RESOLUTION AUTHORIZING SETTLEMENT AGREEMENT WITH ENVIRONMENTAL CREDIT CORPORATION

WHEREAS, the Salem County Utilities Authority ("SCUA") and Environmental Credit Corporation ("ECC") entered into a certain Verified Emission Reduction Purchase Agreement, dated as of October 24, 2008 (the "VERPA"); and

WHEREAS, the Salem County Improvement Authority ("SCIA") assumed the rights and responsibility from the SCUA for the VERPA upon the dissolution of the SCUA; and

WHEREAS, ECC has asserted that it has terminated the VERPA for cause; but SCIA has disputed such termination; and SCIA has asserted a right to payment under the VERPA; and

WHEREAS neither party has admitted to any liability or wrongdoing under the VERPA or otherwise; and

WHEREAS, the SCIA entered into settlement negotiations with ECC in order to resolve outstanding issues under the VERPA; and

WHEREAS, an agreement has been reached which has been attached hereto as Exhibit A; and

WHEREAS the SCIA believes it is in its best interest to amicably resolve its differences with ECC with respect to the VERPA; and

WHEREAS, the SCIA has reviewed the settlement agreement attached hereto as Exhibit A and is in support of it.
NOW THEREFORE, BE IT RESOLVED by the Members of the SCIA that the settlement agreement attached hereto as Exhibit A is approved and the Chairman is authorized to execute it on behalf of the SCIA.

John Ober, Chairman

I hereby certify the above to be a true copy of a resolution adopted by the SCIA at a regular meeting held on May 29, 2012.

Ronald Howard, Secretary
SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement"), by and between Salem County Improvement Authority ("Salem") and Environmental Credit Corp. ("ECC") will be deemed effective on the date it is signed by both parties. Salem and ECC may hereinafter be referred to individually as "Party" or collectively as "Parties."

RECITALS

WHEREAS the Salem County Utilities Authority and ECC entered into a certain Verified Emission Reduction Purchase Agreement, dated as of October 24, 2008 (the "VERPA");

WHEREAS ECC has asserted that it has terminated the VERPA for cause; but Salem disputes such termination; and Salem asserts a right to payment under the VERPA;

WHEREAS neither party admits to any liability or wrongdoing herein under the VERPA or otherwise;

WHEREAS the Parties believe that it will be mutually beneficial and in their best interest to amicably resolve their differences with respect to the VERPA and to fully and finally conclude their respective disputes;

NOW, THEREFORE, in consideration of the Recitals, the mutual covenants expressed herein, and for other good and valuable consideration, the Parties agree to be mutually bound as follows:

1. Terms of Settlement:

   a. Payment to Salem

   ECC will pay to Salem the amount of $50,000.00 as follows:

   (i) $2,000.00 with the signing of this Agreement by ECC by check to Salem’s attorneys, the Steinvurzel Law Group P.C.;

   (ii) $2,000.00 by check directly to Salem no later than June 1, 2012; and

   (iii) $2,000.00 by check directly to Salem no later than the first of each subsequent month for twenty-three (23) months following June 2012 (for a total of twenty-five (25) months and a total payment to Salem of $50,000.00).

   b. Security

   As security for the above payments, ECC will execute and deliver to Salem simultaneously with the execution of this Agreement an Affidavit of Confession of Judgment in
the form attached hereto as Exhibit A. If ECC fails to make any payment listed above, and also
fails within five (5) days written notice from Salem to cure such failure, Salem may enter
judgment against ECC for the full amount of the Affidavit of Confession of Judgment less any
payments made to Salem hereunder. Otherwise, the Affidavit of Confession of Judgment
contemplated herein shall be held in escrow by Salem and not entered or acted upon other than in
strict accordance with the provisions of this Agreement. Upon payment in full of the amount set
forth above, Salem will destroy the Affidavit of Confession of Judgment.

2. Releases:

In exchange for the mutual promises contained herein and in furtherance of the terms and
conditions of this Agreement, Salem for itself and predecessors in interest, successors, assigns,
employees, agents, attorneys, insurers and representatives, hereby forever releases, waives,
discharges, and covenants not to sue ECC, its successors, assigns, agents, affiliates, insurers, and
representatives, and each of them, from any past, present, or future claims, losses, causes of
action, complaints, lawsuits, damages, costs and obligations, known or unknown, associated with
or relating to the VERPA.

In exchange for the mutual promises contained herein and in furtherance of the terms and
conditions of this Agreement, ECC for itself and its predecessors in interest, successors, assigns,
employees, agents, attorneys, insurers and representatives, hereby forever releases, waives,
discharges, and covenants not to sue Salem, its successors, assigns, agents, affiliates, insurers,
and representatives, and each of them, from any past, present, or future claims, losses, causes of
action, complaints, lawsuits, damages, costs and obligations, known or unknown, associated with
or relating to the VERPA.

In addition to the aforesaid, ECC hereby expressly waives any and all rights to Carbon
Credits or any money related to the Carbon Credits that it may have or had under the VERPA.
Salem shall hereinafter have the right to sole and exclusive control and possession of any and all
Carbon Credits that may be available and contemplated under the VERPA. This waiver of rights
does not apply to any vintage 2004 or 2007 Carbon Credits.

3. Fair and Voluntary Resolution:

The Parties represent to each other that they have had sufficient opportunity to consider
the terms of this Agreement and to consult with their respective counsel. Further, the Parties
agree that the terms and conditions of this Agreement represent a fair, just and equitable
resolution of the differences and disputes between them.

4. Governing Law:

This Agreement will be governed by the laws of the State of New York without regard to
its choice of law or conflict of law rules.
5. **Severability:**

If any term of this Agreement, or the application thereof to any person or circumstances shall to any extent be held invalid or unenforceable, the remainder of this Agreement, or the application of such term to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term of this Agreement shall be valid and enforceable.

6. **Modification:**

The terms and conditions of this Agreement may not be altered, amended, modified, or assigned except by a writing duly executed by the Parties to this Agreement.

7. **No Representations or Warranties:**

This Agreement may not be altered, amended, modified, or assigned except by a writing duly executed by the Parties to this Agreement.

8. **Entire Agreement:**

This Agreement contains the entire understanding between the Parties with respect to the subject matter herein.

9. **Construction:**

This Agreement has been reviewed and negotiated between the Parties, and no provision of this Agreement will be construed against any Party hereto on the ground that such Party was the drafter of that provision. In addition, in the event of a conflict between this Agreement and any other prior agreement between the Parties, this Agreement shall supersede and shall govern the rights and liabilities of the Parties to this Agreement.

10. **Authority:**

Each Party to this Agreement warrants and represents that they have full power and authority to enter this Agreement. They further warrant and represent that they have been represented by counsel with respect to this Agreement and that the significance of this action and terms of this Agreement have been fully explained by counsel. Each Party to this Agreement further acknowledges that they are satisfied with the representations of the respective counsel in this matter, and further warrants and represents that the Recitals in this Agreement are true and correct and shall be incorporated herein by reference.

ECC acknowledges that Salem is required to submit all actions, including the execution of this Agreement, to the Salem County Board of Chosen Freeholders, for approval or veto, in accordance with N.J.S.A. 40:37A-50. Notwithstanding any provision to the contrary, this Agreement shall not be effective until the expiration of the aforementioned veto time period.
This Agreement shall not take effect, and shall be immediately null and void, in the event the Contract, or any provision thereto, is vetoed by the Director of the Salem County Board of Chosen Freeholders in accordance with the provisions of N.J.S.A. 40:37A-50 and any amendments thereto.

11. **Who is Bound:**

All signatories to this Agreement are hereby bound by its terms and conditions. All who succeed to the rights and responsibilities of all signatories, including owners, directors, officers, heirs, assignors, assignees, successors in interest, employees, agents, and representatives are also bound by this Agreement.

12. **Signatures:**

The Parties agree that this Agreement may be signed in counterparts, all such counterparts together being deemed one original document. Facsimile and scanned signatures shall be deemed originals for all purposes.

13. **Notice:**

All Notices required or contemplated herein shall be in writing and sent via first class mail or overnight courier to the last known address of the recipient. Notice shall be deemed given when sent.

SALEM COUNTY IMPROVEMENT AUTHORITY

By: [Signature]

Name: Deborah Turner Fox

Title: Executive Director

Date: May 29, 2012

ENVIRONMENTAL CREDIT CORP.

By: [Signature]

Name: Scott Subler

Title: President

Date: 10 May 2012
Debby- A vote by a majority of the quorum is all that is necessary. Therefore, the resolution approving the capacity agreement is fine. Please let me know if you have any questions.

Adam I. Telsey, Esq.
Puma, Telsey and Rhea, P.A.
107 West Broadway
Salem, New Jersey 08079
(856) 935-2244-phone
(856) 935-1121-fax
atelsey@pumalaw.com