authority will require the provision of certain professional services and will incur certain expenses with reference to the proposed project financing in conjunction with the Project; and

WHEREAS, the appointment, award and approval of professional services and expenses in connection with the Project as hereinafter made are exempt from the public bidding requirements of the Local Public Contracts Law, N.J.S.A. 40A:11-1, et seq.; and

WHEREAS, the Authority now desires to authorize certain actions and approve certain documents necessary in connection with the undertaking of the Project and the issuance of the Bonds.
NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE
SALEM COUNTY IMPROVEMENT AUTHORITY, as follows:

1. The Bond Resolution be, and the same hereby is, approved and
adopted in the form presented to this meeting with such changes, insertions, deletions
or omissions as shall hereafter be approved by the Authority's Chairman, Vice
Chairwoman or Executive Director in consultation with the Authority's bond counsel,
Archer & Greiner P.C., Red Bank, New Jersey ("Bond Counsel"). The aggregate
principal amount of the Bonds shall not exceed $8,220,000.

2. (a) The Authority does hereby, as applicable, award, approve and
authorize payment for the following to render professional services and/or provide
services in connection with the Project or to the Authority in conjunction with the Project
to be paid out of the proceeds of the Bonds issued for the Project as follows:

<table>
<thead>
<tr>
<th>AWARDED AND</th>
<th>DESCRIPTION</th>
<th>AMOUNT NOT TO EXCEED</th>
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<tbody>
<tr>
<td>APPROVED TO:</td>
<td>OF SERVICES</td>
<td></td>
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<tr>
<td>Archer &amp; Greiner P.C.</td>
<td>Bond Counsel and Special Bond</td>
<td>$50,000 plus Disbursements</td>
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<tr>
<td>and Parker McCay, P.A.</td>
<td>Counsel to the Authority</td>
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<tr>
<td>Phoenix Advisors, LLC</td>
<td>Financial Advisor to the Authority</td>
<td>$12,500</td>
</tr>
<tr>
<td>Bowman &amp; Company</td>
<td>Auditor for Authority</td>
<td>$20,000</td>
</tr>
<tr>
<td>To Be Determined by an Authority Officer And</td>
<td>Trustee</td>
<td>$5,000</td>
</tr>
<tr>
<td>Approved And Ratified By The Authority</td>
<td></td>
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(b) The Secretary is hereby authorized and directed to publish a brief
notice of these awards, approvals and/or authorizations in accordance with the

(c) The Certifying Finance Officer has certified that the funds for the
services shall be paid out of the proceeds of the Bonds issued for the Project.

3. The Guarantee Agreement and the Support Agreement each be
and the same hereby are, approved in the forms presented to this meeting with such
changes, insertions, deletions or omissions as shall hereafter be approved by the
Authority's Chairman, Vice Chairwoman or Executive Director, in consultation with Bond
Counsel. The Authority's Chairman, Vice Chairwoman or Executive Director be and the
same hereby is authorized and directed on behalf of the Authority to execute and deliver
each of the Guarantee Agreement and the Support Agreement and the Secretary of the
Authority is hereby authorized and directed to affix the seal of the Authority to the
Guarantee Agreement and the Support Agreement and to attest to the signatures of the

Chairman, Vice Chairwoman or Executive Director on the Guarantee Agreement or the Support Agreement.

4. The Authority's Chairman, Vice Chairwoman or Executive Director are each hereby authorized and directed, to execute and deliver the Award and Series Certificate in the form attached hereto as Exhibit A and by this reference made a part hereof (the "Series Certificate"), to reflect the terms of the Bonds upon original issuance and any other requirements of the Bond Resolution. Prior to delivery of any of the Bonds upon original issuance and notwithstanding anything to the contrary, the Chairman, Vice Chairwoman or Executive Director of the Authority may, by execution of the Series Certificate evidencing same, modify or amend any of the terms or provisions of the Bond Resolution in any respect or for any purpose without any further action by the members of the Authority; provided, however, that such modifications or amendments shall be approved by the Authority's Chairman, Vice Chairwoman or Executive Director in consultation with the Authority's Bond Counsel.

5. The Chairman, Vice Chairwoman, Secretary, Executive Director or any other Authority Officer, official or professional, be, and each of them hereby is, authorized and directed to execute and deliver any and all documents, certificates, agreements and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Bond Resolution, the Guarantee Agreement or the Support Agreement and for the authorization, sale and issuance of the Bonds. The execution by such officers of any such documents, certificates and agreements with such changes, Insertions or omissions as shall be approved by the Authority's Chairman, Vice Chairwoman or Executive Director in consultation with the Authority's Bond Counsel shall be conclusive evidence of the approval of such changes, insertions or omissions and no further ratification or other action by the Authority members shall be required with respect thereto.

6. The appointment of a Trustee, Bond Registrar and Paying Agent (the "Trustee") for the Holders of the Bonds is hereby delegated to Chairman, Vice Chairwoman or Executive Director, provided that such appointment is in compliance with all applicable law and approved and ratified by the Authority. The Trustee shall signify its acceptance of its respective trusts and duties under the Bond Resolution by a written certificate delivered to the Authority prior to delivery of the Bonds.

7. The Authority intends to finance the Project with the Bonds, but may pay for certain costs of the Project (the "Project Costs") prior to the issuance of the Bonds with funds of the Authority that are not borrowed funds. The Authority reasonably expects to reimburse its expenditure of Project Costs paid prior to the issuance of the Bonds with proceeds of its Bonds. This resolution is intended to be and hereby is a declaration of the Authority's official intent to reimburse the expenditure of Project Costs paid prior to the issuance of the Bonds with the proceeds of a borrowing to be incurred by the Authority, in accordance with Treasury Regulations §150-2. The maximum principal amount of the Bonds expected to be issued to finance the Project is $8,220,000. The Project Costs to be reimbursed with the proceeds of the Bonds will be
"capital expenditures" in accordance with the meaning of Section 150 of the Code. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Code. The proceeds of the Bonds used to reimburse the Authority for Project Costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of the Bonds or another issue of debt obligations of the Authority, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1). All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Bonds is paid, or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

8. The Authority’s Bond Counsel or General Counsel are each hereby authorized and directed to arrange for the publication of the Notice of Adoption of Bond Resolution on or about March 12, 2016 in an Authorized Newspaper of the Authority.

9. Any Authority Officer be, and each of them hereby is, authorized and directed to execute and deliver any and all documents, certificates, agreements and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out of the Project and the transactions contemplated by the Bond Resolution, and for the authorization, sale and issuance of the Bonds and to effect the consummation of the transaction contemplated thereby. The execution by such officers of any such documents, certificates, agreements and instruments, with such changes, insertions or omissions as shall be approved by an Authority Officer in consultation with the Authority’s Bond Counsel or General Counsel, shall be conclusive evidence of the approval of such changes, insertions or omissions and no further ratification or other action by the Authority members shall be required with respect thereto.

10. Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed to such terms in the Bond Resolution.

11. This resolution shall become effective upon the Local Finance Board issuing findings with respect to the Authority's Application and approval of the County's guarantee of the Bonds.
Exhibit A

FORM OF AWARD AND SERIES CERTIFICATE

I, ROBERT E. WIDDIFIELD, Chairperson, of the Salem County Improvement Authority (the "Local Unit"), by virtue of the authority conferred upon me pursuant to the provisions of resolutions of the Local Unit each duly adopted on March 10, 2016 and entitled: "RESOLUTION OF THE SALEM COUNTY IMPROVEMENT AUTHORITY AUTHORIZING CERTAIN ACTIONS AND APPROVING CERTAIN DOCUMENTS NECESSARY IN CONNECTION WITH THE ISSUANCE OF THE AUTHORITY'S PROPOSED NOT TO EXCEED $8,220,000 AGGREGATE PRINCIPAL AMOUNT OF COUNTY-GUARANTEED SOLID WASTE REVENUE BONDS OR PROJECT NOTES (LANDFILL EXPANSION PROJECT - PHASE I)" and "BOND RESOLUTION OF THE SALEM COUNTY IMPROVEMENT AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF UP TO $8,220,000 OF THE AUTHORITY'S COUNTY GUARANTEED SOLID WASTE REVENUE BONDS (LANDFILL EXPANSION PROJECT - PHASE I), SERIES 2016, IN ONE OR MORE SERIES; AUTHORIZING AND APPROVING THE PREPARATION OF DISCLOSURE AND RELATED FINANCING DOCUMENTS; AUTHORIZING AND DELEGATING TO THE EXECUTIVE DIRECTOR THE POWER TO AWARD AND SELL SAID BONDS; AND DETERMINING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH", DO HEREBY CERTIFY, DETERMINE AND APPROVE that:

1. The Salem County Improvement Authority (the "Local Unit"), in the County of Salem, State of New Jersey, has determined that there exists a need within the Local Unit to undertake a project consisting of the Cell 11 Expansion, including but not limited to, the construction of an 8.3-acre double composite lined landfill cell, leachate collection system, leachate pumping and conveyance system, and environmental monitoring system (the "Project") as further defined in each of that certain Loan Agreement (the "Trust Loan Agreement") to be entered into by and between the Local Unit 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 Local Unit and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), all pursuant to the State Fiscal Year 2016 or other year New Jersey Environmental Infrastructure Trust Financing Program (the "Program").

2. The Local Unit has determined to finance the construction of 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.

3. To evidence the Loans, each of the Trust and the State require the Local Unit to authorize, execute, attest and deliver the Local Unit's County-Guaranteed Solid Waste Revenue Bonds (Landfill Expansion Project - Phase I) in an aggregate
principal amount not to exceed $8,220,000, consisting of one series of said bonds being authorized, executed and delivered to the Trust (the "Trust Loan Bond") and another series of bonds being authorized, executed and delivered to the State (the "Fund Loan Bond", and together with the Trust Loan Bond, the "Local Unit Bonds") pursuant to the terms of applicable law, the Loan Agreements, and the Escrow Agreement dated ____________, 20__ (the "Escrow Agreement") by and among the Trust, the State, the Local Unit and the escrow agent named therein.

4. In accordance with the terms of the Escrow Agreement, the Trust has sold its bonds to fund the Trust Loan, thereby enabling the Local Unit to confirm the exact aggregate principal amount of and debt service schedule for the Local Unit Bonds.

5. The sale of the Trust Loan Bond to the Trust and the Fund Loan Bond to the State is hereby confirmed. The Trust Loan Bond shall be released from escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the principal loan amount, interest rates and maturity schedule set forth in Schedule A attached hereto and made a part hereof. The Fund Loan Bond shall be released from escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the maturity schedule set forth in Schedule B attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my name this ___ day of March, 2016.

ROBERT E. WIDDIFFIELD, Chairperson

IN WITNESS WHEREOF, I have hereunto set
My name and affixed the Seal of the Salem County Improvement Authority,
in the County of Salem, New Jersey
this ___ day of March 2016

Authorized Officer
CERTIFICATE

I, PAUL WILLIAMS, Secretary of The Salem County Improvement Authority (the "Authority"), DO HEREBY CERTIFY that the above resolution entitled "RESOLUTION OF THE SALEM COUNTY IMPROVEMENT AUTHORITY AUTHORIZING CERTAIN ACTIONS AND APPROVING CERTAIN DOCUMENTS NECESSARY IN CONNECTION WITH THE ISSUANCE OF THE AUTHORITY'S PROPOSED NOT TO EXCEED $8,220,000 AGGREGATE PRINCIPAL AMOUNT OF COUNTY-GUARANTEED SOLID WASTE REVENUE BONDS OR PROJECT NOTES (LANDFILL EXPANSION PROJECT - PHASE I)" (the "Resolution") was duly adopted by the Authority at a regular meeting held on March 10, 2016 duly called and held in full compliance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., at which meeting a quorum was present and acting throughout, and that said Resolution is a true and correct copy thereof and of the whole appearing in the books and records of the Authority as of the date hereof.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the Authority this ___ day of March, 2016.

(SEAL)

PAUL WILLIAMS,
Secretary