New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4 Suite 216
Lawrenceville, NJ 08648-2201

Robert A. Briant, Jr., Vice Chairman
Roger Ellis, Treasurer
Mark Longo, Secretary
Ford M. Scudder, State Treasurer
Bob Martin, DEP Commissioner
Charles A. Richman, DCA Commissioner

David E. Zimmer, Executive Director

November 3, 2016

PUBLIC NOTICE

Public notice is hereby given that the New Jersey Environmental Infrastructure Trust ("Trust") Board of Directors will hold a public meeting on **Thursday, November 10, 2016 at 10:00 a.m., in the large conference room, at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey.** Formal action may be taken at this meeting.

To the extent known, the agenda of the public meeting will be as follows:

1. Call to Order – Vice Chairman
2. Open Public Meeting Act Statement
3. Roll Call
4.* Approval of the Minutes of the October 13, 2016 Meeting
5. Announcements
6. Public Comment
7. Unfinished Business:
   - A. Discussion of the Construction Status Report (hand-out) (G. Chebra)
   - B. Discussion and Status of SFY2017 Financing Program Projects (hand-out) (G. Chebra)
   - C. Update on Outstanding Trust Requests for Proposals (D. Zimmer)
   - D. Update on SAIL Loan Program (D. Zimmer)
   - E. Update on Construction Loan Program (D. Zimmer)
8. New Business
   - A.* Discussion and Acceptance of the September 2016 Treasurer's Report (J. Hansbury)
   - B.* Discussion and Approval of a Resolution Approving the Environmental Infrastructure Bond Resolution Series 2016A-2 (Green Bonds) (D. Zimmer)
   - C.* Discussion and Approval of a Resolution Approving the Environmental Infrastructure Refunding Bond Resolution Series 2016A-R3 (Green Bonds) (D. Zimmer)
   - D.* Discussion and Approval of a Resolution Approving the Environmental Infrastructure Refunding Bond Resolution Series 2016A-R4 (Green Bonds) (D. Zimmer)
   - E.* Discussion and Approval of a Resolution Approving a Statewide Assistance Infrastructure Loan to Middlesex County Utilities Authority (Project S340699-12)) (F. Scangarella)
   - F.* Discussion and Approval of a Resolution Approving a Statewide Assistance Infrastructure Loan to Bayshore Regional Sewerage Authority (Project # S340697-06)) (F. Scangarella)
9.* Executive Session (if necessary)

*ACTION ITEMS

Please note this is a proposed agenda and the New Jersey Environmental Infrastructure Trust may consider and take action on such other business, which may come before it at this public meeting. In addition, the New Jersey Environmental Infrastructure Trust may not act upon the items listed in the above-proposed agenda in its discretion.

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OFFICE OF THE GOVERNOR
OCT 14 2016
V. 10/28/16
AUTHORITIES UNIT

Honorable Chris Christie
Governor of the State of New Jersey
State House
PO Box 001
Trenton, New Jersey 08625

Dear Governor Christie:

In accordance with the provisions of the New Jersey Environmental Infrastructure Trust Act, I hereby transmit for your review and consideration the minutes of the October 13, 2016 meeting of the New Jersey Environmental Infrastructure Trust. The New Jersey Environmental Infrastructure Trust Act provides that the Governor has ten days from the delivery of the minutes, excluding weekends and holidays, to review and accept such minutes. In the event that the minutes are not acted upon within the statutory time frame by you, the minutes become effective automatically.

Sincerely,

Mark Longo
Secretary

Enclosure

cc: Honorable Stephen Sweeney, President of the Senate
Honorable Vincent Prieto, Speaker of the General Assembly

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October 13, 2016

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OPEN PUBLIC MEETING

MINUTES – October 13, 2016

1. CALL TO ORDER:

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, October 13, 2016 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Board Treasurer Ellis called the meeting to order at 10:00 a.m.

2. OPEN PUBLIC MEETING ACT STATEMENT:

Executive Director Zimmer read the Open Public Meeting Act Statement into the record.

3. ROLL CALL:

Ms. Nancy Collazo conducted roll call to which Mr. Briant, Mr. Longo, Mr. Ellis, Mr. Griffin, Mr. Kennedy, and Mr. Cunningham all responded affirmatively.

DIRECTORS
Robert A. Briant, Jr., Vice Chairman *
Mark Longo, Secretary
Roger Ellis, Treasurer
Dan Kennedy
(for DEP Commissioner Martin)
Michael Griffin
(for State Treasurer Scudder)
Timothy Cunningham
(for DCA Commissioner Richman)

OTHERS
David E. Zimmer, Executive Director
Frank Scangarella, Assistant Director
John Hansbury, Chief Budget Officer
Victor Tsai, I.T. Manager
Maria Andujar, Accountant
Michael Collins, Governor's Authorities Unit *
Clifford T. Rones, Deputy Attorney General
Richard Nolan, McCarter & English LLP
Geoffrey Stewart, Public Financial Management
Eugene Chebra, Municipal Finance & Construction

(*) Participated via teleconference

4. APPROVAL OF THE MINUTES:

Treasurer Ellis opened discussion of the minutes of the Thursday, October 13, 2016 Trust Board meeting.

There were no comments or questions. Treasurer Ellis requested a motion for approval.

Mr. Cunningham moved for the approval of the minutes. Mr. Longo seconded the motion.
The motion was carried 6 to 0 with 0 abstentions.

5. ANNOUNCEMENTS:

Executive Director Zimmer summarized the substantive events and correspondence issued since the last Trust Board meeting:

- On September 30, 2016, Assistant Director Scangarella presented to the Commerce & Industry Association of NJ at Montclair State University. The conference focused on redevelopment projects;
- On September 29 and 30, 2016, Chief Budget Officer, John Hansbury exhibited at the annual UTCA conference in Atlantic City, NJ;
- On September 20, 2016, Executive Director Zimmer presented at the Lower Raritan Watershed Partnership (LRWP) Stakeholder Meeting in Edison, NJ with a focus on Green Infrastructure, co-sponsored by the Partnership, Jersey Water Works, and CDM Smith;
- On September 19, 2016, Executive Director Zimmer presented at the Moody's International Green Bond Conference in New York City; and
- The next Trust Board meeting is scheduled for Thursday, November 10, 2016 at 10:00 am at the Trust's offices. Executive Director Zimmer noted that Resolutions for the Trust's next bond issuance may be introduced at the November board meeting.

A copy of the announcements are available on the Trust's webpage under the Recent Board Meeting Documents tab. http://njeit.org/board-meetings (locate "Meeting Date", then select "Minutes", the announcements will be at the end of the file.)

There were no comments or questions.

6. PUBLIC COMMENTS:

Treasurer Ellis invited comments from the public. There were no comments.

7. UNFINISHED BUSINESS:

A. Mr. Chebra of the NJDEP's Municipal Finance and Construction Element, reported that there are 174 active projects totaling $930,276,746 and 1134 closed projects with loans outstanding totaling $5,385,505,998 for a grand total of 1308 projects at $6,315,782,744.

Mr. Ellis questioned whether the Program had on-site construction representation for the older

Program Loans. Mr. Chebra responded that they did and that the Program has been very successful over the last 2 years reducing the total number of loans older than three (3) years with active projects to just 25.

B. Mr. Chebra discussed the SFY2017 Combined Financing Loan Programs:

SFY2017 Clean Water Financing Program:

Certified & Received Long-Term Loan:	0 Projects Totaling	$ 0
Certified with Construction Loan:	28 Projects Totaling	$195,854,183
Certified - not Closed:	30 Projects Totaling	$167,182,720
Project Received Authorized to Advertise; approval expected by 6/30/17	14 Projects Totaling	$135,800,000
Project Planning & Design Loan	8 Projects Totaling	$20,150,000
Project Approval expected by 6/30/17	97 Projects Totaling	$1,068,865,000
Project Approval not expected by 6/30/17	43 Projects Totaling	$474,870,000
Total Clean Water Projects	220 Projects Totaling	$2,062,721,903

SFY2017 Drinking Water Financing Program:

Certified & Received Long-Term Loan:	0 Projects Totaling	$ 0
Certified with Construction Loan:	18 Projects Totaling	$67,466,277
Certified - not Closed:	21 Projects Totaling	$47,091,025
Project Received Authorized to Advertise; approval expected by 6/30/17	8 Projects Totaling	$87,900,000
Project Planning & Design Loan	0 Projects Totaling	$ 0
Project Approval expected by 6/30/17	68 Projects Totaling	$363,157,000
Project Approval not expected by 6/30/17	31 Projects Totaling	$161,850,000
Total Drinking Water Projects	146 Projects Totaling	$727,464,302

SFY2017 Grand Totals:

Clean & Drinking Water Program Totals:	**366 Projects**	**$2,790,186,205**

Mr. Chebra explained that the Program's new rolling application model, while introducing more applications that are light on project information, has been very successful in bringing in more projects ready for financing than the Program would have done otherwise.

C. Executive Director Zimmer reported on the status of the Trust's outstanding Requests for Proposals (RFPs):

While there were no outstanding RFPs, the Board would be asked to act on a proposed RFP for Software Component Outsourcing Services later in the Agenda under Item 8D.

D. Executive Director Zimmer next reported on the Trust's SAIL Loan Program:

The Trust issued a SAIL Loan to PVSC on October 5, 2016 for Project No. S340689-25 for $9.1 M to refurbish PVSC's Administration building which was heavily damaged during Superstorm Sandy. The interest rate on the short-term disaster relief loan is 0.0% and the term is until October 4, 2018.

E. Executive Director Zimmer next reported on the status of the Construction Loan Program, which now includes SAIL Disaster Loan figures:

- The Trust received 4 new applications for short-term loan financing since the September Board meeting:
  - The Trust has received 80 Construction Loan applications to-date totaling $463.4 M.
- The Trust has closed 7 Construction Loan applications totaling $27.0 M.:
  - The Trust has closed on 57 Construction Loan applications to-date totaling $295.7 M.
- The Trust disbursed $13.3 M of funds to 20 projects since the September Board meeting:
  - 55 projects have received Construction Loan disbursement from the Trust to-date totaling $88.7 M.

The Construction Loan report was provided to the Board of Directors of the Trust in satisfaction of the requirements of Section 12 of the authorizing Resolution No. 16-02 adopted on January 14, 2016.

There were no comments or questions.

8. NEW BUSINESS:

A. Executive Director Zimmer requested that the Trust's Chief Budget Officer, John Hansbury, introduce Resolution No. 16-45 accepting the August 2016 Treasurer's Report.

Revenues earned in August 2016:	$493,105			
YTD Total Revenues Earned:		$ 1,012,015	100	% of Budget
YTD Total Revenues Budgeted:		$ 1,008,368		
Expenses Incurred in August 2016:	$406,794			
YTD Total Expenses Incurred:		$ 790,596	99	% of Budget
YTD Total Expenses Budgeted:		$ 799,682		
Difference YTD v. Budgeted YTD:		$ 12,732	Unanticipated excess cash flow	

Mr. Hansbury asked if there were any comments or questions. Hearing none, Treasurer Ellis requested a motion for approval.

The resolution was moved for adoption by Mr. Griffin and seconded by Mr. Longo.
The motion was carried 6 to 0 with 0 abstentions.

B. Executive Director Zimmer introduced Resolution No. 16-46 authorizing a Direct Program Loan to Lake Glenwood Village Homeowners Association (LGV) for Project No. 1922010-008 to rehabilitate two drinking water wells. The project is expected to cost approximately $900,000. LGV serves a population less than or equal to 500. As such, it qualifies as a Very Small Drinking Water System and, pursuant to Resolution No. 16-32, is eligible for a Financing Program NANO-Lite loan, meaning it will receive a Principal Forgiveness Loan provided it self-funds $88,235 in project costs. This resolution authorizes a Trust Direct Loan to LGV-HOA for an amount equal to 25% of the residual project costs in an amount not to exceed $78,000.

Executive Director Zimmer asked if there were any comments or questions. Treasurer Ellis inquired about a previous credit issue with a different Homeowners Association (HOA) borrower loan and what the Trust was doing to mitigate such risk. Executive Director Zimmer responded that the Trust's Credit Policy now requires, as a precondition to loan closing, that a HOA's Board adopt a Resolution to:

- approve, on behalf of the homeowners, the incurrence of indebtedness by LGV in connection with Program financing for this project, and
- approve and implement a capital improvement assessment upon all homeowners in an amount sufficient to ensure the timely and full payment of the semi-annual debt service obligations of LGV after accounting for the $500,000 NANO-Lite PFL and self-funded monies.

Receipt of both of these items will serve as evidence of compliance with the Credit Policy.

Hearing no additional comments or questions, Treasurer Ellis requested a motion for approval.

The resolution was moved for adoption by Mr. Longo and seconded by Mr. Cunningham.
The motion was carried 6 to 0 with 0 abstentions.

C. Executive Director Zimmer requested Vice Chairman Briant, Chair of the Trust's Audit Committee, to introduce Resolution No. 16-47 approving the New Jersey Environmental Infrastructure Trust's SFY2016 Audited Financials. Mr. Briant reported that the audit report did not reveal any significant findings and showed that the Trust had performed in-line with accepted accounting standards. RSM had three (3) minor suggestions for improvement and the Trust was in the process of addressing these issues.

Vice Chairman Briant asked if there were any comments or questions. Mr. Cunningham asked which staff member was responsible for putting the Financials together and what if any lesson the Trust had learned going forward? Executive Director Zimmer responded that CFO Lauren Kaltman was ultimately responsible for the Trust's Financials and Accountant and staff member Maria Andujar worked on the financials day to day. Ms. Andujar noted new procedures are being implemented which will make reporting faster and more efficient such as creating quarterly financial reports to facilitate the creation of the year-end report. Executive Director Zimmer noted that he was planning

for implementation of additional modules to Trust's MS Dynamics accounting software, to be completed by July 2017.

Hearing no additional comments or questions, Treasurer Ellis requested a motion for approval.

Mr. Briant, as Committee Chairman, moved the Resolution for adoption. Mr. Griffin seconded the motion. The motion was carried 6 to 0 with 0 abstentions.

D. Executive Director Zimmer requested I.T. Manager Victor Tsai introduce Resolution No. 16-48 authorizing the issuance of an RFP for Software Component Outsourcing Services. The RFP requests development services for two (2) immediate software projects involving the creation of Optical Character Recognition functionality and exporting data from H2LOans to Excel for reporting purposes. The contract term is for 2 years with 1 additional year at the option of the Board.

Mr. Tsai asked if there were any comments or questions. Mr. Kennedy commented this would add value to the program and allows for further leverage of existing staff and resources.
Hearing no additional comments or questions, Treasurer Ellis requested a motion for approval

The resolution was moved for adoption by Mr. Longo and seconded by Mr. Cunningham.
The motion was carried 6 to 0 with 0 abstentions.

9. <u>EXECUTIVE SESSION</u>:

Treasurer Ellis asked if there was a need for an Executive Session. Executive Director Zimmer responded there was not.

Treasurer Ellis asked Executive Director Zimmer if there was any further action required by the Board. Mr. Zimmer answered there was not.

Treasurer Ellis then asked for a motion for an adjournment.

Mr. Longo moved to adjourn the meeting. The motion was seconded by Mr. Ellis.
The motion was carried 6 to 0 with 0 abstentions.

The meeting was adjourned at 10:40 a.m.

RESOLUTION NO. 16 - 45

RESOLUTION AUTHORIZING APPROVAL OF THE AUGUST 2016 TREASURER'S REPORT

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer's Report for August 2016; and

WHEREAS, the Trust has placed in its files certain correspondence relating to expenses incurred in relation to the Trust.

NOW THEREFORE, BE IT RESOLVED, that the Trust hereby accepts the Treasurer's Report for August 2016 and requests that the same be entered into the record.

Adopted Date:	October 13, 2016
Motion Made By:	Mr. Griffin
Motion Seconded By:	Mr. Longo
Ayes:	6
Nays:	0
Abstentions:	0

RESOLUTION NO. 16 -46

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING A DIRECT LOAN TO ONE BORROWER PARTICIPATING IN THE STATE FISCAL YEAR 2017 SMALL SYSTEM (NANO) NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

WHEREAS, pursuant to Section 5(m) and Section 9(a) of the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the "State"), as amended and supplemented (N.J.S.A. 58:11B-1 *et seq.*) (the "Act"), the New Jersey Environmental Infrastructure Trust, a public body corporate and politic under the laws of the State, created pursuant to the Act (the "Trust"), is authorized to make and contract to make loans (each, a "Trust Loan") to project sponsors (each, a "Project Sponsor") to finance a portion of the costs of the respective environmental infrastructure system projects thereof (each, a "Project"), which Project Sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the Trust shall determine to be consistent with the Act and the purposes of the Trust; and

WHEREAS, on July 14, 2016, the Board of Directors of the Trust (the "Board") adopted Resolution No. 16-32 entitled "Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the State Fiscal Year 2017 Small System Loan Program" (the "NLP Authorizing Resolution"); capitalized terms used and not otherwise defined in this Resolution shall have the respective meanings ascribed thereto in the NLP Authorizing Resolution), establishing the Small System Loan Program (the "NLP") of the Trust, including the qualifications for "Very Small Water Systems" which serve a population of less than or equal to 500, for State Fiscal Year 2017 as a funding mechanism for improvements to Small Water Systems while also addressing the credit risks posed by such Financing Program applicants; and

WHEREAS, the Project Sponsor set forth in Schedule I attached hereto (a "Nano Loan Borrower") has sought financial assistance from the Trust in connection with the respective Project thereof that bears the corresponding numeric designations set forth in Schedule I attached hereto (a "NANO Loan Project"); and

WHEREAS, the Nano Loan Borrower satisfies the criteria for participation in the NLP as a Very Small Water System as set forth in the NLP Authorizing Resolution; and

WHEREAS, the Nano Loan Borrower will receive a NJEIFP Small System Loan (a "NJDEP Loan") from the State, acting by and through the New Jersey Department of Environmental Protection (the "NJDEP") for a portion of the Project in the amount of $500,000, one hundred percent (100%) of which is subject to principal forgiveness pursuant to the terms available to Very Small Water Systems under the NLP Authorizing Resolution; and

WHEREAS, pursuant to the terms of the NLP Authorizing Resolution, including the terms as they relate to Very Small Water Systems, the Nano Loan Borrower will be required to self-fund the project in an amount equal to 15% of the total Small System Loan financing package; and

WHEREAS, it currently is estimated that the portion of the total cost of the Nano Loan Borrower's respective Nano Loan Project to be financed by the Trust through the NLP in the form of a Trust Loan (a "Nano Trust Loan") will not exceed the amount set forth under the heading "Maximum Trust Loan Amount" in Schedule I attached hereto with respect to the respective and corresponding Nano Loan Project of the Nano Loan Borrower (a "Maximum Trust Loan Amount") and with additional financial assistance to be provided to the Nano Loan Borrower for the balance of the cost of its respective Nano Loan Project, after taking into account any principal forgiveness funds, Trust funds and self-funded monies, in the form of a loan (a "NJDEP Loan") from the State, acting by and through the NJDEP; and

WHEREAS, the NLP Authorizing Resolution provides that the initial source of funds for each Nano Trust Loan made by the Trust during SFY 2017 pursuant to the NLP shall consist of one or both of (i) operating funds of the Trust that are not required for, or committed to, the operations of the Trust for State Fiscal Years 2017 and 2018 ("Available Funds"), and/or (ii) bonds to be issued by the Trust ("Trust Bonds"); and

WHEREAS, the Board has determined that it is in the best interest of the Trust and the NLP to fund the Nano Trust Loan described in Schedule I from Available Funds as a so-called Direct Loan; and

WHEREAS, the Nano Trust Loan shall be extended by the Trust to the Nano Loan Borrower, and the Nano Loan Borrower shall repay its Nano Trust Loan to the Trust, pursuant to the terms and provisions of a loan agreement ("Nano Trust Loan Agreement"), by and between the Trust and the Nano Loan Borrower; and

WHEREAS, pursuant to the NLP Authorizing Resolution, each Nano Trust Loan shall bear interest at a rate per annum calculated pursuant to the "Interest Rate Calculation", as set forth in that certain Resolution adopted by the Trust on February 9, 2012 and entitled "Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Relating to the Direct Loan Program and Certain Policies Regarding the Administration Thereof and the Granting of Nano Loans" (the "Direct Loan Policy Resolution"); and

WHEREAS, in accordance with the Direct Loan Policy Resolution, the rate of interest to be paid by the Nano Loan Borrower to the Trust with respect to the repayment of its Nano Trust Loan shall be calculated in the following manner (the "Interest Rate Calculation"): (i) the interest rate as determined, on the date of closing for the Nano Trust Loan, by the Municipal Market Advisors pursuant to their MMD Index, (ii) plus (or minus) the number of basis points by which the interest rate on the most recently issued tax-exempt (non-AMT) Environmental Infrastructure Bonds issued by the Trust to provide new financing for Projects (the "Bonds") exceeded (or was less than) the MMD Index on the date on which such Bonds were sold, and (iii) with such determination being made as a scale for each year of the life of such Nano Trust Loan and thereupon converted into an average rate based upon the weighted average maturity schedule, thereby establishing level debt service comparable to the amortization of a mortgage loan; and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the NLP Authorizing Resolution and this Resolution, to authorize the Nano Trust Loan to the Nano Loan Borrower in an amount not to exceed the Maximum Trust Loan Amount (all as identified in Schedule I attached hereto and made a part hereof) for the purpose of financing a portion of the cost of the respective Nano Loan Project thereof (as identified in Schedule I attached hereto and made a part hereof), pursuant to the respective terms and provisions of the Nano Trust Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust, as follows:

Section 1. The Board hereby approves the making of the Nano Trust Loan to the Nano Loan Borrower (as identified in Schedule I attached hereto and made a part hereof), as part of the NLP of the Trust, for the purpose of financing a portion of the cost of the respective Nano Loan Project thereof (as identified in Schedule I attached hereto and made a part hereof), provided that (i) the principal amount of the Nano Trust Loan shall not exceed the applicable Maximum Trust Loan Amount with respect to such Nano Loan Project (as identified in Schedule I attached hereto and made a part hereof), (ii) the Nano Trust Loan shall be funded solely from the Available Funds, (iii) the Nano Trust Loan shall comply fully with the provisions of the Act, the NLP Resolution and this Resolution, (iv) the Nano Trust Loan shall be made by the Trust to the respective Nano Loan Borrower, and the repayment thereof shall be made by the Nano Loan Borrower to the Trust, pursuant to the terms and provisions of a Nano Trust Loan Agreement, in substantially the form attached hereto as Exhibit A and made a part hereof, with such revisions and modifications thereto as shall be approved by the Chairman, the Vice Chairman or the Executive Director of the Trust (each, an "Authorized Officer") after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer, and (v) the payment of interest on the Nano Trust Loan by the Nano Loan Borrower shall be calculated pursuant to the Interest Rate Calculation.

Section 2. Each Authorized Officer is hereby severally authorized and directed to execute (i) the Nano Trust Loan Agreement and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the making of the Nano Trust Loan by the Trust to the respective Nano Loan Borrower.

Section 3. Upon execution of the Nano Trust Loan Agreement by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally authorized and directed, where required, to affix the corporate seal of the Trust, and to attest to the signature of such Authorized Officer, thereon and on any certificates, instruments or documents contemplated therein or related thereto and to the making of the Nano Trust Loan by the Trust to the Nano Loan Borrower.

Section 4. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation

with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

Section 5. This Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date:	October 13, 2016
Motion Made By:	Mr. Longo
Motion Seconded By:	Mr. Cunningham
Ayes:	6
Nays:	0
Abstentions:	0

SCHEDULE I

NANO LOAN BORROWER

Nano Loan Borrower	**Nano Loan Project No.**	**Maximum Trust Loan Amount**
Lake Glenwood Village	1922010-008	78,000

EXHIBIT A

[SFY 2017 DIRECT LOAN - MASTER TRUST LOAN AGREEMENT - PRINCIPAL FORGIVENESS/NANO - PRIVATE FORM]

LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

AND

[NAME OF BORROWER]

DATED AS OF [DATE OF LOAN CLOSING]

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NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into as of the Dated Date (as defined in Schedule A hereto), by and between the NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, a public body corporate and politic with corporate succession, and the Borrower (capitalized terms used in this Loan Agreement shall have, unless the context otherwise requires, the meanings ascribed thereto in Section 1.01 hereof);

WITNESSETH THAT:

WHEREAS, the Trust, in accordance with the Act and a financial plan approved by the State Legislature in accordance with Sections 22 and 22.1 of the Act, is authorized to make the Loan to the Borrower to finance a portion of the Costs of Environmental Infrastructure Facilities;

WHEREAS, the Borrower has, in accordance with the Act and the Regulations, made timely application to the Trust for a Loan to finance a portion of the Costs of the Project;

WHEREAS, the State Legislature, in accordance with Sections 20 and 20.1 of the Act, has in the form of an appropriations act approved a project priority list that includes the Project and that authorizes an expenditure of funds to finance a portion of the Costs of the Project;

WHEREAS, the Trust has approved the Borrower's application for a Loan from available Trust funds to finance a portion of the Costs of the Project;

WHEREAS, in accordance with the applicable Bond Act (as defined in the Fund Loan Agreement), and the Regulations, the Borrower has previously received a Fund Loan for a portion of the Costs of the Project; and

WHEREAS, the Borrower, in accordance with the Act, the Regulations, the Business Corporation Law and all other applicable law, will issue a Borrower Bond to the Trust evidencing said Loan at the Loan Closing.

NOW, THEREFORE, for and in consideration of the award of the Loan by the Trust, the Borrower agrees to complete the Project and to perform under this Loan Agreement in accordance with the conditions, covenants and procedures set forth herein and attached hereto as part hereof, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

(a) The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meanings:

"Act" means the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may from time to time be amended and supplemented.

"Administrative Fee" means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder as an annual fee of up to four-tenths of one percent (.40%) of the initial principal amount of the Loan or such lesser amount, if any, as may be authorized by any act of the State Legislature and as the Trust may approve from time to time.

"Authorized Officer" means, in the case of the Borrower, any person or persons authorized pursuant to a resolution of the board of directors of the Borrower to perform any act or execute any document relating to the Loan, the Borrower Bond or this Loan Agreement.

"Bond Counsel" means a law firm appointed or approved by the Trust, as the case may be, having a reputation in the field of municipal law whose opinions are generally acceptable by purchasers of municipal bonds.

"Bond Resolution" means the "Environmental Infrastructure Trust Bond Resolution, Series 2016A-2" as adopted by the Board of Directors of the Trust on November 10, 2016, authorizing the issuance of the Trust Bonds, and all further amendments and supplements adopted in accordance with the provisions thereof.

"Borrower" means the corporation that is a party to and is described in Schedule A to this Loan Agreement, and its successors and assigns

"Borrower Bond" means the general obligation bond, note, debenture or other evidence of indebtedness, authorized, executed, attested and delivered by the Borrower to the Trust and, if applicable, authenticated on behalf of the Borrower to evidence the Loan, a specimen of which is attached hereto as Exhibit D and made a part hereof.

"Bond Bond Resolution" means that certain "Resolution of the Board of Trustees of the Village of Lake Glenwood" adopted by the Board of Trustees of the Borrower on _____ , 2016, authorizing, among other things, the execution of this Loan Agreement and a "Capital Improvement Assessment" against the property of members of the Borrower in an amount sufficient to cover the repayments and other charges due under the Loan and Fund Loan.

"Borrowers" means any Local Government Unit or Private Entity (as such terms are defined in the Regulations), other than the Borrower, authorized to construct, operate and maintain Environmental Infrastructure Facilities that have entered into Loan Agreements with

the Trust pursuant to which the Trust will make Loans to such recipients. All Loans made to Borrowers (which by definition excludes the Loan made to the Borrower) will be financed, unlike the Loan made to the Borrower hereunder, from the proceeds of Trust Bonds.

"Business Corporation Law" means the "New Jersey Business Corporation Act", constituting Chapter 263 of the Pamphlet Laws of 1968 of the State (codified at N.J.S.A. 14A:1-1, *et seq*.), as the same may from time to time be amended and supplemented.

"Costs" means those costs that are eligible, reasonable, necessary, allocable to the Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations as set forth in Exhibit B hereto, as the same may be amended by subsequent eligible costs as evidenced by a certificate of an authorized officer of the Trust.

"Department" means the New Jersey Department of Environmental Protection

"Environmental Infrastructure Facilities" means Water Supply Facilities (as such terms are defined in the Regulations).

"Environmental Infrastructure System" means the Environmental Infrastructure Facilities of the Borrower, including the Project, described in Exhibit A-1 attached hereto and made a part hereof for which the Borrower is borrowing the Loan under this Loan Agreement.

"Event of Default" means any occurrence or event specified in Section 5.01 hereof.

"Excess Project Funds" shall have the meaning set forth in Section 3.03A hereof.

"Fund Loan" means the loan made simultaneously herewith to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement.

"Fund Loan Agreement" means the loan agreement dated the date hereof, by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

"Interest on the Loan" or **"Interest on the Borrower Bond"** means the sum of (i) the Interest Portion, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

"Interest Portion" means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder that has been established at Loan Closing (i) as set forth in Exhibit A-2 hereof under the column heading entitled "Interest", or (ii) with respect to any prepayment of Loan Repayments, interest accrued on any principal amount of any such Loan Repayments to the date of any such Loan Repayments at the rate of interest established at Loan Closing.

"Loan" means the loan made by the Trust to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement, as further described in Schedule A attached hereto.

"Loan Agreement" means this Loan Agreement, including Schedule A and the Exhibits attached hereto, as it may be supplemented, modified or amended from time to time in accordance with the terms hereof.

"Loan Agreements" means any other loan agreements entered into by and between the Trust and one or more of the Borrowers pursuant to which the Trust will make Loans to such Borrowers.

"Loan Closing" means the date upon which the Trust shall fund the Loan and the Borrower shall deliver its fully authorized, executed and attested Borrower Bond to the Trust.

"Loan Repayments" means the sum of (i) the principal amount of the Loan payable at the times and in the amounts set forth on Exhibit A-2 hereto under the column heading entitled "Principal", (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

"Loan Term" means the term of this Loan Agreement provided in Sections 3.01 and 3.03 hereof and in Exhibit A-2 attached hereto and made a part hereof.

"Loans" means the loans made by the Trust to the Borrowers under the Loan Agreements.

"Prime Rate" means the prevailing commercial interest rate announced by the Trustee from time to time in the State as its prime lending rate.

"Project" means the Environmental Infrastructure Facilities of the Borrower described in Exhibit A-1 attached hereto and made a part hereof, which constitutes a project for which the Trust is permitted to make a loan to the Borrower pursuant to the Act and the Regulations, all or a portion of the Costs of which is financed or refinanced by the Trust through the making of the Loan under this Loan Agreement.

"Regulations" means the rules and regulations, as applicable, now or hereafter promulgated under N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may from time to time be amended and supplemented.

"State" means the State of New Jersey.

"Trust" means the New Jersey Environmental Infrastructure Trust, a public body corporate and politic with corporate succession duly created and validly existing under and by virtue of the Act.

"Trust Bonds" means bonds authorized by Section 2.03 of the Bond Resolution, together with any refunding bonds authenticated, if applicable, and delivered pursuant to Section 2.04 of the Bond Resolution, in each case issued by the Trust in order to finance, among other things, the Loans to the Borrowers.

"Trustee" means, initially, U.S. Bank National Association, the Trustee appointed by the Trust and its successors as Trustee under the Bond Resolution, as provided in Article X of the Bond Resolution.

(b) In addition to the capitalized terms defined in subsection (a) of this Section 1.01, certain additional capitalized terms used in this Loan Agreement shall, unless the context clearly requires otherwise, have the meanings ascribed to such additional capitalized terms in Schedule A attached hereto and made a part hereof.

(c) Except as otherwise defined herein or where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, agencies and districts. Words importing one gender shall include the other gender.

ARTICLE II

REPRESENTATIONS AND COVENANTS OF BORROWER

SECTION 2.01. Representations of Borrower. The Borrower represents for the benefit of the Trust as follows:

(a) Organization and Authority.

(i) The Borrower is a corporation duly created and validly existing under and pursuant to the Constitution and statutes of the State, including the Business Corporation Law.

(ii) The acting officers of the Borrower who are contemporaneously herewith performing or have previously performed any action contemplated in this Loan Agreement either are or, at the time any such action was performed, were the duly appointed or elected officers of such Borrower empowered by applicable State law and, if applicable, authorized by resolution of the Borrower to perform such actions. To the extent any such action was performed by an officer no longer the duly acting officer of such Borrower, all such actions previously taken by such officer are still in full force and effect.

(iii) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain its Environmental Infrastructure System, to carry on its activities relating thereto, to execute, attest and deliver this Loan Agreement and the Borrower Bond, to authorize the authentication of the Borrower Bond, to sell the Borrower Bond to the Trust, to undertake and complete the Project and to carry out and consummate all transactions contemplated by this Loan Agreement.

(iv) The proceedings of the Borrower's board of directors approving this Loan Agreement and the Borrower Bond, authorizing the execution, attestation and delivery of this Loan Agreement and the Borrower Bond, authorizing the sale of the Borrower Bond to the Trust, authorizing the authentication of the Borrower Bond on behalf of the Borrower and authorizing the Borrower to undertake and complete the Project, including, without limitation, the Borrower Bond Resolution (collectively, the "Proceedings"), have been duly and lawfully adopted in accordance with the Business Corporation Law and other applicable State law at a meeting or meetings that were duly called and held in accordance with the Borrower By-Laws and at which quorums were present and acting throughout.

(v) By official action of the Borrower taken prior to or concurrent with the execution and delivery hereof, including, without limitation, the Proceedings, the Borrower has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the execution, attestation, delivery and performance of this Loan Agreement and the transactions contemplated hereby; (B) the issuance of the Borrower Bond and the sale thereof to the Trust upon the terms set forth herein; and (C)

the execution, delivery and due performance of any and all other certificates, agreements and instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out, give effect to and consummate the transactions contemplated by this Loan Agreement.

(vi) This Loan Agreement and the Borrower Bond have each been duly authorized by the Borrower and duly executed, attested and delivered by Authorized Officers of the Borrower, and the Borrower Bond has been duly sold by the Borrower to the Trust, duly authenticated by the trustee or paying agent, if applicable, under the Borrower Bond Resolution and duly issued by the Borrower in accordance with the terms of the Borrower Bond Resolution; and assuming that the Trust has all the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, this Loan Agreement, and assuming further that this Loan Agreement is the legal, valid and binding obligation of the Trust, enforceable against the Trust in accordance with its terms, each of this Loan Agreement and the Borrower Bond constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other laws or the application by a court of legal or equitable principles affecting creditors' rights; and the information contained under "Description of Loan" in Exhibit A-2 attached hereto and made a part hereof is true and accurate in all respects.

(b) Full Disclosure. There is no fact that the Borrower has not disclosed to the Trust in writing on the Borrower's application for the Loan or otherwise that materially adversely affects or (so far as the Borrower can now foresee) that will materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System, or the ability of the Borrower to make all Loan Repayments and any other payments required under this Loan Agreement or otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond.

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect (i) the undertaking or completion of the Project, (ii) the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System, (iii) the ability of the Borrower to make all Loan Repayments or any other payments required under this Loan Agreement, (iv) the authorization, execution, attestation or delivery of this Loan Agreement or the Borrower Bond, (v) the issuance of the Borrower Bond and the sale thereof to the Trust, (vi) the adoption of the Borrower Bond Resolution, or (vii) the Borrower's ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond, which proceedings have not been previously disclosed in writing to the Trust either in the Borrower's application for the Loan or otherwise.

(d) Compliance with Existing Laws and Agreements. (i) The authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond by the

Borrower, (ii) the authentication of the Borrower Bond by the trustee or paying agent under the Borrower Bond Resolution, as the case may be, and the sale of the Borrower Bond to the Trust, (iii) the adoption of the Borrower Bond Resolution, (iv) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder and thereunder, (v) the consummation of the transactions provided for in this Loan Agreement, the Borrower Bond Resolution and the Borrower Bond, and (vi) the undertaking and completion of the Project will not (A) other than the lien, charge or encumbrance created hereby, by the Borrower Bond, by the Borrower Bond Resolution and by any other outstanding debt obligations of the Borrower that are at parity with the Borrower Bond as to lien on, and source and security for payment thereon from, the revenues of the Borrower's Environmental Infrastructure System, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

(e) No Defaults. No event has occurred and no condition exists that, upon the authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond, the issuance of the Borrower Bond and the sale thereof to the Trust, the adoption of the Borrower Bond Resolution or the receipt of the amount of the Loan, would constitute an Event of Default hereunder. The Borrower is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party or by which it, its Environmental Infrastructure System or its properties may be bound, which violation would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System or the ability of the Borrower to make all Loan Repayments, to pay all other amounts due hereunder or otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond.

(f) Governmental Consent. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond, for the issuance of the Borrower Bond and the sale thereof to the Trust, for the adoption of the Borrower Bond Resolution, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond and for the undertaking or completion of the Project and the financing or refinancing thereof, including, but not limited to, if required, the approval by the New Jersey Board of Public Utilities (the "BPU") of the issuance by the Borrower of the Borrower Bond to the Trust, as required by Section 9a of the Act, and any other approvals required therefor by the BPU; and the Borrower has complied with all applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Loan Agreement and

the Borrower Bond or with the undertaking or completion of the Project and the financing or refinancing thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental body or officer that has not been obtained is required on the part of the Borrower as a condition to the authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond, the issuance of the Borrower Bond and the sale thereof to the Trust, the undertaking or completion of the Project or the consummation of any transaction herein contemplated.

(g) Compliance with Law. The Borrower:

(i) is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect (A) the ability of the Borrower to conduct its activities or to undertake or complete the Project, (B) the ability of the Borrower to make the Loan Repayments and to pay all other amounts due hereunder, or (C) the condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System; and

(ii) has obtained all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of its properties or for the conduct of its activities that, if not obtained, would materially adversely affect (A) the ability of the Borrower to conduct its activities or to undertake or complete the Project, (B) the ability of the Borrower to make the Loan Repayments and to pay all other amounts due hereunder, or (C) the condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System.

(h) Use of Proceeds. The Borrower will apply the proceeds of the Loan from the Trust as described in Exhibit B attached hereto and made a part hereof (i) to finance or refinance a portion of the Costs of the Borrower's Project; and (ii) where applicable, to reimburse the Borrower for a portion of the Costs of the Borrower's Project, which portion was paid or incurred in anticipation of reimbursement by the Trust and is eligible for such reimbursement under and pursuant to the Regulations, the Code and any other applicable law. All of such costs constitute Costs for which the Trust is authorized to make Loans to the Borrower pursuant to the Act and the Regulations.

SECTION 2.02. Particular Covenants of Borrower.

(a) Promise to Pay. The Borrower unconditionally and irrevocably promises in accordance with the terms of and to the extent provided in the Borrower Bond Resolution, to make punctual payment of the principal and redemption premium, if any, of the Loan and the Borrower Bond, the Interest on the Loan, the Interest on the Borrower Bond and all other amounts due under this Loan Agreement and the Borrower Bond according to their respective terms.

(b) Performance Under Loan Agreement; Rates. The Borrower covenants and agrees (i) to comply with all applicable state and federal laws, rules and regulations in the performance of this Loan Agreement; (ii) to maintain its Environmental Infrastructure System in good repair and operating condition; (iii) to cooperate with the Trust in the observance and performance of

the respective duties, covenants, obligations and agreements of the Borrower and the Trust under this Loan Agreement; and (iv) to establish, levy and collect rents, rates and other charges for the products and services provided by its Environmental Infrastructure System, which rents, rates and other charges shall be at least sufficient to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bonds, notes or other evidences of indebtedness issued or to be issued by the Borrower, including without limitation rents, rates and other charges, together with other available moneys, sufficient to pay the principal of and Interest on the Borrower Bond, plus all other amounts due hereunder.

(c) Borrower Bond; No Prior Liens. Except for (i) the Borrower Bond, (ii) any bonds or notes at parity with the Borrower Bond and currently outstanding or issued on the date hereof, (iii) any future bonds or notes of the Borrower issued under the Borrower Bond Resolution at parity with the Borrower Bond, and (iv) any Permitted Encumbrances (as defined in the Borrower Bond Resolution), the assets of the Borrower that are subject to the Borrower Bond Resolution are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the Borrower Bond, and all corporate or other action on the part of the Borrower to that end has been and will be duly and validly taken.

(d) Completion of Project and Provision of Moneys Therefor. The Borrower covenants and agrees (i) to exercise its best efforts in accordance with prudent environmental infrastructure utility practice to complete the Project and to accomplish such completion on or before the estimated Project completion date set forth in Exhibit C hereto and made a part hereof; (ii) to comply with the terms and provisions contained in Exhibit G hereto; and (iii) to provide from its own fiscal resources all moneys, in excess of the total amount of loan proceeds it receives under the Loan and Fund Loan, required to complete the Project.

(e) See Section 2.02(e) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.02(e) by reference as if set forth in full herein.

(f) Reserved.

(g) Operation and Maintenance of Environmental Infrastructure System. The Borrower covenants and agrees that it shall, in accordance with prudent environmental infrastructure utility practice, (i) at all times operate the properties of its Environmental Infrastructure System and any business in connection therewith in an efficient manner, (ii) maintain its Environmental Infrastructure System in good repair, working order and operating condition, and (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to its Environmental Infrastructure System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted.

(h) Records and Accounts.

(i) The Borrower shall keep accurate records and accounts for its Environmental Infrastructure System (the "System Records") separate and distinct from its other records and accounts (the "General Records"). Such System Records and

General Records shall be made available for inspection by the Trust at any reasonable time upon prior written notice.

(ii) Reserved.

(i) Inspections; Information. The Borrower shall permit the Trust and any party designated by any of such parties, at any and all reasonable times during construction of the Project and thereafter upon prior written notice, to examine, visit and inspect the property, if any, constituting the Project and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and shall supply such reports and information as the Trust may reasonably require in connection therewith.

(j) Insurance. The Borrower shall maintain or cause to be maintained, in force, insurance policies with responsible insurers or self-insurance programs providing against risk of direct physical loss, damage or destruction of its Environmental Infrastructure System at least to the extent that similar insurance is usually carried by utilities constructing, operating and maintaining Environmental Infrastructure Facilities of the nature of the Borrower's Environmental Infrastructure System, including liability coverage, all to the extent available at reasonable cost but in no case less than will satisfy all applicable regulatory requirements.

(k) Costs of Project. The Borrower certifies that the building cost of the Project, as listed in Exhibit B hereto and made a part hereof, is a reasonable and accurate estimation thereof, and it will supply to the Trust a certificate from a licensed professional engineer authorized to practice in the State stating that such building cost is a reasonable and accurate estimation and that the useful life of the Project exceeds the maturity date of the Borrower Bond.

(l) Delivery of Documents. Concurrently with the delivery of this Loan Agreement (as previously authorized, executed and attested) at the Loan Closing, the Borrower will cause to be delivered to the Trust each of the following items:

(i) an opinion of the Borrower's bond counsel substantially in the form of Exhibit E hereto; provided, however, that the Trust may permit portions of such opinion to be rendered by general counsel to the Borrower and may permit variances in such opinion from the form set forth in Exhibit E if, in the opinion of the Trust, such variances are not to the material detriment of the interests of the holders of the Trust Bonds;

(ii) counterparts of this Loan Agreement as previously executed and attested by the parties hereto;

(iii) copies of those resolutions finally adopted by the board of directors of the Borrower and requested by the Trust, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of this Loan Agreement, (B) the Borrower Bond Resolution, as amended and supplemented as of the date of the Loan Closing, authorizing the execution, attestation, authentication, sale and delivery of the Borrower Bond to the Trust, (C) the resolution of the Borrower, if any, confirming the details of the sale of the Borrower Bond to the Trust, (D) the resolution of the BPU approving the issuance by the Borrower of the Borrower Bond to the Trust and setting

forth any other approvals required therefor by the BPU, if applicable, and (F) any other Proceedings;

(iv) reserved; and

(v) the certificates of insurance coverage as required pursuant to the terms of Section 3.06(d) hereof and such other certificates, documents, opinions and information as the Trust may require in Exhibit F hereto, if any.

(m) Execution and Delivery of Borrower Bond. Concurrently with the delivery of this Loan Agreement at the Loan Closing, the Borrower shall also deliver to the Trust the Borrower Bond, as previously executed, attested and, if applicable, authenticated, upon the receipt of a written certification of the Trust that a portion of the net proceeds of the Trust Bonds shall be segregated on the books and records of the Trust for the Loan simultaneously with the delivery of the Borrower Bond.

(n) Notice of Material Adverse Change. The Borrower shall promptly notify the Trust of any material adverse change in the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System, or in the ability of the Borrower to make all Loan Repayments and otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond.

(o) Continuing Representations. The representations of the Borrower contained herein shall be true at the time of the execution of this Loan Agreement and at all times during the term of this Loan Agreement.

(p) Additional Covenants and Requirements. (i) No later than the Loan Closing and, if necessary, in connection with the making of the Loan, additional covenants, representations and requirements have been included in Exhibit F hereto and made a part hereof. Such covenants, representations and requirements may include, but need not be limited to the maintenance of specified levels of Environmental Infrastructure System rates, the issuance of additional debt of the Borrower, the transfer of revenues and receipts from the Borrower's Environmental Infrastructure System or compliance with Rule 15c2-12, Rule 10b-5 and any other applicable federal or state securities laws. By executing this Loan Agreement, the Borrower agrees to observe and comply with each such additional covenant, representation and requirement, if any, included in Exhibit F hereto as if the same were set forth herein in its entirety. (ii) Additional defined terms, covenants and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenant and requirements are incorporated in this Loan Agreement by reference thereto as if set forth in full herein and the Borrower hereby agrees to observe and comply with each such additional term, covenant and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Loan Agreement.

ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term.

(a) The Trust hereby agrees (i) to make the Loan, as described in Exhibit A-2 attached hereto and made a part hereof, to the Borrower, and (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof. The Borrower hereby agrees to borrow and accept the Loan from the Trust upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof. The Borrower agrees that the amount actually segregated on the books of the Trust for the purpose of the Loan at Loan Closing shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and the Trust shall have no obligation thereafter to loan any additional amounts to the Borrower.

(b) Notwithstanding the provisions of subsection (a) of this Section 3.01 to the contrary, the Trust shall be under no obligation (i) to make the Loan to the Borrower if (1) at the Loan Closing, the Borrower does not deliver to the Trust a Borrower Bond and such other documents as are required pursuant to Section 2.02(l) hereof, or (2) an Event of Default has occurred and is continuing pursuant to this Loan Agreement, or (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof, unless each of the conditions precedent to such disbursement, as set forth in Section 3.02 hereof, have been satisfied in full. The Trust intends to disburse the proceeds of the Loan to the Borrower at the times and in the amounts set forth in Exhibit C hereof in order to pay a portion of the Costs of the Project, subject to compliance by the Borrower with the procedures for disbursement as set forth in Section 3.02 hereof; nevertheless, due to unforeseen circumstances, there may not be a sufficient amount on deposit with the Trust on a given disbursement date in order for the Trust to make the disbursement in the amount indicated in Exhibit C hereof so as to satisfy a Loan disbursement request by the Borrower pursuant to the provisions of Section 3.02 hereof, in which case (1) the Trust shall have no obligation hereunder to make such disbursement until such time as sufficient funds are on deposit with the Trust, and (2) the obligations of the Borrower hereunder shall not be affected.

(c) The Borrower shall use the proceeds of the Loan strictly in compliance with the provisions of Section 2.01(h) hereof.

(d) The payment obligations of the Borrower created pursuant to the terms of this Loan Agreement and the obligations of the Borrower to pay the principal of the Borrower Bond, Interest on the Borrower Bond and other amounts due under the Borrower Bond are direct, general, irrevocable and unconditional obligations of the Borrower payable from any source legally available to the Borrower in accordance with the terms of and to the extent provided in the Borrower Bond Resolution.

SECTION 3.02. Disbursement of Loan Proceeds.

(a) The Trust shall disburse the proceeds of the Loan to the Borrower upon (i) receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the Trust, in a form approved by the Trust, and (ii) consistent with the schedule for disbursement as set forth in Exhibit C hereof.

(b) The Trust shall not be required to disburse any Loan proceeds to the Borrower pursuant to this Loan Agreement, unless:

(i) reserved;

(ii) in accordance with the Bond Act, and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to the Loan Closing, shall have closed, a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project;

(iii) the Borrower shall have on hand moneys to pay for the greater of (A) that portion of the total Costs of the Project that is not eligible to be funded from the Fund Loan or the Loan, or (B) that portion of the total Costs of the Project that exceeds the actual amounts of the loan commitments made by the State and the Trust, respectively, for the Fund Loan and the Loan; and

(iv) no Event of Default nor any event that, with the passage of time or service of notice or both, would constitute an Event of Default shall have occurred and be continuing hereunder.

(c) Notwithstanding any provision of this Loan Agreement to the contrary, at the request of the Borrower but at the sole discretion of the Trust, may disburse Loan proceeds to the Borrower either prior to or subsequent to the scheduled date for disbursement thereof as such scheduled date is identified in the disbursement schedule set forth in Exhibit C hereof, provided that (A) the Borrower has otherwise satisfied the requirements of this Section 3.02, and (B) such disbursement, in a manner that is inconsistent with the disbursement schedule as set forth in Exhibit C hereof, does not conflict with any restrictions set forth in the Regulations.

In the event that, in the submission of its requisition(s), the Borrower fails to comply with the disbursement schedule as set forth in Exhibit C hereof, and such non-compliance by the Borrower consists of (i) a failure to timely seek disbursement of Loan proceeds which failure results in an amount of non-disbursed funds remaining on deposit with the Trust, subsequent to the date on which such funds should have been disbursed pursuant to the disbursement schedule set forth in Exhibit C hereof, that, in the aggregate, represents twenty-five percent (25%) of the original principal amount of the Loan, or (ii) a failure to timely seek disbursement of Loan proceeds which failure results in an amount of funds disbursed from the Loan proceeds earlier than the date on which such funds were scheduled to have been disbursed pursuant to the disbursement schedule set forth in Exhibit C hereof, that, in the aggregate, represents twenty-five percent (25%) of the original principal amount of the Loan, then the Borrower shall provide to the Trust and the Department a certificate of an Authorized Officer of the Borrower providing a revised disbursement schedule, in a form similar to Exhibit C hereto and approved by the Department. Any reference to Exhibit C in Section 3.01, Section 3.02 and

Section 3.03A hereof shall mean Exhibit C as such exhibit may have been revised from time to time pursuant to the provisions of the preceding sentence.

SECTION 3.03. Amounts Payable.

(a) The Borrower shall repay the Loan in installments payable to the Trust as follows:

(i) the principal of the Loan shall be repaid annually on the Principal Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof;

(ii) the Interest Portion described in clause (i) of the definition thereof shall be paid semiannually on the Interest Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof; and

(iii) the Interest Portion described in clause (ii) of the definition thereof shall be paid upon the date of any prepayment or acceleration.

The obligations of the Borrower under the Borrower Bond shall be deemed to be amounts payable under this Section 3.03. Each Loan Repayment shall be deemed to be a credit against the corresponding obligation of the Borrower under this Section 3.03 and shall fulfill the Borrower's obligation to pay such amount hereunder and under the Borrower Bond. Each payment made to the Trust pursuant to this Section 3.03 shall be applied *first* to the Interest Portion then due and payable, *second* to the principal of the Loan then due and payable, *third* to the payment of the Administrative Fee, and *finally* to the payment of any late charges hereunder.

(b) The Interest on the Loan described in clause (iii) of the definition thereof shall (i) consist of a late charge for any principal Loan Repayment that is received by the Trust later than its due date and (ii) be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law.

(c) Reserved.

(d) Reserved.

(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trust semiannually on each February 1 and August 1, commencing August 1, 2017.

(f) The Borrower hereby agrees to pay to the Trust at the Loan Closing a "Security Review Fee" in the amount necessary to reimburse the Trust for all of its costs and expenses incurred in connection with reviewing the additional security securing the Trust Loan as set forth in Exhibit F hereto, if any, including without limitation the fees and expenses of any professional advisers hired by the Trust in connection therewith.

(g) Upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the Trust may, in the sole discretion of such Authorized Officer, prescribe the particular method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower. In the absence of any such written notice to the Borrower by an Authorized Officer of the Trust pursuant to this subsection (g), the payments required pursuant to, and in satisfaction of, this Section 3.03 shall be implemented via the automatic debit by the Trust of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the Trust.

SECTION 3.03A. Amounts on Deposit in Project Loan Account After Completion of Project Draws.

(a) If, on the date which is thirty (30) days following the final date for which a disbursement of Loan proceeds is scheduled to be made pursuant to Exhibit C hereto, any Loan proceeds remain undisbursed, the Borrower shall provide to the Trust and the Department a certificate of an Authorized Officer of the Borrower (i) stating that the Borrower has not yet completed the Project, (ii) stating that the Borrower intends to complete the Project, (iii) setting forth the amount of remaining Loan Proceeds required to complete the Project, and (iv) providing a revised disbursement schedule, in a form similar to Exhibit C hereto and approved by the Department.

(b) If, on the date which is thirty (30) days following the final date for which a disbursement of Loan proceeds is scheduled to be made pursuant to the revised disbursement schedule certified to the Trust and the Department in accordance with Section 3.03A(a) hereof, any Loan proceeds remain undisbursed, the Borrower shall provide to the Trust and the Department a certificate of an Authorized Officer of the Borrower (i) stating that the Borrower has not yet completed the Project, (ii) stating that the Borrower intends to complete the Project, (iii) setting forth the amount of remaining Loan Proceeds required to complete the Project, and (iv) providing a further revised disbursement schedule, in a form similar to Exhibit C hereto and approved by the Department.

(c) If, on the date which the Borrower has completed the Project, any Loan proceeds remain undisbursed, the Borrower must within thirty (30) days following such date provide to the Trust and the Department a certificate (i) stating that the Project is complete and (ii) setting forth the remaining costs, if any, of the Project for which a disbursement of Loan will be required.

(d) If (i) the Borrower fails to provide the certificate described in paragraphs (a), (b) or (c) of this Section 3.03A, when due, or (ii) a certificate provided pursuant to paragraphs (a), (b) or (c) of this Section 3.03A states that the Borrower does not require all or any portion of the Loan proceeds for completion of the Project, or (iii) on the date which is thirty (30) days following the final date on which a disbursement of Loan proceeds is scheduled to be made pursuant to a further revised disbursement schedule certified to the Trust and the Department in accordance with Section 3.03A(b) hereof, any Loan proceeds remain undisbursed, then such undisbursed Loan proceeds, which are amounts that have not been certified by an Authorized Officer of the Borrower as being required to complete the Project ("Excess Project Funds"), shall be applied as follows:

(i) If the Excess Project Funds are less than or equal to the greater of (1) $250,000 or (2) the amount of Loan Repayments due from the Borrower to the Trust in the next succeeding calendar year, the Excess Project Funds shall be applied by the Trust toward the Borrower's obligation to make the Loan Repayments next coming due; or

(ii) If the Excess Project Funds are greater than the greater of (1) $250,000 or (2) the amount of Loan Repayments due from the Borrower to the Trust in the next succeeding calendar year, the Excess Project Funds shall be applied by the Trust as a prepayment of the Borrower's Loan Repayments, and shall be applied to the principal payments (including, premium, if any) on the Loan in inverse order of their maturity.

SECTION 3.04. Unconditional Obligations. The obligation of the Borrower to make the Loan Repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever while any Loan Repayments remain unpaid, for any reason, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the Trust to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project, this Loan Agreement, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might otherwise have against the Trust or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

The Loan has been funded from available monies of the Trust and not from the Trust Bonds issued under the Bond Resolution, as is the case with the other Borrowers under their Loan Agreements. Therefore, the Borrower shall not be obligated to make any payments required to be made by any other Borrowers under separate Loan Agreements or the Bond Resolution./

SECTION 3.05. Loan Agreement to Survive Loan. The Borrower acknowledges that its duties, covenants, obligations and agreements set forth in Sections 3.06(a) and (b) hereof shall survive the payment in full of the Loan

SECTION 3.06. Disclaimer of Warranties and Indemnification.

(a) The Borrower acknowledges and agrees that (i) the Trust makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Environmental Infrastructure System or the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Trust or its respective agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Loan

Agreement or the Project or the existence, furnishing, functioning or use of the Environmental Infrastructure System or the Project or any item or products or services provided for in this Loan Agreement; and (iii) during the term of this Loan Agreement and to the fullest extent permitted by law, the Borrower shall indemnify and hold the Trust harmless against, and the Borrower shall pay any and all, liability, loss, cost, damage, claim, judgment or expense of any and all kinds or nature and however arising and imposed by law, which the Trust may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Borrower, the Borrower's ownership of the Environmental Infrastructure System or the Project, or the acquisition, construction or installation of the Project.

(b) It is mutually agreed by the Borrower and the Trust that the Trust and its officers, agents, servants or employees shall not be liable for, and shall be indemnified and saved harmless by the Borrower in any event from, any action performed under this Loan Agreement and any claim or suit of whatsoever nature, except in the event of loss or damage resulting from their own negligence or willful misconduct.

(c) The Borrower and the Trust agree that all claims shall be subject to and governed by the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.* (except for N.J.S.A. 59:13-9 thereof), although such Act by its express terms does not apply to claims arising under contract with the Trust.

(d) In connection with its obligation to provide the insurance required under Section 2.02(j) hereof: (i) the Borrower shall include, or cause to be included, the Trust and its directors, employees and officers as additional "named insureds" on (A) any certificate of liability insurance procured by the Borrower (or other similar document evidencing the liability insurance coverage procured by the Borrower) and (B) any certificate of liability insurance procured by any contractor or subcontractor for the Project, and from the later of the date of the Loan Closing or the date of the initiation of construction of the Project until the date the Borrower receives the written certificate of Project completion from the Trust, the Borrower shall maintain said liability insurance covering the Trust and said directors, employees and officers in good standing; and (ii) the Borrower shall include the Trust as an additional "named insured" on any certificate of insurance providing against risk of direct physical loss, damage or destruction of the Environmental Infrastructure System, and during the Loan Term the Borrower shall maintain said insurance covering the Trust in good standing.

The Borrower shall provide the Trust with a copy of each of any such original, supplemental, amendatory or reissued certificates of insurance (or other similar documents evidencing the insurance coverage) required pursuant to this Section 3.06(d).

SECTION 3.07. Option to Prepay Loan Repayments. The Borrower may prepay the principal Loan Repayments, in whole or in part, upon prior written notice to the Trust not less than ninety (90) days from the date of prepayment, and upon payment by the Borrower to the Trust of amounts that, together with investment earnings thereon, will be sufficient to pay the principal amount of the Loan Repayments to be prepaid plus the Interest Portion described in clause (ii) of the definition thereof on any such date; provided, however, that any such full or partial prepayment may only be made (i) if the Borrower is not then in arrears on its Fund Loan,

(ii) upon the prior written approval of the Trust, and (iii) provided that the Borrower shall agree to pay all costs and expenses of the Trust in connection with such prepayment, including, without limitation, the fees of Bond Counsel to the Trust and any other professional advisors to the Trust. Prepayments shall be applied first to the Interest Portion that accrues on the portion of the Loan to be prepaid until such prepayment date as described in clause (ii) of the definition thereof and then to principal payments (including premium, if any) on the Loan in inverse order of their maturity.

SECTION 3.08. Priority of Loan and Fund Loan.

(a) The Borrower hereby acknowledges that, to the extent allowed by law or the Borrower Bond Resolution, any Loan Repayments then due and payable on the Loan shall be satisfied by the Trust before any loan repayments on the Borrower's Fund Loan shall be satisfied by the Trust. The Borrower agrees not to interfere with any such action by the Trust.

(b) Reserved.

SECTION 3.09. Approval of the New Jersey State Treasurer. The Borrower and the Trust hereby acknowledge that prior to or simultaneously with the Loan Closing the New Jersey State Treasurer, in satisfaction of the requirements of Section 9a of the Act, issued the "Certificate of the New Jersey State Treasurer Regarding the Approval of the Trust Loan and the Fund Loan" (the "Treasurer's Certificate"). Pursuant to the terms of the Treasurer's Certificate, the New Jersey State Treasurer approved the Loan and the terms and conditions thereof as established by the provisions of this Loan Agreement.

ARTICLE IV

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by Trust.

(a) The Trust's right, title and interest in, to and under this Loan Agreement shall not be assigned without the express written consent of the Borrower.

The Trust shall retain the right to compel or otherwise enforce observance and performance by the Borrower of its duties, covenants, obligations and agreements under Section 2.02(d)(ii) hereof; provided, however, that in no event shall the Trust have the right to accelerate the Borrower Bond in connection with the enforcement of Section 2.02(d)(ii) hereof.

SECTION 4.02. Assignment by Borrower. Neither this Loan Agreement nor the Borrower Bond may be assigned by the Borrower for any reason, unless the following conditions shall be satisfied: (i) the Trust shall have approved said assignment in writing; (ii) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Borrower's duties, covenants, obligations and agreements under this Loan Agreement and, to the extent permitted under applicable law, the Borrower Bond; and (iii) immediately after such assignment, the assignee shall not be in default in the observance or performance of any duties, covenants, obligations or agreements of the Borrower under this Loan Agreement or the Borrower Bond.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.01. Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) failure by the Borrower to pay, or cause to be paid, any Loan Repayment required to be paid hereunder when due, which failure shall continue for a period of fifteen (15) days;

(b) failure by the Borrower to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any bonds, notes or other obligations of the Borrower issued under the Borrower Bond Resolution (other than the Loan and the Borrower Bond) or otherwise secured by all or a portion of the property pledged under the Borrower Bond Resolution, after giving effect to the applicable grace period;

(c) failure by the Borrower to pay, or cause to be paid, the Administrative Fee or any late charges incurred hereunder or any portion thereof when due or to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in subsection (a) of this Section 5.01 or other than the obligations of the Borrower contained in Section 2.02(d)(ii) hereof and in Exhibit F hereto, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower by the Trust, unless the Trust shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period, the Trust may not unreasonably withhold its consent to an extension of such time up to 120 days from the delivery of the written notice referred to above if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the Event of Default is corrected;

(d) any representation made by or on behalf of the Borrower contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is false or misleading in any material respect;

(e) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Borrower such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the Borrower shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee of the Borrower or any of its property) shall be appointed by court order or take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days;

(f) the Borrower shall generally fail to pay its debts as such debts become due; and

(g) failure of the Borrower to observe or perform such additional duties, covenants, obligations, agreements or conditions as are required by the Trust and specified in Exhibit F attached hereto and made a part hereof.

SECTION 5.02. Notice of Default. The Borrower shall give the Trust prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01(d) or (e) hereof and of the occurrence of any other event or condition that constitutes an Event of Default at such time as any senior administrative or financial officer of the Borrower becomes aware of the existence thereof.

SECTION 5.03. Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Borrower acknowledges the rights of the Trust to take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder.

In addition, if an Event of Default referred to in Section 5.01(a) hereof shall have occurred and be continuing, the Trust shall, to the extent allowed by applicable law, have the right to declare all Loan Repayments and all other amounts due hereunder (including, without limitation, payments under the Borrower Bond) to be immediately due and payable, and upon notice to the Borrower the same shall become due and payable without further notice or demand.

SECTION 5.04. Attorneys' Fees and Other Expenses. The Borrower shall on demand pay to the Trust the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred by either of them in the collection of Loan Repayments or any other sum due hereunder or in the enforcement of the observation or performance of any other duties, covenants, obligations or agreements of the Borrower upon an Event of Default.

SECTION 5.05. Application of Moneys. Any moneys collected by the Trust pursuant to Section 5.03 hereof shall be applied (a) *first* to pay any attorneys' fees or other fees and expenses owed by the Borrower pursuant to Section 5.04 hereof, (b) *second*, to the extent available, to pay the Interest Portion then due and payable, (c) *third*, to the extent available, to pay the principal due and payable on the Loan, (d) *fourth*, to the extent available, to pay the Administrative Fee, any late charges incurred hereunder or any other amounts due and payable under this Loan Agreement, and (e) *fifth*, to the extent available, to pay the Interest Portion and the principal on the Loan and other amounts payable hereunder as such amounts become due and payable.

SECTION 5.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Trust is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the

Trust or the Trustee to exercise any remedy reserved to it in this Article V, it shall not be necessary to give any notice other than such notice as may be required in this Article V.

SECTION 5.07. Retention of Trust's Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the Trust shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the Borrower at law or in equity, as the Trust may, in its discretion, deem necessary to enforce the obligations of the Borrower to the Trust pursuant to Section 5.03 hereof.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Borrower at the address specified in Exhibit A-1 attached hereto and made a part hereof and to the Trust at the following address:

New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648-2201
Attention: Executive Director

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent by notice in writing given to the others.

SECTION 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Trust and the Borrower and their respective successors and assigns.

SECTION 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

SECTION 6.04. Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Trust and the Borrower.

SECTION 6.05. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6.06. Applicable Law and Regulations. This Loan Agreement shall be governed by and construed in accordance with the laws of the State, including the Act and the Regulations, which Regulations are, by this reference thereto, incorporated herein as part of this Loan Agreement.

SECTION 6.07. Consents and Approvals. Whenever the written consent or approval of the Trust shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Trust unless otherwise provided by law or by rules, regulations or resolutions of the Trust.

SECTION 6.08. Captions. The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

SECTION 6.09. Reserved.

SECTION 6.10. Further Assurances. The Borrower shall, at the request of the Trust, authorize, execute, attest, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement and the Borrower Bond.

IN WITNESS WHEREOF, the Trust and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[SEAL]

By: _____
Robert A. Briant, Jr.
Vice Chairman

ATTEST:

_____
David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: _____
Authorized Officer
Title

ATTEST:

_____
Authorized Officer
Title

[signature page]

SCHEDULE A

Certain Additional Loan Agreement Provisions

EXHIBIT A-1

Description of Project and Environmental Infrastructure System

EXHIBIT A-2

Description of Loan

EXHIBIT B

Basis for Determination of Allowable Project Costs

EXHIBIT C

Estimated Disbursement Schedule

EXHIBIT D

Specimen Borrower Bond

BORROWER BOND

FOR VALUE RECEIVED, [the] [NAME OF BORROWER], a corporation duly created and validly existing under the Constitution and laws of the State (the "Borrower"), hereby promises to pay to the order of the New Jersey Environmental Infrastructure Trust (the "Trust") (i) the principal amount of _____ Dollars ($_____), or such lesser amount as shall be determined in accordance with Section 3.01 of the Loan Agreement (as hereinafter defined), at the times and in the amounts determined as provided in the Loan Agreement, together with (ii) Interest on the Loan constituting the Interest Portion, the Administrative Fee and any late charges incurred under the Loan Agreement (as such terms are defined in the Loan Agreement) in the amount calculated as provided in the Loan Agreement, payable on the days and in the amounts and as provided in the Loan Agreement, which principal amount and Interest Portion of the Interest on the Loan shall, unless otherwise provided in the Loan Agreement, be payable on the days and in the amounts as also set forth in Exhibit A attached hereto under the column headings respectively entitled "Principal" and "Interest", plus (iii) any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Borrower unconditionally and irrevocably promises, in accordance with the terms of and to the extend provided in the Borrower Bond Resolution (as defined in the Loan Agreement) to pay in full and when due the principal of and the Interest on this Borrower Bond (as defined in the Loan Agreement) and all other amounts due under this Borrower Bond and the Loan Agreement according to their respective terms.

This Borrower Bond is issued pursuant to the Loan Agreement dated as of December 1, 2016 by and between the Trust and the Borrower (the "Loan Agreement"). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the "Loan") to evidence the payment obligations of the Borrower set forth in the Loan Agreement. This Borrower Bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

Pursuant to the Loan Agreement, disbursements shall be made by the Trust to the Borrower upon receipt by the Trust of requisitions from the Borrower executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This Borrower Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Trust under the Loan Agreement or under any other agreement between the Borrower and the Trust or out of any indebtedness or liability at any time owing to the Borrower by the Trust or for any other reason.

This Borrower Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Borrower Bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as [DATE OF LOAN CLOSING].

[NAME OF BORROWER]

[SEAL]

By:_____

ATTEST:

_____

EXHIBIT E

Opinions of Borrower's Bond Counsel and General Counsel

See Closing Item ____

[LETTERHEAD OF COUNSEL TO BORROWER]

[Date of Loan Closing]

New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648-2201

Ladies and Gentlemen:

We have acted as counsel to [Name of Borrower], a corporation duly organized and validly existing under the laws of the State of New Jersey (the "Borrower"), which has entered into a Loan Agreement (as hereinafter defined) with the New Jersey Environmental Infrastructure Trust (the "Trust"), and have acted as such in connection with the authorization, execution, attestation and delivery by the Borrower of its Loan Agreement and Borrower Bond (as hereinafter defined) pursuant to the New Jersey Business Corporation Act, P.L. 1968, c. 263, as amended (the "Business Corporation Law"), and a [bond resolution] [indenture] of the Borrower [adopted on] [dated] [DATE] and entitled "TITLE]" as amended and supplemented, including by a supplemental [resolution] [indenture] [adopted on] [dated] [DATE] and entitled "[TITLE]" such [resolutions] [indentures] shall be collectively referred to herein as the "Resolution"). All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

In so acting, we have examined the Constitution and laws of the State of New Jersey, including, without limitation, the Business Corporation Law, and the certificate of incorporation and by-laws of the Borrower. We have also examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

(a) the Loan Agreement dated as of [Date of Loan Closing] (the "Loan Agreement") by and between the Trust and the Borrower;

(b) the proceedings of the board of directors of the Borrower relating to the approval of the Loan Agreement and the execution, attestation and delivery thereof on behalf of the Borrower and the authorization of the undertaking and completion of the Project;

(c) the Borrower Bond dated [Date of Loan Closing] (the "Borrower Bond") issued by the Borrower to the Trust to evidence the Loan; and

(d) the proceedings (together with the proceedings referred to in clause (c) above and Section 5 below, the "Proceedings") of the board of directors of the Borrower, including, without limitation, the Resolution, relating to the authorization of the Borrower Bond and the sale, execution, attestation, authentication and delivery thereof to the Trust (the Loan Agreement and the Borrower Bond are referred to herein collectively as the "Loan Documents").

We have also examined and relied upon originals, or copies certified or otherwise authenticated to our satisfaction, of such other records, documents, certificates and other instruments, and have made such investigation of law as in our judgment we have deemed necessary or appropriate, to enable us to render the opinions expressed below.

We are of the opinion that:

1. The Borrower is a corporation duly created and validly existing under and pursuant to the Constitution and statutes of the State of New Jersey, including the Borrower Enabling Act, with the legal right to carry on the Business Corporation Law, with the legal right to carry on the business of its Environmental Infrastructure System as currently being conducted and as proposed to be conducted.

2. The Borrower has full legal right and authority to execute, attest and deliver the Loan Documents, to sell the Borrower Bond to the Trust, to cause the authentication of the Borrower Bond, to observe and perform its duties, covenants, obligations and agreements under the Loan Documents and to undertake and complete the Project.

3. The acting officers of the Borrower who are contemporaneously herewith performing or have previously performed any action contemplated in the Loan Agreement are, and at the time any such action was performed were, the duly appointed or elected officers of the Borrower empowered by applicable New Jersey law and authorized by resolution of the Borrower to perform such actions.

4. In accordance with the terms of the Resolution and to the extent provided in the Resolution, the Borrower has unconditionally and irrevocably promised to make the Loan Repayments and pay all other amounts due under the Loan Documents.

5. The proceedings of the Borrower's board of directors (i) approving the Loan Documents, (ii) authorizing their execution, attestation and delivery on behalf of the Borrower, (iii) with respect to the Borrower Bond only, authorizing its sale by the Borrower to the Trust and authorizing its authentication on behalf of the Borrower, (iv) authorizing the Borrower to consummate the transactions contemplated by the Loan Documents, (v) authorizing the Borrower to undertake and complete the Project, [(vi) authorizing the approval of the inclusion in the Official Statement of the Borrower Appendices,] and (vi) [(vii)] authorizing the execution and delivery of all other certificates, agreements, documents and instruments in connection with the execution, attestation and delivery of the Loan Documents, [including, without limitation, the designation of the Borrower Appendices portion of the Preliminary Official Statement as "deemed final" for the purposes and within the meaning of Rule 15c2-12(b)(1) of the Securities Exchange Act of 1934, as amended, as promulgated by the Securities and Exchange Commission,] have each been duly and lawfully adopted and authorized in accordance with applicable law and applicable resolutions of the Borrower, including, without limitation, the Resolution, the other Proceedings, and the Business Corporation Law, which Proceedings constitute all of the actions necessary to be taken by the Borrower to authorize its actions contemplated by clauses (i) through (vi) [(vii)] above and which Proceedings, including, without limitation, the Resolution, were duly adopted in accordance with applicable New Jersey law at a

meeting or meetings duly called and held in accordance with applicable New Jersey law and at which quorums were present and acting throughout.

6. The Loan Documents have been duly authorized, executed, attested and delivered by the Authorized Officers of the Borrower, the Borrower Bond has been duly sold by the Borrower to the Trust, and the Borrower Bond has been duly authenticated by the trustee or paying agent under the Resolution, if applicable; and assuming in the case of the Loan Agreement that the Trust has the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, the Loan Agreement, the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally. No opinion is rendered as to the availability of any particular remedy.

7. The authorization, execution, attestation and delivery of the Loan Documents by the Borrower and, in the case of the Borrower Bond only, the authentication thereof by the trustee or paying agent under the Resolution and the sale thereof to the Trust, the observation and performance by the Borrower of its duties, covenants, obligations and agreements thereunder, the consummation of the transactions contemplated therein, and the undertaking and completion of the Project do not and will not (i) result in any breach of any of the terms, conditions or provisions of, or (ii) constitute a default under, any existing resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

8. All approvals, consents or authorizations of, or registrations of or filings with, any governmental or public agency, authority or person required to date on the part of the Borrower in connection with the authorization, execution, attestation, delivery and performance of the Loan Documents, the sale of the Borrower Bond and the undertaking and completion of the Project have been obtained or made.

9. There is no litigation or other proceeding pending or, to our knowledge, after due inquiry, threatened in any court or other tribunal of competent jurisdiction (either state or federal) (i) questioning the creation, organization or existence of the Borrower, (ii) questioning the validity, legality or enforceability of the Resolution, the Loan or the Loan Documents, (iii) questioning the undertaking or completion of the Project, (iv) otherwise challenging the Borrower's ability to consummate the transactions contemplated by the Loan or the Loan Documents, or (v) that, if adversely decided, would have a materially adverse impact on the financial condition of the Borrower.

10. The Borrower has no bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the revenues of the Borrower.

We hereby authorize McCarter & English, LLP, acting as bond counsel to the Trust, and the Attorney General of the State of New Jersey, acting as general counsel to the Trust, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,

EXHIBIT F

Additional Covenants and Requirements

EXHIBIT G

General Administrative Requirements for the
State Environmental Infrastructure Financing Program

RESOLUTION NO. 16 - 47

RESOLUTION APPROVING THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST STATE FISCAL YEAR 2016 AUDITED FINANCIALS

WHEREAS, New Jersey Environmental Infrastructure Trust (the "Trust") accounting staff annually prepares the Trust's financial statements inclusive of Statements of Net Position, Statements of Revenues and Expenses and Changes in Net Positions, Statements of cash Flow, and related notes. ("Financials"); and

WHEREAS, the Trust's Financials are required to be audited once each year pursuant to N.J.S.A. 58:11B-24 and Executive Order No. 37 (Corzine) (hereafter "EO 37"); and

WHEREAS, the Trust retained the services of RSM US, LLC, ("RSM") to conduct the audit of the Trust's State Fiscal Year ("SFY") 2016 Financials pursuant to Resolution No. 16-9; and

WHEREAS, RSM has audited the SFY2016 Financials and prepared an independent auditor's report ("SFY2016 Audited Financials"); and

WHEREAS, the Trust's SFY2016 Audited Financials have been presented to the Trust's Audit Committee pursuant to EO 37; and

WHEREAS, Chapter IV, Section 4 of the Trust's Bylaws requires the Trust to approve the Audited Financials.

NOW THEREFORE BE IT RESOLVED, the Trust hereby adopts the Trust's SFY2016 Audited Financials.

Adopted Date:	October 13, 2016
Motion Made By:	Mr. Briant
Motion Seconded By:	Mr. Griffin
Ayes:	6
Nays:	0
Abstentions:	0

RESOLUTION NO. 16 - 48

RESOLUTION OF THE TRUST AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR SOFTWARE COMPONENT OUTSOURCING SERVICES

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) is authorized to make and enter all contracts necessary or incidental to the performance of its duties pursuant to N.J.S.A. 58:11B-5(d); and

WHEREAS, there is a need for the Trust to hire a firm to perform Software Component Outsourcing Services.

NOW THEREFORE BE IT RESOLVED THAT the Trust hereby authorizes the Executive Director to competitively procure Software Component Outsourcing Services pursuant to Environmental Infrastructure Trust Policy and Procedure number 4.00, "Purchase of Goods and Services" and

BE IT FURTHER RESOLVED, the Executive Director is further authorized to solicit proposals, convene a Committee to review all proposals received, and to make a recommendation to the Board for the selection of a firm for Software Component Outsourcing services to the Trust Board for contract approval for a two-year contract with an option for one (1) additional one-year period at the discretion of the Executive Director in consultation with the Chairman.

Adopted Date:	October 13, 2016
Motion Made By:	Mr. Longo
Motion Seconded By:	Mr. Cunningham
Ayes:	6
Nays:	0
Abstentions:	0

Software Component Outsourcing RFP

Issued by the

New Jersey Environmental Infrastructure Trust

Date Issued:
_____, 2016

Questions and Answer Cut-Off Date:
5:00PM EST_____, 2016

Proposals Due Date:
12:00 PM (Noon) EST____, 2016

In the Office of the Chief Budget Officer
3131 Princeton Pike, Building 4, Suite 216
Lawrenceville, NJ 08648
(609) 219-8600

Please Label Proposals with Firm's Name and
"Proposal for Software Component Outsourcing RFP"

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NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
REQUEST FOR PROPOSAL
FOR SOFTWARE COMPONENT OUTSOURCING RFP

I. OBJECTIVE

The New Jersey Environmental Infrastructure Trust (NJEIT) will retain the services of a software development firm for the purposes of assisting the NJEIT with the integration of feature enhancements to its internal enterprise application, H_2LOans, which is deployed for use by the NJEIT, NJDEP, and the public. The selected firm must be capable of providing consultancy services on an as-needed basis for the term of the contract.

The following paragraphs describe in more detail the mission of the NJEIT, its activities, the scope of services being requested in this RFP, and the information to be provided by interested firms.

II. BACKGROUND

a. Powers and Structure of the NJEIT

The NJEIT was organized pursuant to N.J.S.A. 58:11B-1 et seq. in August, 1986, as an instrumentality of the State exercising public and essential government functions. The NJEIT exists within, but is independent of, the New Jersey Department of Environmental Protection (DEP) including any supervision or control by the DEP. The NJEIT is a State financing authority empowered to make loans and issue revenue bonds for the construction of environmental infrastructure projects.

b. Purpose

Since 1987, the DEP and the NJEIT have partnered to offer funding through the Environmental Infrastructure Financing Program (Program). The Program provides loans to local government units and public water utilities in New Jersey for the construction and maintenance of sanitary sewer and drinking water related projects, as well as projects having a water quality benefit such as land acquisition, storm-water control, landfill closure, and remediation (Environmental Infrastructure Projects). NJEIT sells issues of bonds on behalf of pools of borrowers reducing underwriting and interest costs inherent in a small issue.

The New Jersey Environmental Infrastructure Trust, in partnership with the NJ Department of Environmental Protection (DEP) has been creating and developing H2LOans, its enterprise application software, to assist in tracking and managing loan applications for water infrastructure projects within the state of New Jersey. The application also assists with tracking and managing funds. These funds are sourced from a number of different Federal, State and private sources that are, in turn, issued to a number of different recipients. H2LOans ultimately serves as a tool to assist the financing program in making it more efficient and transparent to better serve the state of New Jersey.

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The software development team utilizes the Zend Studio IDE for all software development purposes. The code repository is housed with a cloud provider and the production technology stack is the Zend Server stack. The architecture and infrastructure of H2LOans leverages the resources and infrastructure of AWS (Amazon Web Services) to run. This provides the application with the necessary scalability, redundancy, and resiliency needed to ensure a high quality of service for its end users. H2LOans is hosted with AWS EC2 services. It is configured as a cluster with load balancing and auto-scaling groups. The database server is hosted on the AWS RDS service. User uploaded files are stored within the AWS S3 service. Static files and application libraries are served through AWS CloudFront for fast response and loading.

The objective of the requested work is to develop system features that can integrate with the existing system. Users have often requested features that would assist in helping them complete their work faster or find information more easily. The tasks outlined in the scope of work have been the most commonly requested features from users.

c. Definitions

- API - An application programming interface (API) is a set of subroutine definitions, protocols, and tools for building software and applications. An API may be for a web-based system, operating system, database system, computer hardware, or software library.
- CSV - Comma-separated values (CSV) file stores tabular data (numbers and text) in plain text. Each line of the file is a data record. Each record consists of one or more fields, separated by commas. The use of the comma as a field separator is the source of the name for this file format.
- Dataset - A collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer.
- JSON - JavaScript Object Notation (JSON) is an open-standard format that uses human-readable text to transmit data objects consisting of attribute–value pairs. It is the most common data format used for asynchronous browser/server communication.
- OCR - Optical character recognition (optical character reader, OCR) is the mechanical or electronic conversion of images of typed, handwritten or printed text widely used as a form of data entry from printed paper data records. It is a common method of digitizing printed texts so that they can be electronically edited, searched, and stored more compactly.
- PDF - Portable Document Format (PDF) is a file format used to present documents in a manner independent of application software, hardware, and operating systems. Each PDF file encapsulates a complete description of a fixed-layout flat document, including the text, fonts, graphics, and other information needed to display it.
- Scalable/scalability - The capability of a system, network, or process to handle a growing amount of work, or its potential to be enlarged in order to accommodate that growth. An

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example would be the capability of a system to increase its total output under an increased load when resources (typically hardware) are added.

- SQL - Structured Query Language is a special-purpose programming language designed for managing data held in a relational database management system (RDBMS), or for stream processing in a relational data stream management system (RDSMS).
- XML - Extensible Markup Language (XML) is a markup language that defines a set of rules for encoding documents in a format that is both human-readable and machine-readable. The design of XML focuses on documents, however the language is widely used for the representation of arbitrary data structures such as those used in web services.

III. Scope of Work (SOW)

1. Retainer:

The winning proposer will be expected to provide software component outsourcing consulting services for the Trust's H2L0ans system. The retainer will be for a period of two (2) years with a one (1) year option to renew for the provision of software component development services. There is no guarantee on the volume of work awarded, despite the award of this RFP and the execution of the contract. Requests for software component development services will be requested by the Trust on a case-by-case basis.

2. Immediate Project Objectives:

The Trust has two identified projects for the retained firm to develop or produce software package(s) that can perform the following functionalities:

- File Export of Dataset from a Web-generated Report
- Optical Character Recognition (OCR) of Uploaded Documents

The functionality will require accessibility by external web applications to run scheduled and manually requested batch jobs. Service Oriented Architecture for the applications is highly recommended and preferred but not required. All source code and documentation must be submitted to the NJEIT and will remain the property of the NJEIT.

The following are details regarding each feature listed above:

i. File Export of Dataset from a Web-generated Report

Users consistently manipulate data utilizing Microsoft Excel. Currently, there is no ability to export data from H_2LOans into Excel for users to manipulate the information. This application will take a dataset from within the system and allow users to download the dataset to their personal devices.

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Minimum Requirements:
An application that meets the following requirements:

- Export a dataset into the following file formats for users to download
    - Office Open XML (.xlsx) Excel 2007 and newer
    - CSV
    - XML
- Input dataset format:
    - JSON
    - SQL Resultset
- API for integration
- Needs to be scalable
  Handle a minimum of 100 requests per second on a cluster of 2 servers with capability to add additional server computing resources to increase processing capability beyond 100 requests per second on 3 or more servers.

ii. Optical Character Recognition (OCR) of Uploaded Documents

Program Review staff maintain numerous PDF documents and require the ability to search within the documents. Due to various sources and quality of file uploads, PDF files may not be OCR and searchable. This application will take a PDF document as input and produce an output of an OCR PDF.

Minimum Requirements:

- An application that meets the following requirements:
- Input source PDF (Typically from an Amazon S3 bucket)
- Output of OCR PDF (Typically saved back to the Amazon S3 bucket)
- API for integration
- Needs to be scalable
  Capable of OCR a minimum of 20 documents simultaneously cluster of 2 servers with capability to add additional server computing resources to increase processing capability beyond 20 documents simultaneously on 3 or more servers.
- Performance
    - Needs to be 98% accurate at a minimum scanned quality of 300dpi for Latin based characters and symbols

IV. Evaluation

a. Criteria/Procedure

The NJEIT has appointed a committee to review the proposals submitted in response to this request and make recommendations to the NJEIT Board of Directors. The committee will review all proposals in light of the major evaluation criteria set forth below and in the attached rating sheet (with corresponding weights).

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The Firm possesses experience, qualifications and resources to efficiently develop and implement the technical requirements of the SOW in this engagement (2);

The Firm's qualifications and the experience in the software development and integration of the type sought and associated clients and references (3);

Qualifications and experience of the individual team members assigned to develop and implement the software requirements (4);

The firm's presence in New Jersey and proximity to the NJEIT's offices (3);

Presentation, if required. (the two firms having the highest preliminary rankings based on the above criteria, may, in the Trust's discretion, be invited to conduct a presentation of their proposals at the Trust's Offices) (3).

Thereafter the evaluation committee shall provide final rankings at which time the fee proposals shall be opened and price will be negotiated with the highest ranked bidder.

b. Oral Presentation(s) and/or Clarification of Proposal

Representatives of the firms or institutions may be invited to make presentations for the limited purpose of reviewing the previously submitted proposals. The NJEIT may ask firms being interviewed to provide professional references and identify specific personnel from their staff for the purpose of an interview. The decision to conduct interviews or check references of either individual firms, all firms, or no firms is at the sole discretion of the NJEIT.

The purpose of such communication with a bidder, either through an oral presentation or a letter of clarification, is to provide an opportunity for the bidder to clarify or elaborate on its bid proposal. Original bid proposals submitted, however, cannot be supplemented, changed, or corrected in any way. No comments regarding other bid proposals are permitted. Bidders may not attend presentations made by their competitors.

c. Submission Requirements

Five printed copies and one electronic copy (CD or DVD) of your proposal should be delivered to John Hansbury, Chief Budget Officer, New Jersey Environmental Infrastructure Trust, 3131 Princeton Pike, Office Building 4, Suite 216, Lawrenceville, NJ 08648.

All questions must be received by 12:00 noon EST _____ 2016. Question received after this date and time will not be considered. Responses to all questions will be posted on the NJEIT's web-site on _____, 2016.

All proposals must be received by 12:00 Noon, __ , 2016. Proposals received after this date and time will not receive further consideration. If the Trust is interested in hearing presentations of the proposals from the three highest ranked firms, separate presentations

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will take place at a mutually agreeable time commencing _____, 2016 but not later than _____, 2016.

The NJEIT reserves the right; 1) to reject any and all proposals or 2) to waive any informalities or irregularities therein. The award will be made to the firm whose appointment as Software Component Outsourcer is deemed to be in the best interest of the NJEIT and the State.

V. Technical Proposal

Schedule *(subject to change as required)*

RFP published and distributed	_____, 2016
Deadline for RFP questions	_____, 2016
Response to RFP questions[1]	_____, 2016
Proposals due	_____, 2016
Finalists contacted for interviews	_____, 2016
Interviews w/ two finalists (if needed)	week of_____, 2016
Selection and Board of Directors approval	_____, 2016
Contract begins	_____, 2016

[1] All responses to RFP questions will be posted on the NJEIT's website.

Bidders are encouraged to visit the NJEIT's website at www.njeit.org/procurements for additional information about its mission, loan programs and financial structure. Bidders are also encouraged to frequently check the Request for Proposals section of the NJEIT's web site for any updates and/or additional information pertaining to this RFP.

Each proposal should be economically prepared, with emphasis on completeness and clarity of content. A proposal, as well as any reference material presented, must be written in English and charts, spreadsheets, and oversize exhibits are permissible. All proposal pages must be numbered. It will be the proposing firm's responsibility to provide all required information, including required attachments. No information beyond that specifically requested is required and proposing firms are requested to keep their submissions to the shortest length consistent with making a complete presentation of qualifications. Unless otherwise indicated, a proposal that does not provide all of the information requested below may be rejected.

The proposal should be submitted in one volume and that volume divided into three (3) sections with tabs (separators), and the content of the material located behind each tab, as follows:

- Sub-Section 1 – Technical Proposal
- Sub-Section 2 – Required Forms
- Sub-Section 3 – Fee (Submit in Separate Envelope)

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Each response to this RFP must include a Technical Proposal as described below.

a. Sub-Section 1 - Technical Proposal

1. Responses - The Technical Proposal shall include responses to all of the information requested in this RFP.
2. Contents – The Technical Proposal shall be organized as follows:

i. Letter of Transmittal

The Technical Proposal must provide the following information for those individuals who will be directly responsible for serving the NJEIT on a day-to-day basis as well as identification of the individual who will lead the consulting effort if selected: names, addresses, telephone and facsimile numbers and email addresses.

- Include the signature of an authorized official of the firm who has been designated to submit the proposal on behalf of their firm. Provide the name and address of the firm, the name, telephone number, fax number, and e-mail address of individual or individuals responsible for the preparation of this proposal who may be contacted in the event of questions or notification, and the location of the office, if other than that shown above at which the services to be provided hereunder will be performed.
- A staffing plan listing those persons who will be assigned to the engagement if your firm is selected, including the designation of the person who would be responsible for the engagement. This portion of the proposal should include the relevant resume information for the individuals who would be assigned, including at a minimum, a description of the person's relevant professional experience, years and type of experience, and number of years with the firm. Describe all licenses held and maintained by your firm, its directors, or officers and principals and any of the individuals who will be responsible for providing the services described in this RFP that are required in order to do business in the State or elsewhere.
- Any subcontractors the agency intends to work with to complete this engagement along with a detailed description and a clear explanation of why each subcontractor has been chosen.

ii. Business Information

The Technical Proposal should include the following information regarding the responding firm:

- The firm's experience and presence within the State of New Jersey, including the number of offices, the number of employees and the type of business activity conducted in the State as well as a description of the participation of women and minorities in the firm.
- A description of any material agreements, relationships, retainers or other employment that the firm or any employee of the firm has with any other local government units in the State of New Jersey.

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- Identify any existing or potential conflicts of interest, as well as your representation of parties or other relationships that might be considered a conflict of interest, that may affect or involve transactions for the NJEIT.
- A description of any pending, concluded or threatened litigation and/or investigations, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving the firm, its owners, principals or employees as well as a description of the nature and status of the matter and the resolution, if any.
- A listing of all current public clients, including information on the type of engagement.
- Six references, including at least three clients for whom services have been provided for at least three years. Provide the contact names, positions and phone numbers.

iii. Executive Summary

The Technical Proposal should include a well-organized summary of not more than four (4) pages with the first page dedicated to describing how the firm meets the minimum qualifications of this RFP, and the remaining three pages identifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested services:

- Detailed list of software and technologies planned to use for development.
- Identification of sub-contractors to be utilized for the SOW.
- Resumes of contractor employees and sub-contractors to be utilized for the SOW.
- Summary experience and references in past software development projects with governmental entities.

For the Two Immediate Project Objectives identified in the SOW (Section III (2)):

- Schedule identifying key development milestones and deliverables.
- Person-hour and/or labor category mix, including a chart that shows the person-hours proposed, reflects the tasks, sub-tasks or other work elements required and identifies the labor category by person hours.

iv. Program Management Approach

Each Proposer shall describe their approach to managing all activities required by this RFP and to achieving the program goals and objectives as included within this RFP and the attached documents. This section should include, but not be limited to, the following information:

- Delineation of roles assigned to team members and all sub-consultants
- Organization chart for the proposer's team members and sub-consultants
- Organization chart for key staff, at least down to the task manager level and other key staff as the Proposer may deem important
- Summary of the resources necessary to accomplish the program

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- A detailed description of the process that will be used to complete the engagement including the coordination, collaboration and communication with NJEIT/NJDEP staff

3. Other information as the Bidding Contractor may deem relevant

b. Sub-Section 2 - Required Forms

The following submissions are required. For form submissions see *Exhibit A.*

1. Ownership Disclosure Form
2. Disclosure of Investigations/Actions
3. MacBride Principles Certification
4. Disclosure of Investment Activities in Iran
5. Affirmative Action Forms
6. Pursuant to N.J.S.A. 52:32-44, entities providing goods or services to the Trust must be registered with the New Jersey Department of the Treasury, Division of Revenue. Please provide a copy of your firm's business registration certification (or interim registration). If the firm in not already registered with the New Jersey Division of Revenue, the form should be completed, online, at the Division of Revenue website: www.state.nj.us/treasury/revenue/index.html
7. State agencies and independent authorities, such as the Trust, are limited in their ability to enter into contracts with business entities that have made certain political contributions.
   (i) If your firm has not previously submitted the certification and disclosure form(s) pursuant to P.L. 2005, c. 51/Executive Order No. 117, they must be completed. (see, P.L. 2005, c. 51, enacted March 22, 2005, which codified Executive Order No. 134 (McGreevey 2004), as amended by Executive Order No. 117 (Corzine 2008), ("P.L. 2005, c. 51/Executive Order No. 117"))
   (ii) If your firm has previously submitted the certification and disclosure form(s) pursuant to P.L. 2005, c. 51/Executive Order No. 117 you are required only to submit the P.L. 2005, c. 51/Executive Order No. 117 "Certification of No Change."
8. Firms are also advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, section 3) if the firm receives contracts with public entities in excess of $50,000 or more in the aggregate from public entities, such as the Trust, in a calendar year. It is the firm's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at (888) 313-3532 or at www.elect.state.nj.us.
9. In compliance with Executive Order No. 129 (McGreevey 2004) and P.L. 2005, c. 92, all service performed pursuant to this RFQ shall be performed within the United States.
10. Proposing Firm's Emergency Preparedness Response Plans – To support continuity of operations during an emergency, including a pandemic, NJEIT needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to NJEIT have

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planned for such an emergency and put contingencies in place to provide needed goods and services.

(i) Describe how you anticipate such a crisis will impact your operations.

(ii) Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:

- Employee training (describe your organization's training plan, and how frequently your plan will be shared with employees).
- Identify essential business functions and key employees (within your organization) necessary to carry them out.
- Contingency plans for:
  a. How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
  b. How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
  c. How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
  d. How and when your emergency plan will be tested, and if the plan will be tested/audited by a third-party.

c. Sub-Section 3 - Fee (to be submitted in separate envelope)

Proposer must submit a detailed <u>rate schedule</u> (hourly rates to be charged for each category of professional staff) to perform the specific project objectives outlined in the SOW in the RFP and the basis for assessing and calculating the various costs/fees for the retainer services. Include an hourly rate schedule and applicable administrative fees, if any. Submit a rate schedule for two years of service. Also, submit a separate rate schedule for the optional third year of services. Transportation/travel expenses are not to be billed separately. Please be advised that cost will not be the sole determining factor.

VI. Contract Terms

a. Period of Services

The contract agreement shall be for the period commencing on or about ____, 2016 and shall continue until _____, 2018. The Trust reserves the right to extend the term of the contract for one additional year, until ____, 2019, at the option of the Trust Board of Directors.

Standard Terms and Conditions

The attached Standard Contract Terms and Conditions *(Exhibit B)* are in addition to the terms and conditions set forth in the Request for Proposal (RFP) and should be read in conjunction with same unless the RFP specifically indicates otherwise. If a bidder

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proposes changes or modifications or takes exception to any of NJEIT's terms and conditions, modification or exception in NJEIT's terms and conditions by a bidder will be a factor in the determination of an award of the contract.

All of NJEIT's terms and conditions will become a part of any contract(s) or order(s) awarded as a result of the RFP, whether stated in part, in summary or by reference. In the event the bidder's terms and conditions conflict with NJEIT's, NJEIT's terms and conditions will prevail, unless the bidder is notified in writing of NJEIT's acceptance of the bidder's terms and conditions.

Appointment of the consultant by the NJEIT is contingent upon the execution of an Agreement for Services.

Attachments

Exhibit A – Required Forms

i. Ownership Disclosure Form
ii. Disclosure of Investigations/Actions
iii. MacBride Principles Certification
iv. Disclosure of Investment Activities in Iran
v. Affirmative Action Forms
vi. NJ business registration certification (or interim registration) (N.J.S.A. 52:32-44)
vii. Political contributions (Pay-to-Play); E.O. No. 117
viii. Political Contributions Form for ELEC (N.J.S.A. 19:44A-20.13)
ix. Certification of U.S. based work (E.O. No. 129 McGreevey)

a. Emergency Preparedness Statement

Exhibit B – Form of Contract for Software Development and Integration Services

Exhibit C – Software Development and Integration Services Rating Sheet

Dated: _____, 2016

DRAFT

NJEIT BOARD MEETING October 13, 2016

SUMMARY OF ANNOUNCEMENTS:

Executive Director Zimmer summarized the substantive events and correspondence issued since the last Trust Board meeting.

- On **September 30, 2016**, Assistant Director Scangarella presented to the Commerce & Industry Association of NJ at Montclair State University. The conference focused on redevelopment projects;

- On **September 29 and 30, 2016**, Chief Budget Officer, John Hansbury exhibited at the annual UTCA conference in Atlantic City, NJ;

- On **September 20, 2016**, Executive Director Zimmer presented at the Lower Raritan Watershed Partnership (LRWP) Stakeholder Meeting in Edison, NJ with a focus on Green Infrastructure, co-sponsored by the Partnership, Jersey Water Works, and CDM Smith;

- On **September 19, 2016**, Executive Director Zimmer presented at the Moody's International Green Bond Conference in New York City;

- Trust senior staff participated in the following client project pre-planning meetings or conference calls to discuss program funding issues:
  - NJAWCo – Potential EIFP funding for Howell-Lakewood transmission line
  - Roosevelt Borough – NJEIT Funding for wastewater facility upgrades and modifications
  - Perth Amboy City – Green Infrastructure project financing

- The Trust staff is continuing their education by participating in Excel course, offered at no cost through the Mercer Institute of Management & Technology Training at MCCC sponsored by NJBIA, Skills4Jersey, Opportunity4Jersey and Ready to Work;

- Executive Director Zimmer continues to serve as Co-chair of the Jersey Water Works Finance Committee and co-hosts quarterly meetings;

- Assistant Director Scangarella and Compliance Officer, Judy Karp continue to meet with DEP SRF staff to discuss the proposed FFY2017 Intended Use Plans;

- Assistant Director Scangarella and the Trust's I.T. staff continue to meet with the DEP technology and process staffs to further the development of the Financing Program's H_2LOans computer system;

- Trust senior staff continue to meet with consultants from CohnReznick to discuss testing of the Trust's Policies and Procedures; and

- The next Board meeting is scheduled for **November 10, 2016** at 10:00 a.m. at the Trust's offices.

SUMMARY OF CORRESPONDENCE:

During the past month, the Trust received or sent the following noteworthy correspondence. Pursuant to the Trust's Green Initiative, the agenda package does not include copies of the following correspondence. Board members should contact the Trust Secretary if they wish to receive hard copies.

- 5.02 Certificates were sent to the following Program borrowers:

2012A	Linwood City	S340 217-02
2015A	Egg Harbor Twp	S340 753-04
2007A	Trenton City	W1111001-004-1
2013A	Hammonton Town	W0113001-005

- On **October 7, 2016**, letters were sent to the offices of the Governor and Treasurer requesting approval of the NJEIT Environmental Infrastructure Bond Resolutions for Bond Series 2016A-2, Bond Series 2016A-R3 and Bond Series 2016A-R4.

- On **October 4, 2016**, a CD containing the 2014A closing documents were sent to 26 borrowers.

A copy of the announcements is available on the Trust's webpage (https://www.njeit.org) under the recent Board meeting documents section, the announcements will be at the end of the Minutes for each meeting.

Agenda Item 8A

RESOLUTION NO. 16 -

RESOLUTION AUTHORIZING APPROVAL OF THE SEPTEMBER 2016 TREASURER'S REPORT

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer's Report for September 2016; and

WHEREAS, the Trust has placed in its files certain correspondence relating to expenses incurred in relation to the Trust.

NOW THEREFORE, BE IT RESOLVED, that the Trust hereby accepts the Treasurer's Report for September 2016 and requests that the same be entered into the record.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

Agenda Item 8B

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

ENVIRONMENTAL INFRASTRUCTURE BOND RESOLUTION, SERIES 2016A-2 (GREEN BONDS)

Adopted November 10, 2016

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

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[To Be Updated.]

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ENVIRONMENTAL INFRASTRUCTURE BOND RESOLUTION, SERIES 2016A-2
Adopted November 10, 2016

BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust (the "Trust") as follows:

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01. Definitions. Unless the context otherwise requires, for all purposes of this Bond Resolution, the terms defined in this Section 1.01 shall have the meanings specified below:

"Account" means any account designated and established hereunder.

"Act" means the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (N.J.S.A. 58:11B-1 *et seq*.), as the same may from time to time be amended and supplemented.

"Administrative Fee" means an annual fee of three-tenths of one percent (.30%) of the initial principal amount of the Loan or such lesser amount, if any, as the Trust may approve from time to time, payable by each Borrower in accordance with the terms of its Loan Agreement.

"Administrative Fee Account" means the Account within the Operating Expense Fund so designated and established by Article V hereof.

"Allocable Share" for any Borrower means (i) with respect to Net Earnings on the SRF Account of the Debt Service Reserve Fund during the capitalized interest period for SRF Borrowers that are not or are no longer capitalizing interest as determined pursuant to Section 5.10(2)(b)(i) hereof, the percentage set forth for any such SRF Borrowers on Schedule II-A attached hereto, which percentage shall be equal to a fraction, the numerator of which shall equal the principal amount of the Loan for such SRF Borrower, and the denominator of which shall equal the aggregate principal amount of all Loans for all SRF Borrowers that are not or are no longer capitalizing interest as of the date of such determination, (ii) with respect to Net Earnings on the Non-SRF Account of the Debt Service Reserve Fund during the capitalized interest period for non-SRF Borrowers that are not or are no longer capitalizing interest as determined pursuant to Section 5.10(2)(b)(ii) hereof, the percentage set forth for any such non-SRF Borrowers on Schedule II-B attached hereto, which percentage shall be equal to a fraction, the numerator of which shall equal the principal amount of the Loan for such non-SRF Borrower, and the denominator of which shall equal the aggregate principal amount of all Loans for all non-SRF Borrowers that are not or are no longer capitalizing interest as of the date of such determination, (iii) with respect to Net Earnings on the Debt Service Reserve Fund after the capitalized interest period as determined pursuant to Sections 5.10(3) and 5.10(4)(c) and (d) hereof and with respect to the Net Earnings on all other funds and accounts that are subject to transfer and credit in accordance with Sections 5.10(3) and (4) hereof, the percentage set forth for any such Borrower on Schedule I-A attached hereto for SRF and non-SRF Borrowers, respectively, which percentage shall be equal to a fraction, the numerator of which shall equal the principal amount of the Loan for such Borrower, and the denominator of which shall equal the aggregate principal amount of all Loans for all SRF or non-SRF Borrowers, as appropriate, and (iv) for all other purposes hereunder, the percentage set forth for any such Borrower on Schedule I-B attached hereto, which percentage shall be equal to a fraction, the numerator of which shall equal the principal amount of the Loan for such Borrower, and the denominator of which

shall equal the aggregate principal amount of all Loans for all Borrowers; provided, however, that in the event the Borrowers are either all SRF Borrowers or all non-SRF Borrowers, the percentages set forth in Schedule I-A attached hereto shall equal the percentages set forth in Schedule I-B hereto.

"Allowable Project Cost" means for any Borrower the Trust Share as initially defined in Exhibit B to such Borrower's Loan Agreement.

"Applicable" means (i) with reference to any Fund, Account or Subaccount so designated and established by this Bond Resolution, the Fund, Account or Subaccount so designated and established, (ii) with respect to any Series of Bonds, the Series of Bonds issued for a particular purpose hereunder, and (iii) with respect to any Loan Agreement, the Loan Agreement entered into by and between a Borrower and the Trust relating to a borrowing from the Trust.

"Authorized Newspapers" means three general newspapers and one financial newspaper, all of which are customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation, with respect to the general newspapers, in the State of New Jersey, and with respect to the financial newspaper, in the State of New Jersey or the Borough of Manhattan, City and State of New York.

"Authorized Officer" means (i) in the case of the Trust, the Chairman, Vice-Chairman or Executive Director of the Trust, or any other person or persons designated by the Board by resolution to act on behalf of the Trust under this Bond Resolution; the designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons and signed on behalf of the Trust by its Chairman, Vice-Chairman or Executive Director; (ii) in the case of a Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower to perform any act or execute any document; the designation of such person or persons shall be evidenced by a certified copy of such resolution or ordinance delivered to the Trust and the Trustee; and (iii) in the case of the Trustee, any person or persons authorized to perform any act or execute any document; the designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons reasonably acceptable to the Trust.

"Board" means the Board of Directors of the Trust, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the powers and duties granted or imposed by this Bond Resolution shall be given by law.

"Bond" or **"Bonds"** means one or more, as the case may be, of the Series 2016A-2 Bonds or Refunding Bonds, and all bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10 hereof.

"Bond Counsel" means a law firm, appointed by the Trust, having a reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

"Bondholder", **"Holder"** or **"holder"** means any person who shall be the registered owner of a Bond or Bonds.

"Bond Resolution" means this "Environmental Infrastructure Bond Resolution, Series 2016A-2", as adopted by the Board on November 10, 2016, and all amendments and supplements thereto adopted in accordance with the provisions hereof.

"Bond Year" means a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first bond year shall be a period commencing on the date of issuance of the initial Series of Bonds hereunder and ending on the next succeeding August 31.

"Borrower" means any Local Government Unit or Private Entity (as such terms are defined in the Regulations) authorized to construct, operate and maintain environmental infrastructure facilities and that has entered into a Loan Agreement with the Trust pursuant to which such Borrower will borrow money from the Project Fund that has been funded through the issuance of the Series 2016A-2 Bonds. Borrowers shall include municipal and county Borrowers and authority Borrowers. The municipal and county Borrowers consist of: Burlington County (S340818-07), Hillsborough Township (S340099-02), Milltown Borough (1214001-004), Ocean Gate Borough (1521001-001A (Nano)), Pemberton Township (0329004-004 (Nano)), Pennington Borough (1108001-001 (Nano)), Perth Amboy City (S340435-15) and Sea Girt Borough (S340468-01). The authority Borrowers consist of: Bergen County Utilities Authority (S340386-17), North Hudson Sewerage Authority (S340952-19, S340952-26), Passaic Valley Sewerage Commission (S340689-22) and Washington Township Municipal Utilities Authority (S340930-03, S340930-04, 0818004-009, 0818004-011, 0818004-012, 0181004-014). All of the Borrowers are SRF Borrowers.

"Borrower's Project" means the project of the Borrower described in Exhibit A-1 to the Applicable Loan Agreement which constitutes a project for which the Trust is permitted to make a loan to the Borrower pursuant to the Act.

"Business Day" means, with respect to the Bonds of any Series, any day other than (i) a Saturday, Sunday or legal holiday or a day on which banking institutions, in the city in which the Principal Office of the Trust, the Trustee, the Paying Agent, or the Master Program Trustee is located, are closed, or (ii) a day on which the New York Stock Exchange is closed.

"Capitalized Interest Account" means the Account within the Debt Service Fund so designated and established by Article V hereof.

"Certificate", **"Order"**, **"Request"**, **"Requisition"** and **"Statement"** mean, respectively, a written certificate, order, request, requisition or statement signed in the name of the Trust, the Trustee or a Borrower by an Authorized Officer of the Trust, the Trustee or such Borrower, respectively. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

"Clearing Account" means the account so designated and established by Section 5.04(1) hereof.

"Code" means the Internal Revenue Code of 1986, as the same may from time to time be amended or supplemented, including any regulations promulgated thereunder and any administrative or judicial interpretations thereof.

"Cost" means those costs that are eligible, reasonable, necessary, allocable to a Borrower's Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Trust and related to the authorization, execution, issuance, sale and delivery of each Series of Bonds,

including (without limitation) costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, and the Paying Agent, legal fees and charges, fees and disbursements of financial or other consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds of such Series and any other cost, charge or fee in connection with the issuance of such Series of Bonds.

"Costs of Issuance Account" means the Account within the Operating Expense Fund so designated and established by Article V hereof.

"Counsel" means an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of, the Trust, the Trustee, the Paying Agent, the Master Program Trustee or any Borrower) duly admitted to practice law before the highest court of the State of New Jersey or otherwise qualified to practice law in the State of New Jersey.

"Debt Service Fund" means the fund so designated and established by Article V hereof.

"Debt Service Reserve Fund" means the Fund so designated and established by Article V hereof.

"Debt Service Reserve Fund Credit Facility" means any irrevocable letter of credit or insurance policy issued to the Trustee by a bank, insurance company or other financial institution, the long term debt of which is rated in either of the two highest credit rating categories by one or more Rating Agency.

"Debt Service Reserve Requirement" means, as of any date of calculation, (1) an amount equal to, or (2) a Debt Service Reserve Fund Credit Facility in an aggregate principal amount equal to, the lesser of (i) the greatest amount required in the then current Bond Year or in any future Bond Year to pay the sum of (a) interest on the Outstanding Series 2016A-2 Bonds and Outstanding Refunding Bonds and (b) principal or Sinking Fund Installments, as the case may be, of the Outstanding Series 2016A-2 Bonds and Outstanding Refunding Bonds; (ii) 125% of a fraction, the numerator of which is the sum of the interest, principal and Sinking Fund Installments on the Outstanding Series 2016A-2 Bonds and Outstanding Refunding Bonds payable beginning in such Bond Year and each succeeding Bond Year thereafter until the maturity of the Outstanding Series 2016A-2 Bonds and Outstanding Refunding Bonds, and the denominator of which is the number of years or portion thereof until the maturity of the Outstanding Series 2016A-2 Bonds and Outstanding Refunding Bonds; or (iii) the sum of 10% of the "proceeds" of the Series 2016A-2 Bonds, but only if such Series 2016A-2 Bonds are Outstanding, and if any Refunding Bonds are Outstanding, 10% of the "proceeds" of such Refunding Bonds, within the meaning of Section 148(d) of the Code. Notwithstanding the provisions of this definition to the contrary, if each Rating Agency that has been requested by the Trust to publish a rating for the Series 2016A-2 Bonds or any Refunding Bonds, as the case may be, determines that such Rating Agency shall assign to the Series 2016A-2 Bonds or any Refunding Bonds, as the case may be, upon the issuance thereof, the then highest rating assigned to any such debt instruments by such Rating Agency notwithstanding the fact that the Debt Service Reserve Requirement is equal to $0.00, then, given such factual circumstances, the Debt Service Reserve Requirement pursuant to the terms of this Resolution shall be equal to $0.00 during the entire period during which the Series 2016A-2 Bonds or any Refunding Bonds, as the case may be, remain Outstanding.

"Default" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default with respect to the Bonds.

"Department" means the New Jersey Department of Environmental Protection.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2016A-2 Bonds.

"Event of Default" means any occurrence or event designated as such in Section 9.01.

"Fiduciary" or **"Fiduciaries"** means the Trustee or the Paying Agent, or both of them, as may be appropriate.

"Fund" means any Fund designated and established hereunder.

"General Fund" means the Fund so designated and established by Article V hereof.

"Interest Account" means the Account within the Debt Service Fund so designated and established by Article V hereof.

"Interest Payment Date" means each March 1 and September 1 until final maturity of the Bonds, commencing September 1, 2017.

"Interest Portion" means that portion of Trust Bond Loan Repayments payable by a Borrower under such Borrower's Loan Agreement that is necessary to pay any such Borrower's proportionate share of interest on the Bonds (i) as set forth in Exhibit A-2 of any such Loan Agreement under the column heading entitled "Interest", or (ii) with respect to any prepayment or acceleration, as the case may be, of Trust Bond Loan Repayments in accordance with Section 3.07 or 5.03 of any such Loan Agreement, to accrue on any principal amount of Trust Bond Loan Repayments to the date of the redemption or acceleration, of the Bonds allocable to such prepaid or accelerated Trust Bond Loan Repayment.

"Investment Securities" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Trust's funds, which securities may be obligations of the Trustee to the extent qualified hereunder:

(a) Obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof which obligations are backed by the full faith and credit of the United States. These include, but are not limited to:

(i) United States Treasury obligations – All direct or fully guaranteed obligations;

(ii) Farmers Home Administration – Certificates of beneficial ownership;

(iii) United States Maritime Administration – Guaranteed Title XI financing;

(iv) Small Business Administration – Guaranteed participation certificates; Guaranteed pool certificates;

(v) Government National Mortgage Association (GNMA) – GNMA-guaranteed mortgage-backed securities; GNMA-guaranteed participation certificates;

(vi) United States Department of Housing & Urban Development – Local authority bonds;

(vii) Washington Metropolitan Area Transit Authority – Guaranteed transit bonds;

(viii) State and Local Government Series; and

(ix) Veterans Administration – Guaranteed REMIC; Pass-through Certificates.

(b) Federal Housing Administration Debentures.

(c) Obligations of the following government-sponsored agencies that are not backed by the full faith and credit of the United States government.

(i) Federal Home Loan Mortgage Corp. (FHLMC) – Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts); Senior debt obligations;

(ii) Farm Credit System (Formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperative) – Consolidated systemwide bonds and notes;

(iii) Federal Home Loan Banks (FHL Banks) – Consolidated debt obligations;

(iv) Federal National Mortgage Association (FNMA) – Senior debt obligations; Mortgage-backed securities (Excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(v) Student Loan Marketing Association (SLMA) – Senior debt obligations (Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date); LOC-backed issues;

(vi) Financing Corp. (FICO) – Debt obligations; and

(vii) Resolution Funding Corp. (REFCORP) – Debt obligations.

(d) Federal funds, unsecured certificates of deposit, time deposits, and banker's acceptances having maturities of not more than 365 days of any bank (including the Trustee), the short-term obligations of which are rated in the highest rating category for short term obligations by at least one Rating Agency.

(e) Deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC), including Bank Insurance Fund (BIF) and Savings Association Insurance Fund (SAIF). To the extent that such deposits are not insured by FDIC, such deposits shall be fully collateralized by the obligations described in any of paragraphs (a), (b) or (c) of this definition.

(f) (i) Debt obligations rated in the highest rating category for debt obligations by at least one Rating Agency. Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date.

(ii) Pre-refunded municipal securities rated in the highest rating category for municipal securities by at least one Rating Agency.

(g) Commercial paper or other debt obligations rated in the highest rating category for commercial paper or debt obligations by at least one Rating Agency maturing in not more than 365 days.

(h) Investment in money market funds, with a stable net asset value per share, rated in the highest rating category for money market funds by at least one Rating Agency (including such money markets funds managed by the Trustee or any of its affiliates).

(i) Any of the following stripped securities:

(i) United States Treasury STRIPS;

(ii) REFCORP STRIPS (stripped by the Federal Reserve Bank of New York); and

(iii) Any stripped securities assessed or rated in the highest rating category for stripped securities by at least one Rating Agency.

(j) Repurchase agreements, provided that such repurchase agreements satisfy each of the following requirements:

(i) The repurchase agreement is rated no lower than "Aa" by Moody's Investors Service, Inc., or "AA" by Standard & Poor's Corporation (without reference to any gradation within such rating category);

(ii) The weighted average maturity of the repurchase agreement is not longer than the lesser of the estimated average period required to complete construction of the Projects or five years from the date the repurchase agreement is entered into;

(iii) The seller of the repurchase agreement is (A) a bank or trust company or a wholly-owned subsidiary of such bank or trust company which is headquartered in the United States and is a member of the Federal Reserve System or (B) a securities broker which is headquartered in the United States, is registered with the Securities and Exchange Commission, and meets the criteria for issuers of "commercial paper" as specified under N.J.A.C. 17:16-31;

(iv) The collateral for the repurchase agreement consists of obligations of the United States Government or an obligation of the following United States Government agencies:

(A) Federal Farm Credit Banks Consolidated Systemwide Bonds;

(B) Federal Financing Bank;

(C) Federal Home Loan Banks; and

(D) Federal Land Banks;

(v) At the time the repurchase agreement is purchased, the market value of the securities delivered as collateral pursuant to the repurchase agreement is equal to at least 102 percent of the par value of the repurchase agreement; and

(vi) The repurchase agreement shall be purchased pursuant to a competitively bid process.

(k) Such other securities approved by each of the Rating Agencies that would not adversely affect the rating on the Coverage Receiving Trust Bonds then Outstanding.

"Loan" means a loan by the Trust to a Borrower, pursuant to a Loan Agreement, to finance or refinance a portion of the Cost of such Borrower's Project. For all purposes of this Bond Resolution, the principal amount of each Loan shall be the principal amount specified in the applicable bond of a Borrower issued in accordance with the Applicable Loan Agreement.

"Loan Agreement" means a loan agreement that is entered into by and between the Trust and a Borrower, in substantially the form attached hereto as Exhibit A, in the case of a Borrower that is a municipality or a county, or Exhibit B, in the case of a Borrower that is a municipal, county or regional sewerage or utilities authority or commission or other political subdivision (other than a municipality or a county), authorized to construct, operate and maintain environmental infrastructure facilities, with such changes therein as the Authorized Officer of the Trust who executes such Loan Agreement may approve as necessary and desirable, including, but not limited to, changes intended to reflect the nature of the Borrower, and as such Loan Agreement may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of this Bond Resolution.

"Loan Closing" means the date on which an executed Loan Agreement between the Trust and a Borrower is delivered pursuant to this Bond Resolution.

"Loan Repayments" means the sum of (i) Trust Bond Loan Repayments, (ii) the Administrative Fee and (iii) any late charges incurred under the provisions of a Loan Agreement.

"Master Program Trust Account" means the account and all subaccounts therein created pursuant to Section 3 of the Master Program Trust Agreement to be held by the Master Program Trustee in trust as additional security for the Holders of the Series 2016A-2 Bonds and all other Coverage Receiving Trust Bonds as defined in the Master Program Trust Agreement.

"Master Program Trust Agreement" means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the Trust, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as amended and supplemented by (i) that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the Trust, and (ii) that certain First General Amendment to Master Program Trust Agreement, dated as of September 1, 2006, by and among, the Trust, the State, the Master Program Trustee, The Bank of New York, in several capacities thereunder, U.S. Bank National Association, in several capacities thereunder, and Commerce Bank, National Association, as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms.

"Master Program Trustee" means U.S. Bank Trust National Association (as successor to State Street Bank and Trust Company, N.A.), appointed pursuant to Section 2 of the Master Program Trust Agreement, and its successors as may be appointed pursuant to the provisions thereof.

"Net Earnings" means, with respect to any Fund, Account or Subaccount, or any portion thereof, all interest, profits and other income earned and received by the Trustee and the Trust, as appropriate, in respect of such Fund, Account, Subaccount or portion thereof, net of (i) any losses suffered, (ii) any fees due to the Trustee, the provider of an Investment Security, or, at the written direction of an Authorized

Officer of the Trust, the financial advisor or investment advisor to the Trust in respect of an Investment Security held in such Fund, Account or Subaccount, and (iii) any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or certificate as to arbitrage.

"Notice of Sale" means the Notice of Sale of the Trust relating to the sale of the Series 2016A-2 Bonds to be dated on or about November 29, 2016, substantially in the form attached hereto as Exhibit D.

"Operating Expense Fund" means the Fund so designated and established by Article V hereof.

"Outstanding" or **"outstanding"** means, when used with reference to Bonds of any Series, as of any particular date (subject to the provisions of Section 14.08), all Bonds of such Series theretofore, or thereupon being, authenticated and delivered by the Trustee under this Bond Resolution, except (i) Bonds of such Series theretofore or thereupon canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds of such Series with respect to which all liability of the Trust shall have been discharged in accordance with Article XII; and (iii) Bonds of such Series in lieu of or in substitution for which other Bonds of such Series shall have been authenticated and delivered by the Trustee pursuant to any provision of this Bond Resolution.

"Paying Agent" means the Paying Agent appointed pursuant to Section 10.02, and its successors.

"Principal Account" means the Account within the Debt Service Fund so designated and established by Article V.

"Principal Office" means, when used with reference to the Trust, the Trustee, or the Paying Agent, the respective addresses of such parties as set forth in Section 14.07, and any further or different addresses as such parties may designate pursuant to Section 14.07.

"Project Fund" means the Fund so designated and established by Article V hereof.

"Project Loan Account" means any of the Accounts within the Project Fund so designated and established by Article V.

"Rating Agency" shall mean individually or collectively, as the case may be, the nationally recognized rating agencies that have published ratings for the Series 2016A-2 Bonds.

"Rebate Fund" means the Fund so designated and established by Article V hereof.

"Record Date" means with respect to an Interest Payment Date for a particular Series of Bonds, unless otherwise provided by this Bond Resolution or Supplemental Resolution authorizing such Series, (i) if the Interest Payment Date is scheduled for the first (1st) day of any month, the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month prior to such Interest Payment Date, or (ii) if the Interest Payment Date is scheduled for the fifteenth (15th) day of any month, the first (1st) day (whether or not such day shall be a Business Day) of the month in which such Interest Payment Date occurs.

"Redemption Account" means the Account within the Debt Service Fund so designated and established pursuant to Article V hereof.

"Redemption Price" means, when used with reference to any Bond or any portion thereof, the principal amount of such Bond or such portion thereof and any premium thereon payable upon redemption thereof pursuant to the provisions of such Bond and this Bond Resolution.

"Refunding Bonds" means all Bonds authenticated and delivered pursuant to Section 2.04 hereof.

"Regulations" means the rules and regulations, as applicable, now or hereafter promulgated under N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may from time to time be amended and supplemented.

"Reserve Capacity Debt Service Reserve Requirement" means that portion of the Debt Service Reserve Requirement financed with a portion of the proceeds of the Series 2016A-2 Bonds and attributable to the cost of funding reserve capacity for the Reserve Capacity Borrowers.

"Reserve Capacity Borrowers" means the Borrowers set forth in Section 2.03(7)(d) hereof.

"Revenues" means all (i) Loan Repayments and State Loan Repayments that are held by the Trustee, (ii) payments made to the Trustee by the Master Program Trustee from amounts on deposit in the Master Program Trust Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program Trust Agreement, and (iii) proceeds derived from the foregoing, including, without limitation, investment income received by the Trust on such Loan Repayments and State Loan Repayments; provided, however, that Revenues shall not include payments of the Administrative Fee payable to the Trust under Section 3.03 of the Loan Agreements nor any State Administrative Fees included as part of any State Loan Repayment, to the extent any such amounts are credited as Administrative Fees or State Administrative Fees pursuant to Section 5.04(2) hereof.

"Revenue Fund" means the Fund so designated and established by Article V hereof.

"Rule 15c2-12" shall have the meaning ascribed to such term in Section 6.06 hereof.

"SEC" shall have the meaning ascribed to such term in Section 6.06 hereof.

"Series" means all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Bond Resolution or the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

"Series 2016A-2 Bonds" means the $__,___,000 aggregate principal amount of the Trust's "Environmental Infrastructure Bonds, Series 2016A-2" authorized pursuant to Section 2.03 hereof.

"Sinking Fund Installments", with respect to any Series of Bonds, shall have the meaning, if any, specified in either Section 2.03(6) of this Bond Resolution or the Applicable Supplemental Resolution.

"SRF", with respect to any Fund, Account or Subaccount established under this Bond Resolution, means that such Fund, Account or Subaccount constitutes part of, and with respect to any Borrower, means a Borrower whose loan will be funded from, the State Water Pollution Control Revolving Fund of the State of New Jersey for purposes of the federal Water Quality Act of 1987, as amended.

"State" means the State of New Jersey, acting by and through the Department.

"State Administrative Fee" means the administrative fee, if any, as the State may approve from time to time, payable by each Borrower in accordance with the terms of its State Loan Agreement.

"State Loan Agreement" means a loan agreement that is entered into by and between the State and a Borrower, pursuant to which a companion zero-interest loan is made by the State to finance, in part, such Borrower's Project.

"State Loan Repayment" means any payment by a Borrower of the principal due and payable pursuant to its State Loan Agreement.

"Subaccount" means any subaccount designated and established hereunder.

"Supplemental Resolution" means any resolution or resolutions of the Trust amending, modifying or supplementing this Bond Resolution, authorizing the issuance of a Series of Refunding Bonds, or any other Supplemental Resolution adopted by the Trust pursuant to the provisions of this Bond Resolution.

"Tax Certificate", with respect to the Series 2016A-2 Bonds, means the "Tax Certificate as to Arbitrage and Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as Amended," executed and delivered by an Authorized Officer of the Trust on the date of issuance of the Series 2016A-2 Bonds, as the same may be supplemented and amended from time to time.

"Trust Bond Loan Repayments" means the repayments of the principal amount of a Loan under a Loan Agreement, the payment of any premium associated with prepaying the principal amount of a Loan in accordance with Section 3.07 of any Loan Agreement, plus the payments of the Interest Portion of a Loan under a Loan Agreement.

"Trustee" means the trustee appointed pursuant to Section 10.01, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Bond Resolution.

"Trust Estate" means (i) all right, title and interest of the Trust in, to and under the Loan Agreements, except for the Trust's right, title and interest in the Administrative Fee, (ii) any other Revenues not included within clause (i) of this definition, and (iii) all funds, accounts and subaccounts established by this Bond Resolution, other than the Project Loan Accounts in the Project Fund, the Administrative Fee Account and the Costs of Issuance Account in the Operating Expense Fund, and the Rebate Fund, including investments, if any, thereof, as the same are hereby pledged and assigned, subject only to the provisions of this Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Bond Resolution.

SECTION 1.02. Rules of Interpretation. For all purposes of this Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires:

1. "This Bond Resolution" means this instrument as originally adopted and as it may be supplemented, modified or amended from time to time by any Supplemental Resolution, unless in the case of any one or more Supplemental Resolutions the context requires otherwise.

2. All reference in this Bond Resolution to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Bond Resolution. The words "herein", "hereof", "hereunder" and "herewith" and other words of similar import refer to this Bond Resolution as a whole and not to any particular Article, Section or other subdivision hereof.

3. The terms defined in this Bond Resolution include the plural as well as the singular.

4. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

5. The table of contents and the headings or captions used in this Bond Resolution are for convenience of reference only and shall not define, limit or prescribe any of the provisions hereof or the scope or intent hereof.

SECTION 1.03. Authority for Bond Resolution and Delegation. This "Environmental Infrastructure Bond Resolution, Series 2016A-2" is adopted pursuant to the provisions of the Act and constitutes a resolution authorizing bonds pursuant to the Act.

Certain information to be set forth herein will not be available and/or has not been finalized at the time of the adoption hereof and will only be known upon the sale of the Series 2016A-2 Bonds. All information relating to the sale and award of the Series 2016A-2 Bonds in accordance with the terms of the Notice of Sale (including, without limitation, all information, if any, relating to the designation of the Series 2016A-2 Bonds as "Green Bonds") and the final identification, categorization and related dates of certain Borrowers (including, without limitation, the elimination of one or more thereof), including, without limitation, the amounts and interest rates in the chart set forth in Section 2.03(2) hereof (provided that the aggregate cost of the Borrower Projects to be financed with proceeds of the Series 2016A-2 Bonds, exclusive of Trust costs of issuance, bond insurance, underwriter's discount, original issue discount, reserve capacity, capitalized interest and any other related cost shall not exceed $15,000,000 (the "Aggregate Borrower Preliminary Project Cost Amount")), the optional redemption provisions in Section 2.03(5) hereof, the Sinking Fund Installments in Section 2.03(6) hereof, if any, the amounts set forth in Section 2.03(7)(a), (b) and (c) hereof, including, without limitation, the "Amount to be Applied as Payment of Interest" chart set forth in Section 2.03(7)(a) hereof, the information set forth in Section 2.03(8) hereof, the information set forth in Exhibit F, Schedules I-A and I-B and Schedules II-A and II-B attached hereto, and the allocation of Revenues pursuant to the provisions of Section 5.04 hereof, shall be revised or inserted (as the case may be) subsequent to the time of adoption hereof and shall be deemed to be a part hereof, as if fully set forth herein at the time of adoption thereof. The Authorized Officers of the Trust, in consultation with Bond Counsel, general counsel and other appropriate advisors to the Trust, shall be and hereby are severally authorized and directed to revise or insert (as the case may be) such information subsequent to the time of adoption hereof. Notwithstanding the above, such information must be revised or inserted (as the case may be) in this Bond Resolution no later than the Loan Closing. In addition, the interest cost, principal amount, purchase price, bidding parameters and other financial parameters set forth in the Notice of Sale in the form attached hereto may be amended, modified, supplemented or deleted by the Authorized Officers of the Trust, after consultation with Bond Counsel, general counsel and other appropriate advisors to the Trust, at any time prior to the sale of the Series 2016A-2 Bonds. Notwithstanding the foregoing, any such changes to be made pursuant to this paragraph shall be subject to the following limitations: (i) the true interest cost of the Series 2016A-2 Bonds shall be as low as practicable given the structuring requirements therefor, but in any event shall not exceed 6.00% per annum for the Series 2016A-2 Bonds, and (ii) the proceeds of the Series 2016A-2 Bonds shall produce sufficient moneys to fund, together with Net Earnings thereon, the Aggregate Borrower Preliminary Project Cost Amount, plus all additional items set forth above.

Notwithstanding the provisions of this Bond Resolution to the contrary, the letter designation incorporated into the title of this Bond Resolution may be revised by the Authorized Officers of the Trust, after consultation with Bond Counsel, general counsel and other appropriate advisors to the Trust, for the purpose of maintaining the sequential letter designations among this Bond Resolution and other resolutions that may be simultaneously adopted by the Trust.

The Authorized Officers of the Trust are hereby severally authorized and directed, in consultation with Bond Counsel, general counsel to the Trust, other appropriate advisors to the Trust, and after notification to any officials whose approval is a condition precedent to the adoption of this Bond Resolution, to insert such changes, including, without limitation, with respect to the Debt Service Reserve Fund, subsequent to the time of adoption hereof, as shall be deemed necessary, desirable or convenient in order to achieve a rating for the Series 2016A-2 Bonds or any Refunding Bonds, as the case may be, from each Rating Agency that has been requested by the Trust to publish a rating for the Series 2016A-2 Bonds or any Refunding Bonds, as the case may be, that shall consist of the then highest rating (or as close to the then highest rating as may be possible) that is assigned to any such debt instruments by such Rating Agencies. Notwithstanding the above, any such changes must be inserted in this Bond Resolution no later than the Loan Closing.

SECTION 1.04. Bond Resolution and Bonds Constitute a Contract; Pledge of Trust Estate; Interest in Master Program Trust Account. With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under this Bond Resolution by those who shall hold the same from time to time: (i) this Bond Resolution shall be deemed to be and shall constitute a contract between the Trust, the Trustee and the Holders, from time to time, of such Bonds; (ii) the pledge made herein and the duties, covenants, obligations and agreements set forth herein to be observed and performed by or on behalf of the Trust and the Trustee shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction as to lien or otherwise, except as expressly provided in or permitted hereby; (iii) the Trust, as security for the payment of the principal and Redemption Price, if any, of, and the interest on, the Bonds and as security for the observance and performance of any other duty, covenant, obligation or agreement of the Trust under this Bond Resolution all in accordance with the provisions thereof and hereof, does hereby grant a security interest in and further does grant, bargain, sell, convey, pledge, assign and confirm to the Trustee the Trust Estate; (iv) the pledge made hereby is valid and binding from the time when the pledge is made and the Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Trust irrespective of whether such parties have notice thereof; (v) the Bonds shall be special obligations of the Trust payable solely (except as set forth in clause (vi) hereof) from and secured by a pledge of the Trust Estate as provided hereby; and (vi) the Bonds shall be additionally secured by the interest of the Trustee (as Fiduciary on behalf of the Bondholders pursuant to the terms hereof) in and to the Master Program Trust Account, as defined in, to the extent, in the amounts and at the times set forth in the Master Program Trust Agreement. Loan Repayments and State Loan Repayments that do not constitute Revenues are not subject to the lien of the pledge created hereby.

Nothing in this Bond Resolution expressed or implied is intended or shall be construed to confer upon, or give or grant to, any person or entity, other than the Trust, the Trustee, the Paying Agent and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Bond Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Bond Resolution contained by and on behalf of the Trust shall be for the sole and exclusive benefit of the Trust, the Trustee, the Paying Agent and the registered owners of the Bonds.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01. Authorization of Bonds; Designation of Bonds of Series.

1. This Bond Resolution authorizes Bonds of the Trust to be designated as "Environmental Infrastructure Bonds" which may be issued from time to time in one or more Series. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under this Bond Resolution is not limited except as may hereafter be provided in this Bond Resolution or as may be limited by law.

2. The Bonds may, if and when authorized by the Trust pursuant hereto or pursuant to one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "Environmental Infrastructure Bonds" shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Trust may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Neither the State of New Jersey nor any political subdivision thereof, other than the Trust, but solely to the extent of the Trust Estate, is obligated to pay the principal or Redemption Price of, or interest on, the Bonds, and neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, is pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds.

SECTION 2.02. General Provisions for Issuance of Bonds.

1. All (but not less than all) of the Bonds of each Series shall be executed by the Trust for issuance under this Bond Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Trust or upon its order, but only upon the receipt by the Trustee of:

(a) A copy of this Bond Resolution, certified by an Authorized Officer of the Trust;

(b) In the case of each Series of Refunding Bonds, a copy of the Supplemental Resolution authorizing such Refunding Bonds, certified by an Authorized Officer of the Trust, which shall, among other provisions, specify: (i) the authorized principal amount, designation and Series of such Refunding Bonds; (ii) the purposes for which such Series of Bonds is being issued, which shall be the refunding of Bonds as provided in Section 2.04; (iii) the date, and the maturity date or dates, of the Refunding Bonds of such Series, provided that each maturity date shall fall upon September 1; (iv) the interest rate or rates of the Refunding Bonds of such Series and the initial Interest Payment Date therefor, provided that the interest rate shall be identical for all such Refunding Bonds of like maturity; (v) the denominations of, and the manner of dating, numbering and lettering, the Refunding Bonds of such Series, provided that such Refunding Bonds shall be in denominations of $5,000 or any integral multiple thereof as authorized by such Supplemental Resolution; (vi) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Refunding Bonds of such Series; (vii) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Refunding Bonds of such Series; (viii) the amount and due date of each Sinking Fund Installment, if any, for Refunding Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon a September 1; (ix) the form of the Refunding Bonds of such Series and of the Trustee's certificate of authentication, which shall be substantially in the form set forth in Section 14.01 for the Series 2016A-2 Bonds with such variations, insertions or omissions as are appropriate and not

inconsistent therewith; and (x) the provisions for the application of proceeds of such Series of Refunding Bonds;

(c) An opinion of Bond Counsel to the effect that (i) the Trust has the power under the Act, as amended to the date of such opinion, to adopt this Bond Resolution, and this Bond Resolution has been duly and lawfully adopted by the Trust, is in full force and effect and constitutes the valid and binding agreement of the Trust enforceable in accordance with its terms, and no other authorization for this Bond Resolution is required; (ii) this Bond Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of this Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Bond Resolution; and (iii) the Trust is duly authorized and entitled to issue the Bonds of such Series and such Bonds have been duly and validly authorized and issued by the Trust, in accordance with law, including the Act, as amended to the date of such opinion, and in accordance with this Bond Resolution, and constitute the valid and binding obligations of the Trust as provided in this Bond Resolution, enforceable in accordance with their terms and the terms of this Bond Resolution, and are entitled to the benefits of the Act, as amended to the date of such opinion, and this Bond Resolution. Such opinion may take exception as to the effect of, or for restrictions or limitation or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(d) A written order to the Trustee as to the authentication and delivery of such Bonds, signed by an Authorized Officer of the Trust;

(e) The amount, if any, required to be deposited in the Debt Service Reserve Fund, so that the amount in such Fund shall equal the Debt Service Reserve Requirement calculated immediately after the execution authentication and delivery of such Series of Bonds;

(f) With respect to the Series 2016A-2 Bonds only, a Certificate of the Authorized Officer of the Trust stating that the information contemplated by Section 1.03 hereof has been inserted in this Bond Resolution in accordance with the terms and provisions of Section 1.03 hereof;

(g) A fully executed copy of the Master Program Trust Agreement; and

(h) Such further documents, moneys and securities (including, without limitation, the proceeds of the Bonds of each such Series) as are required by the provisions of Sections 2.03, 2.04 or 6.04 or Article XI or any Supplemental Resolution adopted pursuant to Article XI.

2. All the Bonds of each such Series of like maturity shall be identical in all respects, except as to denominations, numbers and letters. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 4.07 or 11.10.

SECTION 2.03. Series 2016A-2 Bonds.

1. A Series of Bonds entitled to the benefit, protection and security of this Bond Resolution is hereby authorized in the aggregate principal amount of $__,___,000 for the purpose of funding the Loans to be made pursuant to the Loan Agreements. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Environmental Infrastructure Bonds, Series 2016A-2"; provided, however, that, in the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the

Trust to designate such Series of Bonds as "Green Bonds", such Series of Bonds shall be designated by the title, "Environmental Infrastructure Bonds, Series 2016A-2 (Green Bonds)".

2. The Series 2016A-2 Bonds shall be dated and shall bear interest from December 22, 2016 until their final maturity thereof, except as otherwise provided in Section 3.01 of this Bond Resolution. The Series 2016A-2 Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on March 1 and September 1 in each year, commencing September 1, 2017, until final maturity (stated or otherwise) thereof, at the respective rates per annum calculated on the basis of twelve 30-day months, shown below:

Sept. 1	**Amount Maturing ($)**	**Interest Rate (%)**	**Sept. 1**	**Amount Maturing ($)**	**Interest Rate (%)**
2018			2033		
2019			2034		
2020			2035		
2021			2036		
2022			2037		
2023			2038		
2024			2039		
2025			2040		
2026			2041		
2027			2042		
2028			2043		
2029			2044		
2030			2045		
2031			2046		
2032					

3. Individual purchases of the Series 2016A-2 Bonds may be made in the principal amount of $5,000 or any whole multiples of $5,000. The Series 2016A-2 Bonds shall be initially issued in one certificate for each aggregate principal amount of the stated maturity thereof. Unless the Trust shall otherwise direct, the Series 2016A-2 Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter "R" and such other letter as determined by the Trustee prefixed to the number. Subject to the provisions of this Bond Resolution, the form of the Series 2016A-2 Bonds and the Trustee's certificate of authentication shall be substantially in the form set forth in Section 14.01.

4. The principal or Redemption Price of the Series 2016A-2 Bonds shall be payable to the Holders thereof upon presentation and surrender thereof at the Principal Office of U.S. Bank National Association, as Trustee, or its successors and assigns. The principal or Redemption Price of all Series 2016A-2 Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Trustee or Trustees as permitted by this Bond Resolution. Interest on the Series 2016A-2 Bonds shall be payable by check or draft of the Trustee, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the Trust maintained by the Trustee. However, so long as the Series 2016A-2 Bonds are held in book-entry-only form pursuant to Section 2.05 hereof, the provisions of Section 2.05 shall govern the payment of principal or Redemption Price, if any, of, and interest on, the Series 2016A-2 Bonds.

5. The Series 2016A-2 Bonds maturing on or before September 1, [2027] shall not be subject to redemption prior to their respective stated maturity dates. The Series 2016A-2 Bonds maturing on or

after September 1, [2028] shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, [2027], at the option of the Trust, upon the terms set forth in this subsection and upon notice as provided in Article IV hereof, either in whole on any date, or in part, by lot within any maturity or maturities determined by the Trust, on any Interest Payment Date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

6. [The Series 2016A-2 Bonds due September 1, 20__ are subject to mandatory sinking fund redemption prior to their stated maturity, upon the surrender thereof and through selection by lot by the Trustee and upon the giving of notice as provided in Article IV hereof, by payment of the following "Sinking Fund Installments", on September 1, in each year set forth below, at a Redemption Price which is equal to 100% of the principal amount thereof plus interest accrued to the redemption date, in the following aggregate principal amounts in the following years:

Year	Principal Amount

_____
* Final maturity]

7. The proceeds of the Series 2016A-2 Bonds of $_____ (par amount of the Series 2016A-2 Bonds of $__,___,000 (which includes the good faith deposit of the successful bidder for the Series 2016A-2 Bonds in the amount of $_____ in accordance with Section 1.03 hereof), plus accrued interest of $0.00, plus net original issue premium of $_____, less underwriter's discount of $_____) shall be received by the Trustee and applied simultaneously with the delivery of such Bonds as follows:

(a) There shall be deposited (i) in the SRF Subaccount of the Interest Account in the Debt Service Fund, $0.00, (ii) in the non-SRF Subaccount of the Interest Account in the Debt Service Fund, $0.00, (iii) in the SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund, $_____, which includes accrued interest of $0.00, attributable to SRF Borrowers that are capitalizing interest, for application to the payment of a portion of the interest to accrue on the Series 2016A-2 Bonds from December 22, 2016 through and including [September 1, 2017], of which $_____ shall be deposited in the Clean Water SRF Subaccount (including $0.00 of accrued interest), and $_____ shall be deposited in the Drinking Water SRF Subaccount (including $0.00 of accrued interest), and (iv) in the non-SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund, $0.00. Said moneys in the Capitalized Interest Account, together with the Net Earnings thereon and the portion of the Net Earnings on the Debt Service Reserve Fund set forth in this subsection (a) and transferred to the Capitalized Interest Account as required pursuant to Section 5.10(2)(a) hereof, shall be applied to the payment of interest due on the Series 2016A-2 Bonds on the following dates in the following amounts:

Interest Payment Date	Scheduled Draws	Ending Balance On Deposit In Capitalized Interest Account	Transfer on Interest Payment Date from Debt Service Reserve Fund Earnings
[9/1/2017			
3/1/2018]			

(b) There shall be deposited in the Costs of Issuance Account in the Operating Expense Fund an amount equal to $_____, of which $_____ shall be transferred by the Trustee immediately via wire transfer to the account of the Trust, in accordance with the wire instructions provided by the Trust to the Trustee, for application by the Trust to the payment of certain Costs of Issuance incurred in connection with the issuance of the Series 2016A-2 Bonds;

(c) There shall be deposited in the Rebate Fund an amount equal to $0.00, which shall be deposited in the General Rebate Account;

(d) Reserved;

(e) There shall be deposited in the General Fund $_____, (i) $_____ of which shall be transferred to the SRF Subaccount within the General Fund, $_____ of which shall be deposited in the Clean Water SRF Subaccount and $_____ of which shall be deposited in the Drinking Water SRF Subaccount; and (ii) $0.00 of which shall be transferred to the non-SRF Subaccount within the General Fund.

(f) The remaining balance of the proceeds of the Series 2016A-2 Bonds in the amount of $_____ shall be deposited in the Project Fund on behalf of each Borrower, each deposit of which shall be deposited in the Clean Water Subaccounts of the SRF and non-SRF Project Loan Accounts, as indicated below, unless designated by "DW" below, in which case such amount shall be deposited in the Drinking Water Subaccounts of the SRF and non-SRF Project Loan Accounts, as indicated below. $_____ shall be allocated to the SRF Subaccount, $_____ of which shall be allocated to the Clean Water SRF Subaccount and $_____ of which shall be allocated to the Drinking Water SRF Subaccount:

SRF Project Loan Accounts:

Bergen County Utilities Authority (S340386-17)	$	.00
Burlington County (S340818-07)		.00
Hillsborough Township (S340099-02)		.00
Milltown Borough (1214001-004) (DW)		.00
North Hudson Sewerage Authority (S340952-19)		.00
North Hudson Sewerage Authority (S340952-26)		.00
Ocean Gate Borough (1521001-001A) (Nano) (DW)		.00
Passaic Valley Sewerage Commission (S340689-22)		.00
Pemberton Township (0329004-004) (Nano) (DW)		.00
Pennington Borough (1108001-001) (Nano) (DW)		.00
Perth Amboy City (S340435-15)		.00
Sea Girt Borough (S340468-01)		.00
Washington Township Municipal Utilities Authority (S340930-03, S340939-04)		.00
Washington Township Municipal Utilities Authority (0181004-009, 0818004-011, 0818004-012, 0818004-014) (DW)		.00

Non-SRF Project Loan Accounts

None $ .00

8. Reserved.

9. Upon the authentication and delivery of the Series 2016A-2 Bonds, the Trust shall furnish to the Trustee:

(a) a Certificate of the Chairman, Executive Director or other Authorized Officer of the Trust, pursuant to Section 148 of the Code, setting forth the expectations of the Trust on the date of such authentication and delivery as to future events and such certification shall set forth the facts and estimates on which such expectations are based and shall state that to the best of the knowledge and belief of such officer of the Trust, the Trust's expectations are reasonable;

(b) an opinion of Bond Counsel to the effect that under existing law (i) interest on the Series 2016A-2 Bonds is excluded from gross income for federal income tax purposes, and (ii) interest on the Series 2016A-2 Bonds and any gain on the sale thereof are excluded from gross income under the New Jersey Gross Income Tax Act; and

(c) an opinion of Counsel to the effect that the Trust has the right and power under the Act, as amended, to the date of such opinion, to enter into the Loan Agreements, and the Loan Agreements have been duly and lawfully authorized and executed by the Trust, are in full force and effect and are valid and binding upon the Trust and enforceable in accordance with their terms, and no other authorization for the Loan Agreements is required; provided, that the opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State of New Jersey and of the constitutional powers of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy, but that such limitations do not make the rights and remedies of the Bondholders, taken as a whole, inadequate for the practical realization of the benefits of the Loan Agreements.

SECTION 2.04. Refunding Bonds.

1. One or more Series of Refunding Bonds may be issued at any time to refund any Outstanding Bond or Bonds of a particular Series or all of the Bonds of one or more Series. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the funds and accounts under this Bond Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds. Refunding Bonds shall be on a parity with and, except as otherwise provided in the Applicable Supplemental Resolution for such Refunding Bonds, shall be entitled to the same benefit and security of this Bond Resolution including the pledge of the Trust Estate as the Bonds of the Series of Bonds which are being refunded.

2. Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of:

(a) Instructions to the Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions, subject to the provisions of Section 12.01;

(b) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 12.01 to the Holders of the Bonds being refunded;

(c) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date or dates, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) qualifying Investment Securities in such principal amounts of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys as shall be necessary to comply with the provisions of subsection 2 of Section 12.01, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 of Section 12.01;

(d) A Certificate of an Authorized Officer of the Trust demonstrating that the Trust Bond Loan Repayments to become due in each Bond Year during which such Refunding Bonds shall be Outstanding shall be sufficient to pay when due the principal or Redemption Price of, and interest on, all Bonds Outstanding upon the authentication and delivery of such Series of Refunding Bonds;

(e) A verification report of an independent nationally recognized certified public accountant addressed to the Trust and the Trustee with respect to the matters set forth in (c) and (d) hereof; and

(f) In the event that a forward supply contract is employed in connection with the matters set forth in (c) and (d) hereof, (i) the verification report required by (e) hereof shall expressly state that the adequacy of the irrevocable trust described in (c) hereof to accomplish the issuance of Refunding Bonds relies solely on the initial investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the escrow agreement entered into by the Trust pursuant to (c) hereof shall provide that in the event of any discrepancy or differences between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

3. The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Refunding Bonds for the purposes of making deposits, if any, in such Funds and Accounts as shall be provided by the Supplemental Resolution authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution.

SECTION 2.05. Book-Entry-Only System.

1. Except as provided in subparagraph 3 of this Section 2.05, the registered Holder of all of the Series 2016A-2 Bonds shall be, and the Series 2016A-2 Bonds shall be registered in the name of, Cede & Co. as nominee of DTC. Payment of semiannual interest for any Series 2016A-2 Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Series 2016A-2 Bonds at the address indicated for Cede & Co. in the registry books of the Trust kept by the Trustee.

2. The Series 2016A-2 Bonds shall be issued initially in the form of a separate single fully registered Bond in the amount of the aggregate principal amount of each separate stated maturity of the Series 2016A-2 Bonds. Upon initial issuance, the ownership of each such Series 2016A-2 Bond shall be registered in the registry books of the Trust kept by the Trustee in the name of Cede & Co., as nominee of DTC. With respect to Series 2016A-2 Bonds registered in the registry books kept by the Trustee in the name of Cede & Co., as nominee of DTC, the Trust and any Fiduciary shall have no responsibility or

obligation to any participant or to any beneficial owner of such Series 2016A-2 Bonds. Without limiting the immediately preceding sentence, the Trust and any Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any participant with respect to any beneficial ownership interest in the Series 2016A-2 Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than DTC, of any notice with respect to the Series 2016A-2 Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, the Series 2016A-2 Bonds. The Trust and any Fiduciary may treat as, and deem DTC to be, the absolute owner of each Series 2016A-2 Bond for the purpose of payment of the principal or Redemption Price of, and interest on, each such Series 2016A-2 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2016A-2 Bonds, for the purpose of registering transfers with respect to such Series 2016A-2 Bonds and for all other purposes whatsoever. The Paying Agent shall pay all principal or Redemption Price of, and interest on, the Series 2016A-2 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Trust's obligations with respect to the principal or Redemption Price of, and interest on, the Series 2016A-2 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive a Series 2016A-2 Bond evidencing the obligation of the Trust to make payments of principal or Redemption Price of, and interest on, the Series 2016A-2 Bonds pursuant to this Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term "Cede & Co." in this Bond Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Series 2016A-2 Bonds at any time by giving written notice to the Trust and the Fiduciaries and discharging its responsibilities with respect thereto under applicable law.

(b) The Trust, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2016A-2 Bonds if the Trust so determines, and shall terminate the services of DTC with respect to the Series 2016A-2 Bonds upon receipt by the Trust and the Fiduciaries of written notice from DTC to the effect that DTC has received written notice from participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Series 2016A-2 Bonds to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the Series 2016A-2 Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series 2016A-2 Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2016A-2 Bonds.

(c) Upon the termination of the services of DTC with respect to the Series 2016A-2 Bonds pursuant to subsection 2.05(3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2016A-2 Bonds pursuant to subsection 2.05(3)(a) or subsection 2.05(3)(b)(i) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Trust, is willing and able to undertake such functions upon reasonable and customary terms, the Series 2016A-2 Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 2016A-2 Bonds shall designate, in accordance with the provisions of Article II hereof.

4. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Series 2016A-2 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of, and interest on, such Series 2016A-2 Bond and all notices with respect to such Series 2016A-2 Bond shall be made and given, respectively, to DTC as provided in the

representation letter of the Trust and the Trustee addressed to DTC with respect to the Series 2016A-2 Bonds.

5. In connection with any notice or other communication to be provided to Bondholders pursuant to this Bond Resolution by the Trust or the Trustee with respect to any consent or other action to be taken by Bondholders, the Trust or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01. Medium of Payment; Form and Date; Letters and Numbers.

1. The Bonds shall be payable, with respect to interest and principal or Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

2. The Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons in denominations of, subject to the denominations required by Section 2.03(3) and 2.05(2) hereof with regard to the initial denominations of the Series 2016A-2 Bonds, $5,000 or any whole multiple thereof. The Bonds of each Series shall be in substantially the form set forth in Section 14.01 or substantially in the form set forth in the Supplemental Resolution authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in this Bond Resolution or the Supplemental Resolution providing for the issuance of the Series of which such Bond is a part and so as to be distinguished from every other Bond.

Bonds of each Series issued on the date of original issuance shall be dated and bear interest from the date set forth in this Bond Resolution or the Supplemental Resolution authorizing such Series of Bonds. Bonds of each Series issued after the date of original issuance shall be dated as of the date of authentication thereof by the Trustee. Interest on each Bond shall be payable from the most recent Interest Payment Date next preceding the date of authentication of such Bond to which interest has been paid, unless the date of authentication of such Bond is an Interest Payment Date to which interest has been paid, in which case interest shall be payable from such Interest Payment Date, or unless the date of such Bond is prior to the first Interest Payment Date on the Bonds, in which case interest shall be payable from the earliest date on which interest shall have accrued on the Bonds, or unless the date of such Bond is between the Record Date and the next succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date.

4. The interest on, and principal or Redemption Price, if any, of, each Series of Bonds shall be payable as provided in this Bond Resolution or Supplemental Resolution relating to such Series of Bonds.

SECTION 3.02. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Bond Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, the Act, or otherwise, as may be determined by the Trust prior to the authentication and delivery thereof.

SECTION 3.03. Execution and Authentication.

1. The Bonds shall be executed in the name of the Trust by the manual or facsimile signature of the Chairman or other Authorized Officer of the Trust, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary or other Authorized Officer of the Trust, or in such other manner as may be required or permitted by law. In case any one or more of the Authorized Officers of the Trust who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may,

nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the Trust by such persons who at the time of the execution of such Bonds shall be duly authorized or shall hold the proper office in the Trust, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in this Bond Resolution or in the Supplemental Resolution authorizing such Series of Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Bond Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Trust shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Bond Resolution and that the Holder thereof is entitled to the benefits of this Bond Resolution.

SECTION 3.04. Transfer and Registry.

1. Each Bond shall be transferable only upon the books of the Trust, which shall be kept for that purpose at the Principal Office of the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond the Trust shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

2. The Trust and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Trust as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on, such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Trust nor any Fiduciary shall be affected by any notice to the contrary. The Trust agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense (including legal fees), judgment or liability incurred by it, acting in good faith and without negligence under this Bond Resolution, in so treating such Holder, and that such indemnity shall survive the payment of the Bonds and the discharge of this Bond Resolution.

SECTION 3.05. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Trust shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Trust or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Trust nor the Trustee shall be required (a) to transfer or exchange Bonds for a period beginning on the Record Date next preceding an Interest Payment Date for the Bonds and ending on such Interest Payment Date, or for a period of fifteen (15) days (or such lesser period as may be specified in a Supplemental Resolution for a particular Series of Bonds) next preceding the date (as determined by the Trustee) of any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called or tendered for redemption.

SECTION 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Trust shall execute, and thereupon the Trustee shall authenticate

and deliver, a new Bond of like Series, maturity and principal amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Trust and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Trust and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Trust and the Trustee may prescribe and paying such expenses as the Trust and Trustee may incur. All mutilated Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Trust, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by, and entitled to equal and proportionate benefits with all other Bonds issued under this Bond Resolution in, any moneys or securities held by the Trust or any Fiduciary for the benefit of the Bondholders.

SECTION 3.07. Temporary Bonds.

1. Until the definitive Bonds of any Series are prepared, the Trust may execute, in the same manner as is provided in Section 3.03, and upon the request of the Trust, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Trust at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Bond Resolution.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

SECTION 3.08. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Trust and the other executed certificate shall be retained by the Trustee.

ARTICLE IV

REDEMPTION OF BONDS PRIOR TO MATURITY

SECTION 4.01. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Bond Resolution shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in this Bond Resolution and the Supplemental Resolution authorizing such Series of Bonds. In order to redeem prior to maturity Bonds which are registered in the name of Cede & Co., the Redemption Price plus accrued interest thereon shall be deposited with the Trustee in immediately available funds not later than 11:00 a.m., New York City time, on the redemption date.

SECTION 4.02. Optional and Mandatory Sinking Fund Redemption.

1. The Series 2016A-2 Bonds shall be subject to optional redemption and mandatory sinking fund redemption in accordance with the provisions of this Bond Resolution, including, without limitation, Sections 2.03(5) and (6), respectively, hereof.

2. In the case of any redemption of Bonds at the election or direction of the Trust, the Trust shall give written notice to the Trustee of its election or direction to so redeem, of the redemption date, and of the principal amounts of the Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the Trust in its sole discretion, subject to any limitations with respect thereto contained in this Bond Resolution). Such notice shall be given at least fifty (50) days prior to the redemption date or such shorter period as shall be agreed to in writing by the Trustee. In the event notice of redemption shall have been given as provided in Section 4.05, the Trust shall pay or require the Applicable Borrower to pay to the Trustee on or prior to the redemption date an amount in cash which, in addition to other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed.

SECTION 4.03. Redemption Otherwise than at Trust's Election or Direction. Whenever by the terms of this Bond Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Trust, the Trustee shall select the Bonds to be redeemed, give the notice of redemption as provided in Section 4.05 and pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the Paying Agent in accordance with the terms of this Article IV and, to the extent applicable, Article V hereof.

SECTION 4.04. Selection of Bonds to Be Redeemed. If less than all of the Bonds of like maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee shall determine; provided, however, that the portion of any Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum denomination in which Bonds of such Series are authorized to be outstanding after the redemption date.

SECTION 4.05. Notice of Redemption. When Bonds of a Series have been selected for redemption pursuant to any provision of this Bond Resolution, the Trustee shall give written notice of the redemption of such Bonds in the name of the Trust at the times specified in the second paragraph of this Section, which notice shall set forth: (i) the Series of the Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the Redemption Price to be paid, (iv) that such Bonds will be redeemed at the Principal

Office of the Paying Agent, (v) if less than all of such Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed, (vi) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and (vii) except with respect to a mandatory sinking fund redemption, that such redemption is conditioned upon there being on deposit with the Trustee on the date designated for redemption moneys sufficient for the payment of the Redemption Price and the accrued interest to the redemption date. Such notice shall further state that on the redemption date there shall become due and payable the Redemption Price of all Bonds to be redeemed, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. In case any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, the Holder thereof shall be entitled to a new Bond or Bonds of the same Series, bearing interest at the same rate and in aggregate principal amount equal to the unredeemed portion of such Bond.

The notice required to be given by the Trustee pursuant to this Section shall be sent by first class mail to the registered owners of the Bonds to be redeemed, at their addresses as they appear on the Bond registration books of the Trust, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date. The failure to give notice of the redemption of any Bond or portion thereof to the registered owner of such Bond as herein provided shall not affect the validity of the proceedings for the redemption of any Bonds for which notice of redemption has been given in accordance with the provisions of this Section.

SECTION 4.06. Payment of Redeemed Bonds. On the date designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds or such portions thereof on such date and, if upon presentation and surrender moneys for the payment of the Redemption Price and the accrued interest to the redemption date are held in a separate account by the Trustee in trust for the holders of such Bonds, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security under this Bond Resolution and the Holders of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and the accrued interest thereon and, to the extent provided in Section 4.07 hereof, to receive Bonds for any unredeemed portions of Bonds.

SECTION 4.07. Redemption of Portions of Bonds. In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption and accrued interest thereon on or after the redemption date, the Trust shall execute and the Trustee shall authenticate and deliver to or upon the order of the registered owner thereof or his attorney or legal representative, without charge therefor, a Bond or Bonds of the same Series bearing interest at the same rate and of any denomination or denominations authorized by this Bond Resolution in aggregate principal amount equal to the unredeemed portion of such Bond.

ARTICLE V

REVENUES AND FUNDS

SECTION 5.01. Creation of Funds and Accounts. The following funds and separate accounts within funds shall be established, held and maintained for the Bonds:

1. Debt Service Fund, to be held by the Trustee, which shall consist of an Interest Account, a Capitalized Interest Account, a Principal Account and a Redemption Account, each of which Accounts shall be further subdivided into an SRF Subaccount and a non-SRF Subaccount, each of which Subaccounts shall be further subdivided into a Clean Water Subaccount and a Drinking Water Subaccount;

2. Debt Service Reserve Fund, to be held by the Trustee, which shall consist of an SRF Account and a non-SRF Account to the extent necessary and/or appropriate, each of which Accounts shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate;

3. General Fund, to be held by the Trustee, which shall consist of an SRF Account and a non-SRF Account to the extent necessary and/or appropriate, each of which Accounts shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate;

4. Operating Expense Fund, to be held by the Trust, which shall consist of an Administrative Fee Account and a Costs of Issuance Account;

5. Project Fund, to be held by the Trustee, which shall consist of a separate Project Loan Account established (i) for each Borrower to which a single Loan is to be made from a portion of the proceeds of the Series 2016A-2 Bonds and, if applicable, (ii) for each Loan with respect to any Borrowers that have received two or more loans from a portion of the proceeds of the Series 2016A-2 Bonds, each of which Project Loan Accounts shall be designated either "SRF" or "non-SRF" pursuant to Section 5.02 hereof, and each of which Accounts shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; provided, however, that, to the extent a single Loan is made by the Trust to finances multiple projects, the Trustee shall, upon the direction of an Authorized Officer of the Trust, establish Subaccounts within a particular Project Loan Account with respect to each individual project;

6. Revenue Fund, to be held by the Trustee, which shall consist of (i) a Trust Bond Loan Repayments Account, consisting of an SRF Subaccount and a non-SRF Subaccount to the extent necessary and/or appropriate, each of which Subaccounts further shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; and (ii) a State Loan Repayments Account, consisting of an SRF Subaccount and a non-SRF Subaccount to the extent necessary and/or appropriate, each of which Subaccounts further shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; and

7. Rebate Fund, to be held by the Trustee, which shall consist of a General Rebate Account.

8. Pursuant to a certificate of an Authorized Officer of the Trust, the Trust may direct the Trustee to establish additional funds, accounts within funds, and subaccounts within accounts, in the manner set forth in such certificate.

Each of the funds and accounts created by this Bond Resolution, other than the Operating Expense Fund, the Project Fund, and the Rebate Fund is hereby pledged to, and charged with, the payment of the principal or Redemption Price of and interest on the Bonds as the same shall become due.

SECTION 5.02. Project Fund.

1. There shall be established within the Project Fund a separate Project Loan Account in favor of each Borrower to which a Loan is to be made pursuant to a Loan Agreement.

2. There shall be deposited into each Project Loan Account from the proceeds of the Series 2016A-2 Bonds the respective amounts set forth in the Certificate of an Authorized Officer of the Trust delivered to the Trustee pursuant to Section 2.03(7)(f) hereof, which Certificate shall also designate each such Project Loan Account as "SRF" or "non-SRF".

3. Subject to Section 5.09, the Trustee shall make payments from a Project Loan Account for Costs of a Borrower's Project in the amounts, at the times, in the manner and on the other terms and conditions set forth in this Section 5.02 and in such Borrower's Loan Agreement. Before any such payment shall be made, the Borrower shall file with the Trustee its requisition therefor, approved by the Trust, which requisition shall be on a form as determined by the Executive Director or other Authorized Officer of the Trust. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method arrange to make the payment required by such requisition.

4. The Trust shall file with the Trustee a Certificate, signed by an Authorized Officer of the Trust, with respect to each Project Loan Account directing the Trustee to transfer to the Debt Service Fund to be applied as a credit against and considered as Trust Bond Loan Repayments due from the respective Borrower in whose favor any such Project Loan Account was established (a) all of the moneys remaining in any such Project Loan Account at the times and upon satisfaction of the conditions set forth in Section 5.02(4)(i) below, (b) all or a portion of the Net Earnings retained in any such Project Loan Account at the times and upon satisfaction of the conditions set forth in Section 5.02(4)(ii) below, or (c) all or a portion of the original principal amount deposited in accordance with Section 2.03(7)(e) hereof and remaining in any such Project Loan Account at the times and upon satisfaction of the conditions set forth in Section 5.02(4)(iii) below.

(i) The Trust shall file the Certificate ordering the transfer referred to in Section 5.02(4)(a) above when (A) the Trust has approved all requisitions to be paid from any such Project Loan Account that are eligible to be approved under the Regulations, or (B) such Borrower has prepaid all of its Loan pursuant to Section 3.03A or Section 3.07 of such Borrower's respective Loan Agreement. Such Certificate shall also state (X) that the proceeds of the Loan have been fully disbursed to the extent allowed by the Regulations, (Y) if any moneys remain on deposit in the Project Loan Account, set forth a schedule indicating when and how much of the remaining moneys are to be transferred to the Debt Service Fund and applied as a credit against and considered as Trust Bond Loan Repayments due from the respective Borrower in whose favor the Project Loan Account was established, and (Z) with respect to clause (B) above, and notwithstanding the provisions hereof to the contrary, whether the Trust shall implement a redemption of Bonds pursuant to the terms hereof, which redemption shall be implemented to the extent provided by the terms of Section 3.03A and/or Section 3.07 of the Applicable Borrower's respective Loan Agreement.

(ii) The Trust shall file the Certificate ordering the transfer referred to in Section 5.02(4)(b) above when the Trust has been notified that (A) all of the contracts for completion of the respective Borrower's Project must have been awarded, (B) the low bid building cost must have been

established by the Department and any dispute between the Department and the Borrower regarding same must be settled and (C) the last date of the original draw schedule set forth in Exhibit C to the Borrower's Loan Agreement has passed. If any moneys that constitute Net Earnings in the Project Loan Account remain on deposit in the Project Loan Account after such initial transfer to the Debt Service Fund, such Certificate shall also set forth a schedule indicating when and how much of the remaining moneys that constitute Net Earnings in the Project Loan Account are to be transferred to the Debt Service Fund and applied as a credit against and considered as Trust Bond Loan Repayments due from the respective Borrower in whose favor the Project Loan Account was established.

(iii) The Trust shall file the Certificate ordering the transfer referred to in Section 5.02(4)(c) above when the Trust has been notified that (A) all of the contracts for completion of the respective Borrower's Project must have been awarded, (B) the low bid building cost must have been established by the Department and any dispute between the Department and the Borrower regarding same must be settled, (C) the Project must be sufficiently completed such that the Department has authorized the Borrower to commence operation of the Borrower's Project and (D) the last date of the original draw schedule set forth in Exhibit C to the Borrower's Loan Agreement has passed. If any moneys that constitute all or a portion of the original principal amount deposited in any such Project Loan Account in accordance with Section 2.03(7)(e) hereof remain on deposit in the Project Loan Account, such Certificate shall also set forth a schedule indicating when and how much of the remaining moneys that constitute all or a portion of the original principal amount deposited in any such Project Loan Account in accordance with Section 2.03(7)(e) hereof are to be transferred to the Debt Service Fund and applied as a credit against and considered as Trust Bond Loan Repayments due from the respective Borrower in whose favor the Project Loan Account was established.

(iv) The Trustee shall transfer from the Project Loan Accounts to the SRF Account or the non-SRF Account of the Debt Service Fund, as applicable, the amounts contained in any such Certificate of the Trust at the times indicated therein.

5. No disbursement from the respective Project Loan Account shall be made by the Trustee unless the Borrower has complied with each provision of Section 3.02 of the respective Loan Agreement.

SECTION 5.03. Operating Expense Fund.

1. There shall be established within the Operating Expense Fund a Costs of Issuance Account and an Administrative Fee Account.

2. In addition to the amounts deposited in the Costs of Issuance Account from the proceeds of the Series 2016A-2 Bonds pursuant to Section 2.03(7)(b), there shall be deposited in the Costs of Issuance Account from the proceeds of each Series of Refunding Bonds, the amounts set forth for deposit therein pursuant to the Supplemental Resolutions authorizing the issuance of each such Series of Refunding Bonds.

3. The Trust shall make payments from the Costs of Issuance Account and, if necessary, from its funds and accounts not subject to the pledge and lien of this Bond Resolution, in the amounts, at the times, in the manner and on the other terms and conditions as the Trust shall determine to be fair and reasonable in the payment of the particular items of the Costs of Issuance relating to the issuance of a particular Series of Bonds and, in the case of the Series 2016A-2 Bonds, in accordance with the provisions of the Tax Certificate. Upon the payment of all Costs of Issuance as evidenced by a Certificate of an Authorized Officer of the Trust to such effect, the amounts remaining in the Costs of Issuance Account, if any, shall be transferred (i) to the Debt Service Fund and deposited into the Interest Account thereof to pay

the interest and to the extent available therefor, deposited in the Principal Account thereof to pay the principal of the Bonds due and owing on the immediately succeeding Interest Payment Date, in which case such amounts shall be credited to the Trust Bond Loan Repayments of Borrowers in the percentages set forth on Schedule I-B attached hereto, or (ii) as otherwise set forth in a Certificate of an Authorized Officer of the Trust.

4. The Trustee shall deposit in the Administrative Fee Account the Administrative Fees received by the Trustee on behalf of the Trust pursuant to the Loan Agreements. The Trust shall utilize moneys on deposit in the Administrative Fee Account from time to time to pay the operating expenses of the Trust; provided, however, that in any Bond Year the moneys on deposit in the Administrative Fee Account shall be applied by the Trust in satisfaction of the operating expenses of the Trust arising under this Bond Resolution in such Bond Year before such moneys may be applied in satisfaction of the other operating expenses of the Trust arising in such Bond Year.

SECTION 5.04. Revenues. The Trustee shall, as agent for the Trust and the State, perform the following duties and services:

1. The Trustee shall collect from each Borrower all required Trust Bond Loan Repayments, State Loan Repayments, Administrative Fee payments and State Administrative Fee payments, when due, in the amounts and at the times established by the Trust in a Certificate of an Authorized Officer of the Trust. The Trust shall use its best efforts to provide such Certificate to the Trustee no less than sixty (60) days prior to the date on which any such payments are due and payable. In collecting such payments from each Borrower, the Trustee shall rely exclusively upon such Certificate of an Authorized Officer of the Trust. To the extent the Trustee deems it necessary or appropriate, the Trustee may, and is hereby authorized to, establish a Clearing Account for the purpose of administering the collection of such payments. The Trustee hereby acknowledges that (a) all amounts so collected shall be collected by the Trustee on behalf of, and for the benefit of, the Trust and the State, to the extent of their respective interests therein, (b) in making such collections, the Trustee acts as an agent for the Trust and the State, to the extent of their respective interests therein, (c) all amounts so collected by the Trustee are the property of the Trust and the State, to the extent of their respective interests therein, and not of the Trustee, (d) all such amounts, when received by the Trustee, are deemed to be received by the Trust and the State, to the extent of their respective interests therein, determined in accordance with paragraph (3) below, and (e) the amounts deemed received by the Trust as Trust Bond Loan Repayments and by the State as State Loan Repayments, to the extent deposited in accordance with paragraph (3) below, are, immediately upon deposit therein, deemed to be Revenues, and are included in the Trust Estate established and pledged as security for the Series 2016A-2 Bonds under this Bond Resolution.

2. Promptly after collection of each Trust Bond Loan Repayment, State Loan Repayment, Administrative Fee payment, State Administrative Fee payment or other required payment from a Borrower, the Trustee shall credit such Borrower with each of the respective sums collected. Moneys received from each Borrower with respect to a particular payment date shall be credited, *first*, to the payment then due (other than the Administrative Fee payment) under the Loan Agreement, *second*, to the Administrative Fee payment then due under the Loan Agreement, *third*, to the payment then due (other than the State Administrative Fee payment, if any) under the State Loan Agreement, and, *fourth*, to the State Administrative Fee payment, if any, then due under the State Loan Agreement.

3. Promptly after crediting each Borrower pursuant to the order of priority established under paragraph (2) above for the moneys received from each Borrower with respect to a particular payment date, the Trustee shall deposit the sums collected in the accounts established for such payments in the following order of priority of such deposits and the required amounts of such deposits:

(a) First, (i) into the Trust Bond Loan Repayments Account within the Revenue Fund established under this Bond Resolution, a sum or sums from moneys credited as Trust Bond Loan Repayments equal to the amount required for the next immediate debt service payment date for the Series 2016A-2 Bonds, and (ii) into the State Loan Repayments Account within the Revenue Fund established under this Bond Resolution, all moneys credited as State Loan Repayments,

(b) Upon depositing the required amounts pursuant to paragraph (3)(a) above, into the Administrative Fee Account in the Operating Expense Fund established under this Bond Resolution, all moneys credited as Administrative Fee payments only then due to the Trust from each Borrower pursuant to its respective Loan Agreement;

(c) (i) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above, the amounts on deposit in the Trust Bond Loan Repayments Account within the Revenue Fund, and on the date that is three (3) Business Days prior to the next immediate debt service payment date for the Series 2016A-2 Bonds, are <u>not</u> sufficient to make all of the payments due with respect to the Bonds on such date, then the Trustee shall transfer immediately from the State Loan Repayments Account within the Revenue Fund to the Trust Bond Loan Repayments Account within the Revenue Fund an amount equal to the difference between the amount on deposit in the Trust Bond Loan Repayments Account within the Revenue Fund and the amount required to make all of the payments due to the next immediate debt service payment date for the Series 2016A-2 Bonds;

(ii) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above and after giving effect to any transfers required by paragraph 3(c)(i) above, the amounts on deposit in the Trust Bond Loan Repayments Account within the Revenue Fund are sufficient to make all of the payments due with respect to the Bonds on such date, then the Trustee shall transfer immediately to the Master Program Trustee for deposit in the Master Program Trust Account from moneys on deposit in the State Loan Repayments Account within the Revenue Fund and credited as State Loan Repayments only corresponding to the next immediate debt service payment date for the Series 2016A-2 Bonds, for disbursement in accordance with the terms and conditions of the Master Program Trust Agreement;

(d) Upon depositing and/or transferring the required amounts pursuant to paragraphs (3)(a), (3)(b) and (3)(c), above, to the State all moneys credited as State Administrative Fee payments only, if any, then due to the State from each Borrower pursuant to its respective State Loan Agreement; and

(e) Upon depositing the required amounts pursuant to paragraphs (3)(a), (3)(b), (3)(c) and (3)(d), above, into the applicable Account within the Revenue Fund all remaining moneys, if any, credited as Loan Repayments, to be applied in satisfaction of the amounts next required to be disbursed as provided under this paragraph (3) in the sequence and manner established pursuant to this paragraph (3).

In making the deposits required by the provisions of this subsection (3), the Trustee shall rely exclusively upon a Certificate of an Authorized Officer of the Trust, which Certificate shall be provided to the Trustee by the Trust simultaneously with the provision by the Trust to the Trustee of the Certificate required by the provision of subsection (1) of this Section 5.04.

4. If a payment of amounts due under a Loan Agreement or a State Loan Agreement is not received on or before the required payment date, the Trustee shall notify the Borrower and, if applicable,

the trustee under the Borrower Bond Resolution (as such term is defined in the Loan Agreement) in writing on the first Business Day after such payment date that the payment is past due. A copy of said notice shall be provided at the same time to the Trust and the State. If a payment is not received from the Borrower within ten days of the date when such payment is due, the Trustee shall promptly notify the Trust and the State in writing.

5. The Trustee shall promptly notify the Trust, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution in writing if the moneys received from the Borrower pursuant to paragraph (2) of this Section 5.04 with respect to a particular payment date are insufficient to satisfy in full the Trust Bond Loan Repayments and Administrative Fee payments then due under the Loan Agreement. The Trustee shall promptly notify the Trust, the State, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution in writing if the moneys received from the Borrower pursuant to paragraph (2) of this Section 5.04 with respect to a particular payment date are insufficient to satisfy in full the State Loan Repayments and State Administrative Fee payments then due under the State Loan Agreement. The Trustee, pursuant to Section 5.07(2) of this Bond Resolution, shall also notify the Trust and the State that a Trust Bond Loan Repayment deficiency cannot be satisfied from Loan Repayments deposited pursuant to Section 5.04(3)(a) hereof.

6. In connection with the obligation of the Trustee pursuant to subsections (4) and (5) of this Section 5.04 to provide written notice to a trustee under a Borrower Bond Resolution, the Trust shall use its best efforts to maintain on file with the Trustee a list of such trustees, with relevant address and contact information included in such list. However, the failure of the Trust to provide such list to the Trustee shall not relieve the Trustee of the obligation to provide the written notice to such a trustee pursuant to the provisions of subsections (4) and (5) of this Section 5.04.

SECTION 5.05. Revenue Fund.

1. On or prior to each Interest Payment Date, the Trustee shall transfer from amounts in the SRF Account and the non-SRF Account of the Trust Bond Loan Repayments Account within the Revenue Fund to the SRF Subaccount and the non-SRF Subaccount, as applicable, of the Interest Account in the Debt Service Fund, the amount which, together with the amounts, if any, already on deposit in such subaccounts of the Interest Account (other than Net Earnings on amounts that have been received in the Interest Account since the immediately preceding Interest Payment Date) and the amounts, if any, on deposit in the Capitalized Interest Account and designated for use on such Interest Payment Date pursuant to this Bond Resolution or a Supplemental Resolution, is equal in the aggregate to the interest due and payable on the Bonds on such Interest Payment Date.

2. On or prior to September 1 of each year through and including final maturity of the Bonds, the Trustee shall transfer from moneys on deposit in the SRF Account and the non-SRF Account of the Trust Bond Loan Repayments Account within the Revenue Fund to the SRF Subaccount and the non-SRF Subaccount, as applicable, of the Principal Account in the Debt Service Fund the amount which, together with the amounts, if any, already on deposit in such subaccounts of the Principal Account (other than Net Earnings on amounts that have been received in the Principal Account since the immediately preceding Interest Payment Date), is equal in the aggregate to the principal, including Sinking Fund Installments, if any, due and payable on the Bonds on such September 1.

3. On or prior to each redemption date, other than a Sinking Fund Installment due date, the Trustee shall transfer from moneys on deposit in the SRF Account and the non-SRF Account of the Trust Bond Loan Repayments Account within the Revenue Fund (i) to the SRF Subaccount and the non-SRF Subaccount, as applicable, of the Redemption Account in the Debt Service Fund an amount equal in the aggregate to the Redemption Price due and payable on all Bonds to be redeemed on such redemption date

and (ii) to the SRF Subaccount and the non-SRF Subaccount, as applicable, of the Interest Account in the Debt Service Fund an amount equal in the aggregate to the interest accrued and not paid and to accrue on such Bonds to such redemption date. Money received from a Borrower prior to September 1, 2027 that represents a prepayment of its Loan as allowed under its respective Loan Agreement shall be held in the accounts set forth in a Certificate of an Authorized Officer of the Trust prior to September 1, 2027, the first optional redemption date.

4. All Revenues representing repayments made pursuant to the second paragraph of Section 3.04 of any Loan Agreement for the replenishment of the Debt Service Reserve Fund shall be immediately transferred by the Trustee for deposit to the SRF Account or the non-SRF Account, as applicable, of the Debt Service Reserve Fund.

5. The Trustee shall keep records and accounts with respect to the Revenue Fund. Such records shall be in such format so that all amounts received by the Trustee from the Borrowers under the Loan Agreements can be properly designated as interest or principal payments on the Loans, other than amounts payable under the Loan Agreements or Net Earnings attributable to such amounts.

SECTION 5.06. Debt Service Fund.

1. On each Interest Payment Date and each redemption date, the Trustee shall withdraw from the Capitalized Interest Account, if so designated, and the Interest Account in the Debt Service Fund amounts equal in the aggregate to the interest due on the Bonds on such Interest Payment Date or redemption date, which moneys shall be paid by the Paying Agent in accordance with Section 3.01 hereof.

2. On the maturity or Sinking Fund Installment due date of any Bonds, the Trustee shall make available to the Paying Agent from moneys in the Principal Account in the Debt Service Fund an amount equal to the principal or Redemption Price of the Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal or Redemption Price.

3. On each redemption date, other than a Sinking Fund Installment due date, the Trustee shall make available to the Paying Agent from moneys in the Redemption Account an amount equal to the Redemption Price of the Bonds to be redeemed on such redemption date, which moneys shall be applied by the Paying Agent to the payment of such Redemption Price.

SECTION 5.07. Debt Service Reserve Fund.

1. Each Rating Agency that has been requested by the Trust to publish a rating for the Series 2016A-2 Bonds has determined that such Rating Agency shall assign to the Series 2016A-2 Bonds, upon the issuance thereof, the highest rating assigned to any such debt instruments by such Rating Agency notwithstanding the fact that the Debt Service Reserve Requirement with respect to the Series 2016A-2 Bonds is equal to $0.00. Therefore, in accordance with the last sentence of the definition of "Debt Service Reserve Requirement" set forth in Section 1.01 of this Resolution, the Debt Service Reserve Requirement with respect to the Series 2016A-2 Bonds pursuant to the terms of this Resolution shall be equal to $0.00 during the entire period during which the Series 2016A-2 Bonds remain Outstanding. To the extent any moneys are on deposit in the Debt Service Reserve Fund, with respect to Refunding Bonds or otherwise, such moneys shall be applied solely as provided in this Section**.**

2. Whenever a Borrower shall notify the Trust or the Trustee in writing, or whenever the Trust or Trustee shall determine, that a Borrower is deficient in the payment of a Trust Bond Loan Repayment and that such deficiency cannot be satisfied from other Loan Repayments, State Loan Repayments or other amounts payable thereunder that have been transferred to the Revenue Fund or the

Debt Service Fund and that such deficiency cannot be satisfied from amounts payable by the Master Program Trustee from amounts on deposit in the Master Program Trust Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program Trust Agreement, the Trustee shall transfer from the SRF Account or non-SRF Account, as applicable, of the Debt Service Reserve Fund on the Interest Payment Date or maturity date or Sinking Fund Installment due date, as the case may be, the amount of such deficiency to the appropriate account in the Debt Service Fund; provided, however, that the Trustee may only transfer such amount which, when added to the difference between (i) all prior transfers made from the Debt Service Reserve Fund as a result of deficient Trust Bond Loan Repayments by said Borrower and (ii) all repayments made by, or on behalf of, the Borrower pursuant to the second paragraph of Section 3.04 of the Applicable Loan Agreement, does not exceed said Borrower's pro rata share of the Debt Service Reserve Fund. A Borrower's pro rata share of the Debt Service Reserve Fund shall be an amount equal to the product of: (a) the Debt Service Reserve Requirement and (b) said Borrower's Allocable Share as set forth on Schedule I attached hereto.

3. Whenever the Trustee is notified by the Trust that the amount, if any, in the Debt Service Reserve Fund funded with Bond proceeds and allocable to any Reserve Capacity Borrower, together with the amount in the Debt Service Fund allocable to any such Reserve Capacity Borrower, is sufficient to pay in full all Outstanding Bonds allocable to any such Reserve Capacity Borrower in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the Trustee shall transfer such amount on deposit in the Debt Service Reserve Fund funded with Bond proceeds and allocable to any such Reserve Capacity Borrower to the Debt Service Fund to be applied as a credit to the final Trust Bond Loan Repayments of any such Reserve Capacity Borrower.

4. After any transfer made pursuant to Section 5.07(3) herein and upon the cancellation of all Series 2016A-2 Bonds and any Refunding Bonds in accordance with Section 3.08 hereof, the Trustee shall transfer all amounts in the Debt Service Reserve Fund, if any, to the Trust for application by the Trust in accordance with the Act and any other applicable law for any of the Trust's corporate purposes allowed thereby.

5. (a) Whenever any Reserve Capacity Borrower that is no longer paying the Interest Portion payable by said Reserve Capacity Borrower from the Capitalized Interest Account of the Debt Service Fund that is allocable to said Reserve Capacity Borrower, if applicable, has paid or prepaid its loan in full (less only the portion of the Debt Service Reserve Fund that is funded with Bond proceeds allocable to such Reserve Capacity Borrower) in accordance with all of the terms of its Loan Agreement (including, without limitation, obtaining the Trust's consent to any such prepayment, where applicable), the Trust shall notify the Trustee (i) of the Trust's consent to such prepayment, where applicable, and (ii) that the amount in the Debt Service Reserve Fund funded with moneys other than Bond proceeds allocable to any such Reserve Capacity Borrower shall be transferred to the Trust for any of its lawful corporate purposes pursuant to the instructions of a Certificate of an Authorized Officer of the Trust. The portion of the Debt Service Reserve Fund that is funded with Bond proceeds allocable to such Reserve Capacity Borrower shall be transferred (i) to the Debt Service Fund for redemption or payment of the Bonds attributable to such Borrower's Loan or (ii) in accordance with a Certificate of an Authorized Officer of the Trust to effect the defeasance of Bonds attributable to such Borrower's Loan in accordance with Article XII hereof, in either case to be applied (along with the Net Earnings thereon) as a credit to the final Trust Bond Loan Repayments of such Reserve Capacity Borrower. Prior to any such transfer described herein, investments held in the Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the transfer described herein.

(b) Whenever any Borrower that is not a Reserve Capacity Borrower and that is no longer paying the Interest Portion payable by said Borrower from the Capitalized Interest Account of the Debt Service Fund that is allocable to said Borrower, if applicable, has paid or prepaid its loan in full in

accordance with all of the terms of its Loan Agreement (including, without limitation, obtaining the Trust's consent to any such prepayment, where applicable), the Trust shall notify the Trustee (i) of the Trust's consent to such prepayment, where applicable, and (ii) that the amount in the Debt Service Reserve Fund allocable to any such Borrower shall be transferred to the Trust for any of its lawful corporate purposes pursuant to the instructions of a Certificate of an Authorized Officer of the Trust. Prior to any such transfer described herein, investments held in the Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the transfer described herein.

6. Whenever the Trustee determines that the amount of money in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement on September 1 on any valuation date, such excess money shall be transferred to the Trust for application by the Trust in accordance with the Act and any other applicable law for any of the Trust's corporate purposes allowed thereby.

7. Investment of the Debt Service Reserve Fund shall be valued every ten (10) years, at the market value thereof, exclusive of accrued interest. Notwithstanding anything to the contrary in Section 5.10 hereof, if a decline in the market value of securities on deposit in the Debt Service Reserve Fund causes the marked to market amount on deposit in the Debt Service Reserve Fund to be below the Debt Service Reserve Requirement, such deficiency shall be restored by retaining all or a portion of each Borrower's Allocable Share of Net Earnings thereon until the Debt Service Reserve Requirement has been met. When and to the extent market conditions change thereafter, any such retained Net Earnings (and not the corpus of the Debt Service Reserve Fund) not needed to satisfy the Debt Service Reserve Requirement shall be credited to the Trust Bond Loan Repayments of the Borrowers in accordance with their Allocable Share as set forth in Section 5.10 hereof. Investments purchased with funds on deposit in the Debt Service Reserve Fund shall have a term to maturity of not greater than ten (10) years.

SECTION 5.08. General Fund. On the first day of each Bond Year beginning September 1, 2017, the Trustee shall deposit in the SRF Account and non-SRF Account, as applicable, of the General Fund all moneys then remaining in the Trust Bond Loan Repayments Account within the Revenue Fund except for those moneys identified as credits under Section 5.10 hereof to be transferred to the Interest Account on the second day of such Bond Year; provided, however, that (i) to the extent such date is a valuation date, the moneys then on deposit in the Debt Service Reserve Fund shall be at least equal to the Debt Service Reserve Requirement, (ii) all transfers from the Trust Bond Loan Repayments Account within the Revenue Fund required pursuant to subsections (1), (2), (3) and (4) of Section 5.05 shall have been made, and (iii) all funds required to be on deposit in the Revenue Fund pursuant to Section 5.05(2) are on deposit in the Revenue Fund. Moneys on deposit in the General Fund that shall not be required to be transferred to the Interest Account in the Debt Service Fund pursuant to Section 5.10 may be applied by the Trust, upon written requisition from the Trust to the Trustee, in accordance with the Act and, in the case of proceeds of the Series 2016A-2 Bonds, the Tax Certificate, for any of its corporate purposes. Such requisition shall state that the Trust is requesting such moneys pursuant to the provisions of this Section 5.08.

SECTION 5.09. Moneys to Be Held in Trust. All moneys required to be deposited with or paid to the Trustee or the Paying Agent for the account of any fund or account established under any provision of this Bond Resolution for the Bonds in accordance with this Bond Resolution, other than the Project Loan Account in the Project Fund, the Operating Expense Fund, and the Rebate Fund, shall be held by the Trustee or the Paying Agent, as the case may be, in trust for the Holders of the Bonds and shall constitute part of the Trust Estate while held by the Trustee or the Paying Agent; provided, however, that moneys deposited with or held by the Trustee or the Paying Agent for the redemption of Bonds on or after the redemption date of such Bonds, or for the payment of the Redemption Price of or interest on Bonds on or after the date on which such amounts shall have become due shall be held and applied solely for the redemption or payment of the Redemption Price of or the payment of the interest on such Bonds.

SECTION 5.10. Investments.

1. **Generally**. All moneys in any of the Funds and Accounts created under this Bond Resolution, other than the Operating Expense Fund and the Accounts established therein, shall be invested by the Trustee as directed by an Authorized Officer of the Trust in writing, subject to the further provisions of this Section. Each such direction, including, without limitation, the establishment and payment of the purchase price of any such investment, shall be consistent with then current procurement and investment policies and procedures of the Trust. The Trustee may conclusively rely upon such written direction of an Authorized Officer of the Trust as to any and all investments and as to the compliance of any investments with the procurement and investment policies and procedures of the Trust. Moneys in the Operating Expense Fund shall be invested by the Trust in accordance with the provisions of this Section.

Moneys in all Funds and Accounts created under this Bond Resolution shall be invested in Investment Securities, the principal of and interest on which are payable not later than the dates on which it is estimated that such moneys will be required hereunder, provided, however, that the Project Fund and the Accounts established therein may be invested in the State of New Jersey Cash Management Fund or other similar common trust fund for which the New Jersey State Treasurer is the custodian, in addition to investment thereof in Investment Securities.

Investment Securities acquired as an investment of moneys in any Fund or Account created under this Bond Resolution shall be credited to such Fund or Account. For the purpose of determining the amount in any Fund or Account at any time in accordance with this Bond Resolution, all Investment Securities credited to such Fund or Account shall be valued at the lesser of amortized cost (exclusive of accrued interest) or fair market value; provided, however, that the Debt Service Reserve Fund shall be valued in compliance with the provisions of Section 5.07(7) hereof.

The Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Trustee shall exercise its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities to the credit of any Fund or Account created under this Bond Resolution, other than the Operating Expense Fund, the Accounts established therein and the Rebate Fund, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund or Account, and the Trustee shall not be liable for any loss resulting from such necessary sale so made of such investments.

2. **Net Earnings on the Debt Service Reserve Fund During the Capitalized Interest Period**. Net Earnings from the investment of the Debt Service Reserve Fund during the capitalized interest period (from September 1, 2017 and on each Interest Payment Date through and including September 1, 20__) shall be applied as follows:

(a) **Borrowers that are Capitalizing Interest**. Commencing September 1, 2017 and on each Interest Payment Date thereafter through and including September 1, 20__, the Trustee shall transfer the amounts of Net Earnings from the investment of moneys in the Debt Service Reserve Fund set forth in Section 2.03(7)(a) of this Bond Resolution to the Capitalized Interest Account to be applied to the payment of a portion of the interest due on the Series 2016A-2 Bonds on such Interest Payment Date.

(b) **Borrowers that are not or are no Longer Capitalizing Interest**. Commencing September 1, 2017 and on each Interest Payment Date thereafter through and including September 1, 20__, the Trustee shall transfer the balance of the Net Earnings from the investment of moneys in the SRF and non-SRF portions of the Debt Service Reserve Fund respectively, to the SRF Subaccount and the non-SRF Subaccount, as applicable, of the Interest Account in the Debt Service Fund and apply such amounts as

credits against the Interest Portion of the Trust Bond Loan Repayment due on any such immediately succeeding Interest Payment Date from those Borrowers (being the Borrowers that are not or are no longer capitalizing interest during the capitalized interest period) in the percentages applicable to the Borrowers set forth on Schedule II-A (for SRF Borrowers) and Schedule II-B (for non-SRF Borrowers) attached hereto; provided, however, that (i) the amount to be applied as a credit for each SRF Borrower as determined in the preceding clause of this sentence shall not exceed the product of the amount of such balance of Net Earnings and a fraction, the numerator of which shall equal the product of the amount of said Borrower's Allocable Share of the Debt Service Reserve Fund (as determined pursuant to Schedule II-A) times the Debt Service Reserve Requirement attributable to all SRF Borrowers, less all transfers made by the Trustee in accordance with the provisions of Section 5.07 as of the last day of such Bond Year attributable to such Borrower, and the denominator of which shall equal the Debt Service Reserve Requirement attributable to all SRF Borrowers, less the aggregate amount of all transfers from the Debt Service Reserve Fund on behalf of all such Borrowers which have not been repaid as of the last day of such Bond Year; (ii) the amount to be applied as a credit for each non-SRF Borrower as determined above shall not exceed the product of the amount of such balance of Net Earnings and a fraction, the numerator of which shall equal the product of the amount of said Borrower's Allocable Share of the Debt Service Reserve Fund (as determined pursuant to Schedule II-B) times the Debt Service Reserve Requirement attributable to all non-SRF Borrowers, less all transfers made by the Trustee in accordance with the provisions of Section 5.07 as of the last day of such Bond Year attributable to such Borrower, and the denominator of which shall equal the Debt Service Reserve Requirement attributable to all non-SRF Borrowers, less the aggregate amount of all transfers from the Debt Service Reserve Fund on behalf of all such Borrowers which have not been repaid as of the last day of such Bond Year; and (iii) if on any valuation date the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement other than as a result of any transfer required under Section 5.07 (to the extent applicable during the capitalized interest period), the Net Earnings on amounts on deposit in the Debt Service Reserve Fund shall be credited to and retained in the Debt Service Reserve Fund until the amount on deposit therein equals the Debt Service Reserve Requirement. The Trustee, simultaneously with each such transfer, shall notify the Trust in writing of all such Net Earnings so transferred. Such writings shall set forth the Net Earnings for each such fund or account created hereunder.

3. **Net Earnings on all Funds and Accounts Other than the Funds and Accounts not Subject to Transfer and Credit and Other than the Debt Service Reserve Fund During the Capitalized Interest Period**. Except as provided in the immediately preceding paragraph regarding the transfer of Net Earnings from the Debt Service Reserve Fund during the capitalized interest period, (i) all Net Earnings received in the first Bond Year from investment of moneys in any fund or account created hereunder, other than the Operating Expense Fund, the Rebate Fund, the Project Fund and the respective accounts established therein and the Capitalized Interest Account in the Debt Service Fund, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount as applicable, of the Interest Account in the Debt Service Fund on September 2, 2017; (ii) all Net Earnings received from September 2 through and including March 1 in any Bond Year thereafter from the investment of moneys in any fund or account created under this Bond Resolution, other than the funds and accounts excepted in (i) above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount as applicable, of the Interest Account in the Debt Service Fund on March 2 of any such Bond Year; and (iii) all Net Earnings received from March 2 through and including September 1 of the next succeeding Bond Year from the investment of moneys in any fund or account created under this Bond Resolution, other than the funds and accounts excepted in (i) and (ii) above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount as applicable, of the Interest Account in the Debt Service Fund on September 2 of any such next succeeding Bond Year. Notwithstanding the foregoing, to the extent on any valuation date the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement other than as a result of any transfer required under Section 5.07, the Net Earnings on amounts on deposit in the Debt Service Reserve Fund shall be credited to and retained in the Debt Service Reserve Fund until the amount on deposit therein equals the Debt Service Reserve Requirement.

4. **Specific Borrower Credits**. The Trustee, simultaneously with each transfer contemplated by Section 5.10(2) and (3) hereof, shall notify the Trust in writing of all such Net Earnings so transferred. Such writings shall set forth the Net Earnings for each such fund or account created hereunder. The Trust will credit the Interest Portion of the immediately succeeding Trust Bond Loan Repayment due from a Borrower, and to the extent moneys are available therefor, the principal portion of such Trust Bond Loan Repayments, if any, with the Net Earnings allocable to said Borrower and notify the Borrower and the Trustee of such credit. The Net Earnings allocable to a Borrower shall be the sum of: (a) said Borrower's pro rata share of the Net Earnings derived in accordance with Section 5.10(3) hereof from the SRF or non-SRF Subaccounts or Accounts, as applicable, of the Interest Account, the Principal Account and the Redemption Account in the Debt Service Fund, the General Fund and the Revenue Fund (*i.e.*, all funds and accounts created hereunder other than (i) those funds and accounts listed in Section 5.05 hereof, the Net Earnings on which accounts are not subject to transfer and credit in favor of Borrower Trust Bond Loan Repayments and (ii) the Debt Service Reserve Fund, the Net Earnings on which are subject to transfer and credit during the capitalized interest period in accordance with Sections 5.10(2) and (4)(b) during the capitalized interest period and Sections 5.10(3), 4(c) and 4(d) for all other periods) in any Bond Year commencing on or after September 1, 2017, which pro rata share shall be equal to the product of: (i) such Net Earnings so derived from the SRF or non-SRF accounts of such funds or accounts, as applicable and (ii) said Borrower's Allocable Share (as determined pursuant to Schedule I-A attached hereto); (b) during the period from the issuance of the Series 2016A-2 Bonds through and including September 1, 20__ (the capitalized interest period), said Borrower's Net Earnings derived from the SRF or non-SRF Account, as applicable of the Debt Service Reserve Fund as set forth in Section 5.10(2) (a) (for Borrowers that are capitalizing interest) and 5.10(2)(b) for Borrowers that are not or are no longer capitalizing interest hereof; (c) after the capitalized interest period for SRF Borrowers, said Borrower's pro rata share of the Net Earnings derived from the SRF Account of the Debt Service Reserve Fund in any Bond Year, which pro rata share shall be equal to the product of (i) such Net Earnings and (ii) a fraction, the numerator of which shall equal the product of the amount of said Borrower's Allocable Share of the Debt Service Reserve Fund (as determined pursuant to Schedule I-A attached hereto) times the Debt Service Reserve Requirement attributable to all SRF Borrowers, less all transfers made by the Trustee in accordance with the provisions of Section 5.07 as the last day of such Bond Year attributable to such Borrower, and the denominator of which shall equal the Debt Service Reserve Requirement attributable to all SRF Borrowers less the aggregate amount of all transfers from the Debt Service Reserve Fund on behalf of all such SRF Borrowers which have not been repaid as of the last day of such Bond Year; and (d) after the capitalized interest period for non-SRF Borrowers, said Borrower's pro rata share of the Net Earnings derived from the non-SRF Account of the Debt Service Reserve Fund in any Bond Year, which pro rata share shall be equal to the product of (i) such Net Earnings and (ii) a fraction, the numerator of which shall equal the product of the amount of said Borrower's Allocable Share of the Debt Service Reserve Fund (as determined pursuant to Schedule I-A attached hereto) times the Debt Service Reserve Requirement attributable to all non-SRF Borrowers, less all transfers made by the Trustee in accordance with the provisions of Section 5.07 as of the last day of such Bond Year attributable to such Borrower, and the denominator of which shall equal the Debt Service Reserve Requirement attributable to all non-SRF Borrowers less the aggregate amount of all transfers from the Debt Service Reserve Fund on behalf of all such non-SRF Borrowers which have not been repaid as of the last day of such Bond Year. Provided, however (with respect to (c) and (d) above), that during any valuation date in which the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement other than as a result of any transfer required under Section 5.07, the Net Earnings on amounts on deposit in the Debt Service Reserve Fund shall be credited to and retained in the Debt Service Reserve Fund until the amount on deposit therein equals the Debt Service Reserve Requirement.

To the extent that an Authorized Officer of the Trust advises the Trustee in writing that the Trust has determined that the aggregate Net Earnings in all Funds and Accounts allocable to any individual

Borrower on any Interest Payment Date, as calculated by the Trust pursuant to this paragraph, are less than the lesser of (I) one-twelfth (1/12) of the Trust Bond Loan Repayments due from such Borrower during the immediately preceding Bond Year and (II) $1,000, such Net Earnings shall be retained in the Debt Service Fund unless directed by an Authorized Officer of the Trust to be credited to the Trust Bond Loan Repayment of such Borrower in accordance with this paragraph.

5. **Earnings on Funds and Accounts Not Subject to Transfer and Credit**. All Net Earnings from the investment of moneys in the Project Loan Accounts, the Capitalized Interest Account, the Rebate Fund, the Revenue Fund and the Operating Expense Fund shall be retained in and treated as part of such fund or accounts and applied in accordance with the Sections of this Bond Resolution governing such funds or accounts.

6. **Rebate Fund**. The Trust may withdraw and utilize earnings in any fund or account other than the Interest Account and the Principal Account in the Debt Service Fund to pay into the Rebate Fund held by the Trust any amounts desired by the Trust or required pursuant to the Code to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service, as outlined in the Tax Certificate or any letter of instructions referred to in Section 8.06(2) hereof; provided, however, that to the extent any such moneys and investment earnings thereon on deposit in the Rebate Fund shall not be needed for such purposes at the times so outlined, all or a portion of such moneys may be transferred by the Trustee to the General Fund upon the Trustee's receipt of written instructions from the Trust to such effect. The Trust shall submit to the Trustee a certificate specifying the funds or accounts and the amount of earnings to be withdrawn for such purposes, and the Trustee shall be entitled to rely on each such certificate in making payments to the Trust.

ARTICLE VI

LOANS

SECTION 6.01. Terms and Conditions of Loans. The Trust shall make Loans to Borrowers for the purpose of paying a portion of the Costs of the Borrowers' Projects from moneys available therefor in the applicable Project Loan Accounts in the Project Fund, and shall enter into Loan Agreements, in the manner, on the terms and conditions and upon submission of the documents required by this Article VI, and not otherwise.

SECTION 6.02. Form of Loan Agreement. The Loan Agreements shall be substantially in the form of Exhibit A, Exhibit B or Exhibit C hereto, as applicable, with such changes therein as shall be approved by the Trust, as evidenced by the execution thereof by an Authorized Officer of the Trust; provided, however, that the Loans and the Loan Agreements shall in any event conform in all material respects to the provisions of this Article VI.

SECTION 6.03. Restrictions on Loans. No Loan may be made to reimburse a Borrower for all or a portion of the Cost of a Borrower's Project, or to refinance indebtedness or reimburse the Borrower for the repayment of indebtedness previously incurred by such Borrower to finance all or a portion of the Cost of such Borrower's Project, unless the Borrower shall deliver to the Trust and the Trustee an opinion of Bond Counsel approved by the Trust, in form and substance satisfactory to the Trust, to the effect that such reimbursement or refinancing will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid on the Bonds.

SECTION 6.04. Loan Closing Submissions. Prior to or at each Loan Closing of a Loan, the Trust and the Trustee shall have received the following documents from the Borrower receiving the Loan, failing the receipt of all of which a Borrower shall not be considered a Borrower for purposes of this Bond Resolution:

(a) an opinion or opinions of the Borrower's Counsel substantially in the form set forth in Exhibit E to the form of Loan Agreement; provided, however, that the Trust may permit variances in such opinion from the form or substance of such Exhibit E, if such variances are not to the material detriment of the interests of the Bondholders;

(b) counterparts of the Loan Agreement executed by the parties thereto designating, among other things, SRF or non-SRF status and any other relevant term contemplated by Section 1.03 hereof;

(c) the bond evidencing the payment obligations of the Borrower under such Loan Agreement, duly executed, authenticated and delivered by such Borrower and endorsed by the Trust to the Trustee;

(d) the opinion required by Section 6.03 hereof, if applicable;

(e) copies of the resolutions or ordinances of the governing body of the Borrower authorizing the execution and delivery of such Loan Agreement and bond, certified by an Authorized Officer of the Borrower;

(f) an opinion of Counsel to the Trust that the Borrower's Project constitutes a "Project" within the meaning of the Act and that the financing thereof by the Trust is permissible under the Act and Section 6.01 of this Resolution; and

(g) such other certificates, documents, opinions and information as the Trust or the Trustee may require.

All opinions and certificates required under this Section shall be dated the date of the Loan Closing and all such opinions shall be addressed, at a minimum, to the Trust and the Trustee.

SECTION 6.05. Trust Bond Loan Repayments. With respect to the Loans made from the proceeds of any Series of Bonds, the Trust shall establish Trust Bond Loan Repayments under the Applicable Loan Agreements in such amounts which, together with any amounts available and required to be treated as credits under this Bond Resolution, shall be sufficient to pay the principal of, prepayment premium, if any, and interest on such Series of Bonds as the same become due and payable.

SECTION 6.06. Continuing Disclosure. Prior to each Loan Closing of a Loan, the Trust, pursuant to the sole discretion of an Authorized Officer of the Trust, in consultation with Bond Counsel, general counsel and other appropriate advisors to the Trust, shall determine if any Borrower is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 15c2-12"), based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material "obligated persons" if their remaining Fund Loan (unless defined in this Section 6.06, capitalized terms not defined in this Bond Resolution and used in this Section 6.06 shall have the respective meanings ascribed to such terms in the Master Program Trust Agreement) repayments in all Coverage Providing Financing Programs, when aggregated with such Borrower's Trust Loan repayments, if any, in respect of the Bonds, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining Trust Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material "obligated persons" within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the Trust Bond Loan Repayments of any such Borrowers, any such Underlying Government Unit and Indirect Underlying Government Unit shall also be considered material "obligated persons" within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material "obligated person" based upon the criteria set forth herein shall be required to enter into a Continuing Disclosure Agreement, with a term as specified therein, by and among such Borrower, the Trust and the Trustee, substantially in the form attached hereto as Exhibit H to Exhibit A and Exhibit B, with such changes therein as shall be approved by the Trust, as evidenced by the execution thereof by an Authorized Officer of the Trust.

The Trust hereby determines that it is not an "obligated person". Nevertheless, the Trust hereby covenants to provide notice of Bond Disclosure Events (as defined in the Continuing Disclosure Agreement), if material, with respect to the Series 2016A-2 Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or to the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

The Trust hereby determines that the Series 2016A-2 Financing Program relating to the Series 2016A-2 Bonds is an "obligated person", and shall be required to enter into a Continuing Disclosure

Agreement, with a term as specified therein, by and among the Trust, the Trustee and the Master Program Trustee, substantially in the form attached hereto as Exhibit E, with such changes therein as shall be approved by the Trust, as evidenced by the execution thereof by an Authorized Officer of the Trust.

Notwithstanding any provision to the contrary in Article XI hereof, the Trust may amend or supplement this Section 6.06 to comply with any amendment, supplement, modification, termination or other change to Rule 15c2-12.

ARTICLE VII

ADDITIONAL PROVISIONS RELATING TO LOANS

SECTION 7.01. Reserved.

SECTION 7.02. Defaults. The Trustee shall notify the Trust of its failure to receive any Trust Bond Loan Repayment, if any, of a Borrower due under any Loan Agreement and of any other event of default under such Loan Agreement known to the Trustee.

The Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of all Loan Agreements, including (without limitation) the prompt payment of all Trust Bond Loan Repayments and all other amounts due the Trust, and the observance and performance of all duties, covenants, obligations and agreements, thereunder; provided, however, that the Trustee shall not accelerate the payment of amounts due under any Loan Agreement following any event of default thereunder (other than any event of default which shall automatically accelerate such payment under the Loan Agreements), unless the Trustee shall have given the Trust thirty (30) days' written notice of the occurrence of such event of default and shall have afforded the Trust the opportunity to cause such event of default to be cured during the 30-day period following receipt by the Trust of such notice.

The Trustee shall not release the duties, covenants, obligations or agreements of any Borrower under any Loan Agreement and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Trust and the Holders under or with respect to each Loan Agreement; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the Trust) from settling a default under any Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the Trust and the Holders. The Trust hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the Trust under the Loan Agreements, except for the enforcement of all rights, title and interests of the Trust relating to the payment by the Borrower of the Administrative Fee and otherwise, subject to the provisions of this Section.

SECTION 7.03. Termination of Loan Agreements. Upon the payment in full of all amounts due under a Loan Agreement, the Trust shall cancel the obligation of the Borrower evidenced by such Loan Agreement and terminate and release all security interests and liens created under such Loan Agreement and the Trust and the Trustee shall take any other action required of the Trust or the Trustee in such Loan Agreement in connection with such cancellation, termination and release, including (without limitation) the execution of all relevant documents in connection with such actions.

SECTION 7.04. Loan Files. After each Loan Closing, the Trustee shall retain all the documents received by it pursuant to Article VI hereof in connection with such Loan Closing or in connection with the Loan made at such Loan Closing in a file pertaining to such Loan, to which file the Trustee shall from time to time add (i) all records and other documents pertaining to disbursements of amounts to the Borrower under the Loan Agreement and to Loan Repayments and other amounts received by the Trustee under such Loan Agreement and (ii) all communications from or received by the Trustee with respect to such Loan. Such file shall be kept at the Principal Office of the Trustee and shall be available for inspection by the Trust and its agents at reasonable times and under reasonable circumstances.

SECTION 7.05. Trustee's Obligations. The Trustee shall observe and perform all duties, covenants, obligations and agreements of the Trust under each Loan Agreement to the extent specified herein.

ARTICLE VIII

GENERAL COVENANTS

SECTION 8.01. Payment of Bonds. The Trust shall pay or cause to be paid the principal or Redemption Price of and interest on every Bond of each Series on the date, at the place and in the manner provided herein, in the Applicable Supplemental Resolution and in such Bonds, according to the true intent and meaning thereof; provided, however, that the Bonds of each Series are special obligations of the Trust, the principal or Redemption Price of and interest on which are payable by the Trust solely from the Trust Estate.

The Bonds of each Series shall not be payable from the general funds of the Trust and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the Trust or upon any of its income, receipts or revenues, except as provided in this Bond Resolution. The full faith and credit of the Trust are not pledged, either expressly or by implication, to the payment of the Bonds. The Trust has no taxing power and has no claim on any revenues or receipts of the State of New Jersey or any agency or political subdivision thereof or any Borrower except as expressly provided in a Borrower's Loan Agreement.

SECTION 8.02. Observance and Performance of Duties, Covenants, Obligations and Agreements; Representations as to Authorization and Validity of Bonds. The Trust shall faithfully observe and perform at all times all of its duties, covenants, obligations and agreements contained in the Loan Agreements or in any Bond executed, authenticated and delivered under this Bond Resolution and any Supplemental Resolution or in any proceedings of the Trust pertaining thereto.

The Trust represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State of New Jersey, particularly the Act, to issue the Bonds of each Series, to enter into the Loan Agreements and the Master Program Trust Agreement and to pledge the Trust Estate in the manner and to the extent set forth in this Bond Resolution and as shall be set forth in any Supplemental Resolution; (ii) all action on its part for the issuance of the Bonds of each Series will be duly and effectively taken; and (iii) the Bonds of each Series in the hands of the Holders thereof will be valid and binding special obligations of the Trust enforceable according to their terms.

SECTION 8.03. Liens, Encumbrances and Charges. The Trust shall not create or cause to be created and shall not suffer to exist, any lien, encumbrance or charge upon the Trust Estate except the pledge, lien and charge created for the security of Holders of the Bonds. To the extent Revenues are received, the Trust will cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands that if unpaid might by law become a lien upon the Trust Estate; provided, however, that nothing contained in this Section shall require the Trust to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

So long as Bonds of any Series shall be Outstanding, the Trust shall not issue any bonds, notes or other evidences of indebtedness, other than such Bonds, secured by any pledge of or other lien or charge on the Trust Estate. Notwithstanding the foregoing, the Trust may issue future series of bonds, notes or other evidences of indebtedness that have an interest in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. Nothing in this Bond Resolution is intended to or shall affect the right of the Trust to issue bonds, notes and other obligations under other resolutions or indentures for any of its other purposes.

SECTION 8.04. Accounts and Audits. The Trust shall keep, or cause to be kept, proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Loans, this Bond Resolution and any Supplemental Resolution, which books and accounts (at reasonable hours and subject to the reasonable rules and regulations of the Trust) shall be subject to the inspection of the Trustee and any Holder of any Bonds or their agents or representatives duly authorized in writing. The Trust shall cause such books and accounts to be audited annually by a nationally recognized independent certified public accountant selected by the Trust. Annually, not later than December 1 of each year with respect to the fiscal year of the Trust ended on the immediately preceding June 30, a signed copy of such report shall be furnished by the Trust to the Trustee. Such report shall include at least: (i) a statement of all funds and accounts (including investments thereof) held by the Master Program Trustee pursuant to the provisions of the Master Program Trust Agreement; (ii) a statement of the Revenues, Administrative Fees and State Administrative Fees collected in connection with this Bond Resolution; (iii) a statement whether the balance in the Debt Service Reserve Fund meets the Debt Service Reserve Requirement established under this Bond Resolution; and (iv) a statement that, in making such audit, no knowledge of any default in the fulfillment of any of the terms, covenants or provisions of this Bond Resolution was obtained, or if knowledge of any such default was obtained, a statement thereof.

SECTION 8.05. Further Assurances. The Trust will pass, make, do, execute, acknowledge and deliver any and all such further resolutions, indentures, actions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Bond Resolution and for the better assuring and confirming unto the Holders of Bonds the rights and benefits provided in this Bond Resolution, including exercising its State aid intercept powers pursuant to the Act.

SECTION 8.06. Tax Rebate.

1. In connection with the issuance of any Series of Bonds an Authorized Officer of the Trust is authorized to execute on behalf of the Trust a Certificate as to arbitrage (including the Tax Certificate), a letter of instructions as to certain requirements of the Code, or any similar documents relating to the characterization of such Series of Bonds as not being "arbitrage bonds" within the meaning of Sections 103(a)(2) and 148 of the Code.

2. Any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or certificate as to arbitrage shall be considered a loss for purposes of determining "Net Earnings" pursuant to Section 5.10 hereof.

SECTION 8.07. Application of Loan Prepayments. Upon the prepayment, in whole or in part, of any Loan, the Trust shall elect to apply such prepayment proceeds either (i) to the redemption of Bonds on the next succeeding call date in accordance with Article IV, or (ii) to the payment of Bonds in accordance with Section 12.01. The Trust may only consent to Loan prepayments pursuant to the Loan Agreements if it simultaneously delivers to the Trustee (i) a certificate of an independent public accountant demonstrating that the aggregate Trust Bond Loan Repayments due pursuant to the Loan Agreements after such prepayment shall be sufficient to pay when due the principal of and interest on all Bonds outstanding after giving effect to the Trust's election required in the immediately preceding sentence, and (ii) irrevocable instructions to effectuate such election regarding the application of prepayment proceeds. The Trust shall give notice to Fitch Ratings, Standard & Poor's Corporation and Moody's Investors Service, Inc. of any such Loan prepayments and its application of the proceeds thereof. The posting of any such notice to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board shall constitute notice to Standard & Poor's Corporation and Moody's Investors Service, Inc. for purposes of this paragraph.

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 9.01. Defaults; Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default" for the Bonds of all Series then Outstanding:

(a) default in the due and punctual payment of any interest on any Bond; or

(b) default in the due and punctual payment of the principal or Redemption Price of any Bond whether at the stated maturity thereof or on any date fixed for the redemption of such Bond; or

(c) if (i) the Trust shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) the Trust shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under New Jersey bankruptcy or insolvency law, (iii) with the consent of the Trust, there shall be appointed a receiver, liquidator or similar official for the Trust under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (iv) without the application, approval or consent of the Trust, a receiver, trustee, liquidator or similar official shall be appointed for the Trust under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or a proceeding described in clause (ii) above shall be instituted against the Trust and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days; or

(d) if (i) the Trust shall make an assignment for the benefit of creditors, (ii) the Trust shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the Trust shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (ii) of paragraph (c) of this Section, (iv) the Trust shall take any action to authorize or implement any of the actions set forth in paragraph (c) or (d) of this Section, (v) the Trust shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section or (vi) without the application, or approval or consent of the Trust, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the Trust's property and such appointment shall continue undischarged or such proceedings shall continue undismissed or unstayed for a period of thirty (30) consecutive days; or

(e) the Trust shall default in the performance or observance of any other of the duties, covenants, obligations, agreements or conditions on the part of the Trust to be performed or observed under this Bond Resolution or the Bonds of each Series, which default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall be given to the Trust by the Trustee or the Bondholders in accordance with Section 9.10 hereof.

SECTION 9.02. Acceleration of Bonds; Remedies. If an Event of Default described in Section 9.01 shall occur for any Series of Bonds, the Trustee may, and at the written request of the Holders of a majority in aggregate principal amount of the Outstanding Bonds shall, by telephonic notice to the Trust (promptly confirmed in writing) declare the principal of all Bonds then Outstanding to be due and payable; provided, however, that before making such declaration, the Trustee shall give thirty (30) days' notice to the Trust. Upon any such declaration, the Trustee shall forthwith give notice thereof to the Borrowers and the Paying Agents.

At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Bond Resolution, the Trustee, by written notice to the Trust, may annul such declaration and its consequences if: (i) moneys shall have accumulated in the Interest Account and the Principal Account in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last Interest Payment Date) and the principal then due on all Bonds (except the principal on any such Bonds due solely as a result of any such declaration of acceleration); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; and (iii) every other default known to the Trustee in the observance or performance of any duty, covenant, obligation, condition or agreement contained in the Bonds or in this Bond Resolution, shall have been remedied to the satisfaction of the Trustee; provided, however, that such declaration may be annulled only with the written consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding and not then due by their terms. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the occurrence of an Event of Default, the Trustee shall also have the following rights and remedies:

(a) the Trustee shall, at the direction of the Holders of a majority in aggregate principal amount of the Outstanding Bonds, and upon being indemnified to its reasonable satisfaction, pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then Outstanding, including (without limitation) the right (to the extent legally enforceable) to, by written notice to the Trust, declare the principal of the bonds then outstanding to be due and payable of any Borrower whose actions have directly or indirectly caused any such Event of Default and including the enforcement of any other rights of the Trust or the Trustee under the Loan Agreements;

(b) the Trustee by action or suit in equity may require the Trust to account as if it were the trustee of an express trust for the Holders of Bonds and may take such action with respect to the Loan Agreements as the Trustee deems necessary or appropriate and in the best interest of the Holders of Bonds, subject to the terms of such Loan Agreements; and

(c) upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Holders of Bonds under this Bond Resolution, the Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate and the issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred with respect to any Bonds, and if requested so to do by the Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by this Section as the Trustee shall deem most expedient in the interests of the Holders of Bonds.

No right or remedy by the terms of this Bond Resolution conferred upon or reserved to the Trustee (or to the Holders of Bonds) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee or to such Holders hereunder or now or hereafter existing at law or in equity or by statute other than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of any Bonds in default, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

SECTION 9.03. Right of Holders of a Series of Bonds to Direct Proceedings. Anything in this Bond Resolution to the contrary notwithstanding, but subject to Section 9.07 hereof, the Holders of a majority in aggregate principal amount of Bonds in default then Outstanding shall have the right at any time during the continuance of an Event of Default of such Bonds, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Resolution, or for the appointment of a receiver or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Bond Resolution.

SECTION 9.04. Reserved.

SECTION 9.05. Application of Moneys. All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article upon any acceleration of the due date for the payment of the principal of and interest on the Bonds in default (including, without limitation, moneys received by virtue of action taken under provisions of any Loan Agreement, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including reasonable attorney fees) and any other moneys owed to the Trustee in connection with such Bonds hereunder), shall be applied, first, to the payment of the interest then due and unpaid upon the Bonds in default and, second, to the payment of the principal then due and unpaid upon the Bonds in default, to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond in default until such obligation shall be presented to the Trustee for appropriate endorsement or for cancellation (as the case may be).

SECTION 9.06. Remedies Vested in Trustee. All rights of action (including, without limitation, the right to file proofs of claims) under this Bond Resolution or under any of the Bonds in default may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the equal and ratable benefit of the Holders of all the Outstanding Bonds without the necessary of joining as plaintiffs or defendants any Holders of such Bonds.

SECTION 9.07. Rights and Remedies of Holders of Bonds. No Holder of Bonds then Outstanding in default shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Bond Resolution or for the execution of any trust hereof or for the appointment of

a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) the Holders shall have offered to the Trustee reasonable indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused, or for sixty (60) days after receipt of such request and offer of indemnification shall have failed to exercise the remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name, and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Bond Resolution, and to any action or cause of action for the enforcement of this Bond Resolution, or for the appointment of a receiver or for any other remedy hereunder. It is understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Bond Resolution by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds then Outstanding; provided, however, that nothing contained in this Bond Resolution shall affect or impair the right of the Holder of any Bond to enforce the payment of the principal or Redemption Price of and interest on such Bond at and after the maturity thereof, or the obligation of the Trust to pay the principal or Redemption Price of and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner expressed in the Bonds and in this Bond Resolution and the Applicable Supplemental Resolution.

SECTION 9.08. Termination of Proceedings. In case the Trustee or a Holder of a Bond in default shall have proceeded to enforce any right under this Bond Resolution by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or such Holder, then and in every such case the Trust, the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee and the Holders shall continue as if no such proceedings have been taken.

SECTION 9.09. Waivers of Events of Default. The Trustee may and, upon the written request of the Holders of not less than 25% in aggregate principal amount of all Bonds in default then Outstanding, shall waive any Event of Default which in its opinion shall have been remedied before the completion of the enforcement of any remedy under this Bond Resolution; but no such waiver shall extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

SECTION 9.10. Notice of Certain Defaults; Opportunity of Trust to Cure Defaults. Anything herein to the contrary notwithstanding, no Default under Section 9.01(e) hereof shall constitute an Event of Default until actual notice of such Default shall be given to the Trust by registered or certified mail by the Trustee or by the Holders of a majority in aggregate principal amount of all Bonds then Outstanding and the Trust shall not have corrected the Default or caused the Default to be corrected within thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Trust within the applicable period and diligently pursued until the Default is corrected.

The Trust hereby grants to the Trustee full authority for the account of the Trust to observe or perform any duty, covenant, obligation or agreement alleged in any alleged Default concerning which notice is given to the Trust under the provisions of this Section in the name and stead of the Trust with full power to do any and all things and acts to the same extent that the Trust could do and perform any such things and acts and with power of substitution.

ARTICLE X

FIDUCIARIES

SECTION 10.01. Appointments, Duties, Immunities and Liabilities of Trustee. U.S. Bank National Association and any successors and assigns thereto, has been appointed as Trustee by the Trust. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution and all other agreements with the Trust, including, without limitation, the Master Program Trust Agreement, by executing and delivering to the Trust a written acceptance thereof, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Bonds thereafter to be validly issued, but only, however, upon the terms and conditions set forth in this Bond Resolution and all other agreements with the Trust, including, without limitation, the Master Program Trust Agreement.

SECTION 10.02. Paying Agents; Appointments.

1. The Trustee is hereby appointed Paying Agent and shall also act as registrar for the Series 2016A-2 Bonds. The Trust shall appoint one or more Paying Agents for the Bonds of each additional Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.13 for a successor Paying Agent. There shall be no limitation upon the ability of the Trust to appoint the Trustee to serve as a Paying Agent, provided that the Trustee otherwise satisfies the qualifications set forth herein (including, without limitation and as applicable, the qualifications set forth in Section 10.13 for a successor Paying Agent) that are applicable to a Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing and delivering to the Trust and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Trust for the payment of the interest on and principal or Redemption Price of the Bonds.

4. The Trust may enter into agreements with any Paying Agent providing for the payment to the Trust of amounts in respect of interest earned on moneys held by such Paying Agent for the payment of principal or Redemption Price of and interest on Bonds. Any such payments to the Trust shall be deposited in the Trust Bond Loan Repayments Account within the Revenue Fund and applied as Revenues.

SECTION 10.03. Responsibilities of Fiduciaries.

1. The recitals of fact contained herein and in the Bonds shall be taken as the statements of the Trust and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of this Bond Resolution or of any Bonds issued thereunder or as to the security afforded by this Bond Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its authentication certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Trust or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of subsection 2 of this Section 10.03, no Fiduciary shall be liable in connection with the observance and performance of its duties and obligations hereunder except for its own negligence or misconduct.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Bond Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers invested in it by this Bond Resolution, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Bond Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 10.03.

SECTION 10.04. Evidence Upon Which Fiduciaries May Act.

1. Each Fiduciary, upon receipt of any notice, Supplemental Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Bond Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with Counsel, who may or may not be counsel to the Trust, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Bond Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Bond Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of an Authorized Officer of the Trust, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Bond Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

3. Except as otherwise expressly provided in this Bond Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Trust to any Fiduciary shall be sufficiently executed in the name of the Trust by an Authorized Officer of the Trust.

SECTION 10.05. Compensation. The Trust shall pay each Fiduciary from time to time reasonable compensation for all services rendered under this Bond Resolution, including in that limitation the services rendered pursuant to Section 12.01, and also all reasonable expenses incurred in and about the performance of their powers and duties under this Bond Resolution and each Fiduciary shall have a lien therefor on any and all funds and accounts at any time held by it under this Bond Resolution, other than the Project Loan Account in the Project Fund. Subject to the provisions of Section 10.03, the Trust further agrees to indemnify and save each Fiduciary harmless against any losses, liabilities and expenses (including reasonable legal fees) which it may incur in the exercise and performance of its powers, duties and obligations hereunder, other than losses, liabilities and expenses (including legal fees) attributable to the negligence, bad faith, breach of contract or misconduct of the Fiduciary, arising out of or as a result of the Fiduciary performing its obligations under this Bond Resolution or undertaking any transaction contemplated by this Bond Resolution; provided, however, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq*. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq*.

Each Fiduciary agrees as follows:

1. The Fiduciary shall give the Trust prompt notice in writing of any actual or potential claim described above and the institution of any suit or action;

2. The Fiduciary shall not adjust, settle or compromise any such claim, suit or action without the approval of Trust; and

3. The Fiduciary shall permit the Trust, if the Trust so chooses, to assume full control of the adjustment settlement, compromise or defense of each such claim, suit or action.

While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq*., is not applicable by its terms to claims arising under contracts with the Trust, each Fiduciary agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Trust arising under this Section 10.05.

The indemnification provided in this Section 10.05 does not apply or extend to any indemnification given by a Fiduciary to any other person.

SECTION 10.06. Certain Permitted Acts. Any Fiduciary may become the Holder of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Bond Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 10.07. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving not less than one hundred twenty (120) days' written notice to the Trust, and mailing notice thereof the Holders of the Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Trust or the Bondholders as provided in Section 10.09, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the Trust or the Bondholders as provided in Section 10.09 on that date, in which event such resignation shall not take effect until a successor is appointed.

SECTION 10.08. Removal of Trustee. The Trustee may be removed at any time: (i) by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Trust, (ii) so long as no Event of Default, or any event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, for just cause by a resolution of the Trust filed with the Trustee, (iii) upon a determination by the Trust, in its sole discretion, that the compensation charged by the Trustee is excessive for the duties, obligations and other services to be performed by the Trustee pursuant to this Bond Resolution, such determination by the Trust to be establish by a resolution adopted by the Trust and filed with the Trustee no less than 30 days prior to the effective date of such termination, or (iv) for any reason to be determined by the Trust, in its sole discretion, and without any requirement that just cause be demonstrated, such determination by the Trust to be establish by a resolution adopted by the Trust and filed with the Trustee no less than 30 days prior to the effective date of such termination, provided, however, that the provisions of this clause (iv) shall not be implemented by the Trust more frequently than once every fifth year.

Notwithstanding any other provision in this Article X, no removal of the Trustee shall take effect until a successor shall be appointed pursuant to the provisions of Section 10.09.

SECTION 10.09. Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Trust by a duly executed written instrument signed by an Authorized Officer of the Trust, but if the Trust does not appoint a successor Trustee within forty-five (45) days then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Trust, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Trust and the predecessor Trustee. After such appointment of a successor Trustee, the Trust shall mail notice of any such appointment made by it or the Bondholders to the Holders of the Bonds then Outstanding.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Trust written notice as provided in Section 10.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association in good standing, qualified to do business in the State of New Jersey, duly authorized to exercise trust powers, subject to examination by federal or state authority, having capital stock and surplus aggregating at least $50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Bond Resolution.

SECTION 10.10. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Trust, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Trust, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Bond Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Trust be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Trust. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

SECTION 10.11. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or

transfer all or substantially all of its corporate trust business; provided, such company (i) shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and (ii) shall be authorized by law to perform all the duties imposed upon it by this Bond Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 10.12. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Bond Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Bond Resolution provided that the certificate of the Trustee shall have.

SECTION 10.13. Resignation or Removal of Paying Agent; Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving at least one hundred twenty (120) days written notice to the Trust, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Trust. Any successor Paying Agent shall be appointed by the Trust with the written approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least $50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Bond Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

ARTICLE XI

AMENDMENTS

SECTION 11.01. Supplemental Resolutions Effective Upon Filing With Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Trust may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Trust, shall be fully effective in accordance with its terms:

(a) To close this Bond Resolution against, or provide limitations and restrictions contained in this Bond Resolution on, the authentication and delivery of Bonds;

(b) To add to the duties, covenants, obligations and agreements of the Trust in this Bond Resolution, other duties, covenants, obligations and agreements to be observed and performed by the Trust which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect;

(c) To add to the limitations and restrictions in this Bond Resolution, other limitations and restrictions to be observed by the Trust which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect;

(d) To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Bonds including whether to issue Bonds in book entry forms, which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination contained in Article II at any time prior to the first authentication and delivery of such Bonds;

(e) To confirm as further assurance, any security interest, pledge or assignment under this Bond Resolution, and the subjection of the Revenues or of any other moneys, securities or funds to any security interest, pledge or assignment created or to be created by this Bond Resolution;

(f) To modify any of the provisions of this Bond Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

(g) To modify any of the provisions of this Bond Resolution in any respect provided that the modifications affect only Bonds issued subsequent to the date of such modifications; or

(h) To comply with the provisions of any federal or state securities law, including, without limitation, the Trust Indenture Act of 1939, as amended, or to comply with Section 103 of the Code, as amended, replaced or substituted.

If the Supplemental Resolution adopted by the Trust pursuant to this Section materially increases the duties and responsibilities of the Trustee hereunder, the Trust shall reasonably compensate the Trustee for such materially increased duties and responsibilities.

SECTION 11.02. Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Trust, (ii) the filing with the Trust of an instrument in writing made by the Trustee consenting thereto, and (iii) the filing with the Trust and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Resolution will not adversely affect the exclusion from gross income of the interest on the Series 2016A-2 Bonds for federal income tax purposes, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in this Bond Resolution;

(b) To insert such provisions clarifying matters or questions arising under this Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with this Bond Resolution as theretofore in effect;

(c) In connection with the appointment by the Trust of a fiduciary other than the Trustee to perform any of the duties and/or services to be performed by the Trustee pursuant to Section 5.04 hereof, to the extent such modification or amendment of this Bond Resolution which will not have a material adverse effect on the interests of Bondholders; or

(d) To make any other modification or amendment of this Bond Resolution which will not have a material adverse effect on the interests of Bondholders.

In making any determination under this Section 11.02, the Trustee may conclusively rely upon an opinion of Bond Counsel.

SECTION 11.03. Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the Bondholders in accordance with and subject to the provisions of Sections 11.06 and 11.07, which Supplemental Resolution, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Trust, (ii) compliance with the provisions of said Sections 11.06 and 11.07, (iii) the filing with the Trust and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Resolution will not adversely affect the exclusion from gross income of the interest on the Series 2016A-2 Bonds for federal income tax purposes, shall become fully effective in accordance with its terms as provided in said Section 11.07. Provided, however, that, any Supplemental Resolution which by its terms only affects one or more Series of Bonds may be adopted subject to the consent of the Bondholders of the Series or Series of Bonds so affected.

SECTION 11.04. General Provisions.

1. This Bond Resolution shall not be modified or amended in any respect except by Supplemental Resolution as provided in and in accordance with and subject to the provisions of this Article XI. Nothing contained in this Article XI shall affect or limit the right or obligation of the Trust to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of this Bond Resolution or the right or obligation of the Trust to execute and deliver to any Trustee any instrument which elsewhere in this Bond Resolution it is provided shall be delivered to said Trustee.

2. Any Supplemental Resolution referred to and permitted or authorized by Section 11.01 or 11.02 may be adopted by the Trust without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an opinion of

Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the Trust in accordance with its terms.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Sections 11.01, 11.02 or 11.03 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of this Bond Resolution.

4. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without their written assent thereto.

SECTION 11.05. Mailing. Any provision in this Article for the mailing of a notice or other paper to Holders of Bonds shall be fully complied with if it is mailed, postage prepaid only, to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Trust.

SECTION 11.06. Powers of Amendment by Supplemental Resolution. Unless otherwise permitted under Section 11.01 or Section 11.02, any modification or amendment of this Bond Resolution and of the rights and obligations of the Trust and of the Holders of the Bonds thereunder, in any particular, may be made only by a Supplemental Resolution with the written consent (i) of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any sinking fund installment, of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such obligation, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Trustee without their written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Bond Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of this Bond Resolution and any such determination shall be binding and conclusive on the Trust and all Holders of Bonds. In taking such action, the Trustee may rely upon the opinion of Bond Counsel. For purposes of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

SECTION 11.07. Consent of Bondholders. The Trust may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 11.06 to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Holders of Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trust to Holders of Bonds (but

failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of the Holders of the percentages of Outstanding Bonds specified in Section 11.06 and (b) an opinion of Bond Counsel addressed to the Trustee stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Trust in accordance with the provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the Trust and enforceable in accordance with its terms. It shall not be necessary that the consents of Holders of Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Resolution effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02. A certificate or certificates executed by the Trustee and filed with the Trust stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 11.07 provided for is filed, such revocation and proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 12.02. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trust to the effect that no revocation thereof is on file with the Trustee.

At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Trust a written statement that the Holders of such required percentages of such Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Trust on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.07, may be given to Bondholders by the Trust by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 11.07 provided). The Trust shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 11.07 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Trust, the Fiduciaries and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailings of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the Trust during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.

SECTION 11.08. Modifications or Amendments by Unanimous Consent. The terms and provisions of this Bond Resolution and the rights and obligations of the Trust and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Trust of a Supplemental Resolution and the consent thereto of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 11.07 except that no notice to Holders of Bonds either by

mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Bonds.

SECTION 11.09. Exclusion of Bonds. Bonds owned or held by or for the account of the Trust shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the Trust shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Trust shall furnish to the Trustee a Certificate of an Authorized Officer of the Trust, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 11.10. Notation on Bonds. Bonds authenticated and delivered after the effective date of any Supplemental Resolution pursuant to this Article XI may, and, if the Trust or the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Trust and the Trustee as to any modification or amendment provided for in such Supplemental Resolution and, in that case upon demand of the Holder of any Bond Outstanding and upon presentation of any Bond for such purpose at the Principal Office of the Trustee, a suitable notation shall be made on such Bond. If the Trust or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the Trust, to any modification or amendment contained in such Supplemental Resolution, shall be prepared, authenticated and delivered and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series, principal amount, maturity and interest rate then Outstanding, upon surrender of such Bonds. Any action taken as in Article X or this Article XI provided shall be effective and binding upon all Bondholders notwithstanding that the notation is not endorsed on all Bonds.

SECTION 11.11. Effect of Supplemental Resolution. Upon the effective date of any Supplemental Resolution, this Bond Resolution shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, covenants, obligations and agreements under this Bond Resolution of the Trust, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Resolution shall be deemed to be part of the terms and conditions of this Bond Resolution for any and all purposes.

SECTION 11.12. Amendment of Loan Agreements. The Trust shall not supplement, amend, modify or terminate any Loan Agreement, or consent to any such supplement, amendment, modification or termination, without the written consent of the Trustee, which consent shall not be unreasonably withheld. The Trustee shall give such written consent only if (a) (i) in the opinion of the Trustee, after such supplement, amendment, modification or termination is effective, such Loan Agreement shall continue to meet the requirements of Article VI of this Bond Resolution or (ii) the Trustee first obtains the written consent of the Holders of a majority in aggregate principal amount of the Outstanding Bonds to such supplement, amendment, modification or termination, such written consent being obtained by the Trustee at the sole expense of the Borrower which is a party to the Loan Agreement which is the subject of the supplement, amendment, modification or termination and (b) the Trustee first obtains an opinion of Bond Counsel to the effect that such supplement, amendment, modification or termination will not adversely affect the exclusion from gross income of the interest on the Series 2016A-2 Bonds for federal income tax purposes. In making any determination under this Section 11.12, the Trustee may conclusively rely upon an opinion of Bond Counsel.

Notwithstanding any other provision in this Section, (a) the Trust may supplement, amend or modify any Loan Agreement without the consent of the Trustee or any Bondholder (i) for the purposes set forth in Section 5.02(5) hereof, (ii) for the purpose of amending, supplementing or modifying Section 2.02(p) of the Loan Agreement and (iii) for the purpose of amending, supplementing or modifying Exhibit H to the Loan Agreement prior to the execution and delivery thereof, and (b) the Trust may terminate any Loan Agreement (subject to the termination provisions thereof) without the consent of the Trustee or any Bondholder in the event that all payment obligations thereunder have been satisfied by the respective Borrower in full.

SECTION 11.13. Notice of Amendments. Promptly after the adoption by the Trust of any Supplemental Resolution, the Trustee shall mail by first class mail, postage prepaid, a notice, setting forth in general terms the substance thereof, to the Bondholders of a Series of Bonds affected by such amendment. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Resolution.

ARTICLE XII

DEFEASANCE

SECTION 12.01. Defeasance of Bonds.

1. If the Trust shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Bond Resolution, then the pledge of the Trust Estate, and all duties, covenants, agreements and other obligations of the Trust to the Bondholders of such Series, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Trust to be prepared and filed with the Trust and, upon the request of the Trust, shall execute and deliver to the Trust all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Trust all moneys or securities held by it pursuant to this Bond Resolution which are not required for the payment of principal or Redemption Price, if applicable, and interest due or to become due on Bonds of any Series not theretofore surrendered for such payment or redemption and any amounts owed to any Fiduciary. If the Trust shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under this Bond Resolution, and all duties, covenants, agreements and obligations of the Trust to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision in this Article XII, all duties, covenants, agreements and obligations of the Trust to the Holders relating to the exclusion of interest from gross income of the Holders of such Bonds for federal income tax purposes shall survive the defeasance of the Bonds.

2. Bonds (which can be an entire series or portion thereof) or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Trust of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section. Subject to the provisions of subsections (3) through (5) of this Section, Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their stated maturities, the Trust shall have given to the Trustee instructions in writing accepted by the Trustee to mail notice of redemption of such Bonds (other than Bonds of a Series which have been purchased by the Trustee at the written direction of the Trust or purchased or otherwise acquired by the Trust and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee (i) either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Series of Bonds on or prior to the redemption date or maturity date thereof, as the case may be, (ii) a defeasance opinion of Bond Counsel, and (iii) a verification report of an independent nationally recognized verification agent as to the matters set forth in clause (i), and (c) in the event such Series of Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Trust shall have given the Trustee in form satisfactory to it instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last business day of the month preceding the month for which notice is mailed that the deposit required by (b)

above has been made with the Trustee and that such Series of Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (5) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, of such Series of Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Trust or purchased or otherwise acquired by the Trust and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). Any notice of redemption mailed pursuant to the preceding sentence with respect to any Series of Bonds which constitutes less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in this Bond Resolution.

The Trustee shall, if so directed by the Trust (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Bonds deemed to have paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due or to become due on all Bonds in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Bonds deemed to have been paid in accordance with Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, the Trust shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Trust to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by the Trust to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 12.01 the total amount of moneys and Investment Securities remaining on deposit with the Trustee under this Section 12.01 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds of such Series in order to satisfy clause (b) of this subsection 2 of Section 12.01, the Trustee shall, if requested by the Trust, pay the amount of such excess to the Trust free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution. Except as otherwise provided in this subsection 2 and in subsection 3 through subsection 5 of this Section 12.01, neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required at

any time for such purpose, shall be paid over to the Trust as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under this Bond Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested at the direction of the Trust in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Trust, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution.

For the purposes of this Section, Investment Securities shall mean and include only (y) such securities as are described in clause (a) of the definition of "Investment Securities" in Section 1.01 which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or (z) upon compliance with the provisions of subsection 3 of this Section 12.01, such securities as are described in clause (a) of the definition of Investment Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. Investment Securities described in clause (z) of subsection 2 of Section 12.01 may be included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 only if, in making the determination as to whether the moneys and Investment Securities to be deposited with the Trustee would be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the Bonds which will be deemed to have been paid as provided in subsection 2 of Section 12.01, such determination is made both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment Securities were redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the proceeds of such redemption were not reinvested by the Trustee.

4. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the written direction of the Trust shall reinvest the proceeds of such redemption in Investment Securities, provided that the aggregate of the moneys and Investment Securities to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Trust in accordance with subsection 5 of Section 12.01, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of Section 12.01.

5. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01, then any notice of redemption to be published by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Trust, that any redemption date or dates in respect of all of any portion of the Bonds to be redeemed on such date or dates may at the option of the Trust be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 12.01 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of subsection 2 of this Section 12.01 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change

of redemption date or dates or establishment of redemption date or dates may be made unless, taking into account such changed redemption date or dates or newly established redemption date or dates, the moneys and Investment Securities on deposit with the Trustee (including any Investment Securities deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 5 of Section 12.01) pursuant to clause (b) of subsection 2 of Section 12.01 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Bonds deemed to have been paid in accordance with subsection 2 of Section 12.01.

6. Anything in this Bond Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the later of (i) the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption or (ii) the date of deposit of such moneys, shall at the written request of the Trust be repaid by the Fiduciary to the Trust as its absolute property and free from the Trust Estate, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Trust for the payment of such Bonds; provided, however, that before being required to make any such payment to the Trust, the Fiduciary shall, at the expense of the Trust, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Trust.

Notwithstanding any other provision in Article XII of this Bond Resolution, all duties, covenants, agreements and obligations of the Trust to the Holders relating to the exclusion of interest from gross income of the Holders of the Series 2016A-2 Bonds for federal income tax purposes shall survive the defeasance of the Series 2016A-2 Bonds.

SECTION 12.02. Evidence of Signatures and Ownership of Bonds.

1. Any request, consent, revocation of consent or other instrument which this Bond Resolution or any Supplemental Resolution may require or permit to be signed and executed by the Holders of Bonds of any Series may be in one or more instruments of similar tenor and shall be signed or executed by such Holders of Bonds in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Bond Resolution or any Supplemental Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Holder of any Bond or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

2. The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained by the Trustee.

3. Any request or consent by the Holder of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Trust or any Trustee in accordance therewith.

SECTION 12.03. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

ARTICLE XIII

MARKETING AND SALE OF THE BONDS

SECTION 13.01. Preliminary Official Statement.

1. The Authorized Officers of the Trust are hereby severally authorized and directed to prepare a preliminary official statement relating to the Series 2016A-2 Bonds (the "Preliminary Official Statement"), which Preliminary Official Statement shall be in the form, and shall include such provisions, as the Authorized Officer of the Trust, after consultation with Bond Counsel and other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable, the delivery thereof by the Authorized Officer of the Trust being conclusive evidence of his consent to the provisions thereof.

2. The Authorized Officers of the Trust are hereby severally authorized and directed, upon the satisfaction of all of the legal conditions precedent to the delivery of the Preliminary Official Statement by the Trust, as determined by the Authorized Officer of the Trust in consultation with Bond Counsel, to "deem final" the Preliminary Official Statement, in accordance with the provisions of Rule 15c2-12, and to deliver the Preliminary Official Statement in the form established by the provisions of subsection (1) hereof.

3. The Authorized Officers of the Trust are hereby severally authorized and directed to execute any certificate or document and to take such other actions as may be necessary, relating to any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, including, without limitation, Rule 15c2-12, that the Authorized Officer of the Trust, after consultation with Bond Counsel, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2016A-2 Bonds, and the transactions contemplated by the Preliminary Official Statement.

SECTION 13.02. Official Statement. The Authorized Officers of the Trust are hereby severally authorized and directed to execute and deliver a final official statement relating to the Series 2016A-2 Bonds (the "Official Statement"), in substantially similar form to the Preliminary Official Statement, with such changes thereto as shall be necessary or desirable to reflect the final pricing of the Series 2016A-2 Bonds, as set forth in any documents relating to the sale of the Series 2016A-2 Bonds, and to reflect any other changes required pursuant to any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, including, without limitation, Rule 15c2-12, as the Authorized Officer of the Trust, after consultation with Bond Counsel and any other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable to effect the issuance of the Series 2016A-2 Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer of the Trust shall conclusively evidence his consent to the provisions thereof.

SECTION 13.03. Sale of the Series 2016A-2 Bonds.

1. The Authorized Officers of the Trust are hereby severally authorized and directed to cause to be published and disseminated in connection with the marketing and sale of the Series 2016A-2 Bonds a notice of sale with respect to the Series 2016A-2 Bonds (the "Notice of Sale"), which Notice of Sale shall set forth, *inter alia*, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer of the Trust after consultation with Bond Counsel and other appropriate professional advisors to the Trust: (i) a summary of the terms of the Series 2016A-2 Bonds; (ii) the criteria pursuant to which the award of the Series 2016A-2 Bonds shall be made by the Trust; (iii) the date and time at which proposals for the purchase of the Series 2016A-2 Bonds shall be accepted by the Trust; and (iv) the method

by which the bidders for the purchase of the Series 2016A-2 Bonds shall submit their proposals, which proposals shall be submitted to the Trust, in compliance with the terms of the Notice of Sale, via a written proposal for Series 2016A-2 Bonds (the "Proposal for Bonds").

2. The Authorized Officers of the Trust are hereby severally authorized and directed to cause (i) the Notice of Sale and the Proposal for Bonds to be disseminated simultaneously with the dissemination of the Preliminary Official Statement and (ii) a summary of the Notice of Sale to be published in compliance with Section 6(d) of the Act at least once in at least three newspapers published in the State and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published in the State or in the City of New York, the first summary Notice of Sale to be published at least five (5) days prior to the date established by the Notice of Sale for the sale of the Series 2016A-2 Bonds.

3. On the date and time established therefore in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer of the Trust. Upon receipt and acceptance of the Proposals for Bonds, the Authorized Officers of the Trust are hereby severally authorized and directed to open such Proposals for Bonds and, after consultation with Bond Counsel and other appropriate professional advisors to the Trust, accept the successful Proposal for Bonds, such Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2016A-2 Bonds and after consultation with Bond Counsel and other appropriate professional advisors to the Trust.

4. The Authorized Officers of the Trust are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the marketing and sale of the Series 2016A-2 Bonds, including, without limitation, such other actions as may be necessary in connection with (i) the procurement of a rating on the Series 2016A-2 Bonds from any rating agency and (ii) the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers of the Trust shall comply with the provisions of this Section 13.03 and shall consult with Bond Counsel and other appropriate professional advisors to the Trust with respect thereto.

5. At the first meeting of the Board of Directors of the Trust subsequent to the sale of the Series 2016A-2 Bonds, the Executive Director or other Authorized Officer of the Trust shall deliver a report setting forth the details of the sale of the Series 2016A-2 Bonds.

SECTION 13.04. Electronic Dissemination of the Preliminary Official Statement; Electronic Acceptance of Proposals for Bonds; Award of Bonds.

1. Notwithstanding any provision of this Bond Resolution to the contrary, the Authorized Officers of the Trust are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement via such medium, such Authorized Officer of the Trust shall otherwise fully comply with the provisions of Section 13.01 hereof.

2. In complying with the provisions of Section 13.03 hereof, the Authorized Officers of the Trust are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2016A-2 Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer of the Trust shall consult with Bond Counsel and other appropriate professional advisors to the Trust with respect thereto.

SECTION 13.05. Registration or Qualification of Series 2016A-2 Bonds. The Authorized Officers of the Trust are hereby severally authorized and directed, in the name and on behalf of the Trust, to take any and all actions that they deem necessary and advisable in order to effect the registration or qualification (or exemption therefrom) of the Series 2016A-2 Bonds for offer, sale or trade under the blue sky or securities laws of any of the states of the United States of America, and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports (except consents to service of process in any jurisdiction outside the State) and other papers and instruments which may be required under such laws, and to take any and all further actions that they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the underwriters for such securities.

SECTION 13.06. Establishment of Trust Account in Connection with the Sale of the Series 2016A-2 Bonds. The Authorized Officers of the Trust are hereby severally authorized and directed, in consultation with Bond Counsel and other appropriate advisors to the Trust, to enter into a trust agreement by and between the Trust and U.S. Bank National Association, or any successors and assigns thereto, providing for the establishment of a trust account with U.S. Bank National Association, or any successors and assigns thereto (i) for deposit therein (a) at the time of the award of the Series 2016A-2 Bonds the good faith deposit of the successful bidder for the Series 2016A-2 Bonds, such check being required by the terms of the Notice of Sale, (b) on the Business Day prior to the issuance of the Series 2016A-2 Bonds the portion of the Debt Service Reserve Requirement not funded with Series 2016A-2 Bond proceeds to be contributed by the State of New Jersey in the amount set forth in Section 2.03(8) hereof, and (c) prior to the issuance of the Series 2016A-2 Bonds, such other amounts, the deposit of which may be deemed necessary and desirable by any Authorized Officer of the Trust, in consultation with Bond Counsel and other appropriate advisors to the Trust, (ii) for withdrawal therefrom on the date of issuance of the Series 2016A-2 Bonds (a) the amounts deposited in accordance with clause (i)(a) above to be transferred in accordance with the terms of Section 2.03(7) hereof, (b) the amounts deposited in accordance with clause (i)(b) above to be transferred in accordance with the terms of Section 2.03(8) hereof, (c) the amounts deposited in accordance with clause (i)(c) above to be transferred in a manner consistent with their purposes to a Fund and Account created hereunder as more fully detailed by the terms of said trust agreement and (d) the interest earned on all of such amounts to be paid over to the Trust for any of its lawful purposes and (iii) after all of the transfers having been made in accordance with clause (ii) above, for the closing of such trust account on the date of issuance of the Series 2016A-2 Bonds.

SECTION 13.07. Agreements with DTC; Discontinuance of Book-Entry System; Replacement of DTC.

1. In connection with the issuance and sale of the Series 2016A-2 Bonds, the Authorized Officers of the Trust are hereby severally authorized and directed to enter into agreements on behalf of the Trust with DTC, with such terms and provisions as such Authorized Officer of the Trust shall approve upon consultation with Bond Counsel, which agreements shall take effect on the date of delivery of the Series 2016A-2 Bonds.

2. The Authorized Officers of the Trust are hereby severally authorized and directed to determine, upon consultation with Bond Counsel, whether or not it is advisable for the Trust to continue the book-entry system or to replace DTC with another qualified securities depository as successor to DTC.

ARTICLE XIV

MISCELLANEOUS

SECTION 14.01. Liability of Trust Limited to Trust Estate. Notwithstanding anything contained in this Bond Resolution or in the Bonds, the Trust shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes in this Bond Resolution, whether for the payment of the principal or Redemption Price of, or interest on, the Bonds or for any other purpose of this Bond Resolution. Nevertheless, the Trust may, but shall not be required to, advance for any of the purposes hereof any funds of the Trust that may be made available to it for such purposes.

SECTION 14.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Bond Resolution either the Trust or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the duties, covenants, obligations and agreements contained in this Bond Resolution by or on behalf of the Trust or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

SECTION 14.03. Limitation of Rights to Parties. Nothing expressed or implied in this Bond Resolution or in the Bonds is intended or shall be construed to give to any person other than the Trust, the Trustee, the Paying Agents and the Holders of Bonds any legal or equitable right, remedy or claims under or in respect of this Bond Resolution or any duty, covenant, obligation, agreement, condition or provision therein or herein contained; and all such duties, covenants, obligations, agreements, conditions and provisions are and shall be for the sole and exclusive benefit of the Trust, the Trustee, the Paying Agents and the Holders of Bonds.

SECTION 14.04. Waiver of Notice. Whenever in this Bond Resolution the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 14.05. Destruction of Bonds. Whenever in this Bond Resolution provision is made for the cancellation by the Trustee and the delivery to the Trust of any Bonds, unless otherwise requested in writing the Trust, in lieu of such cancellation and delivery, the Trustee shall destroy such Bonds (in the presence of an officer of the Trust, if the Trust shall so require), and deliver a certificate of such destruction to the Trust.

SECTION 14.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Bond Resolution or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Bond Resolution or in the Bonds and such invalidity, illegality or unenforceability shall not affect any other provision of this Bond Resolution, and this Bond Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Trust hereby declares that it would have entered into this Bond Resolution and each and every section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Bond Resolution may be held illegal, invalid or unenforceable.

SECTION 14.07. Notices. Any notices, certificates or other communications required or permitted to be given herein shall be in writing (unless otherwise specifically required or permitted herein) and shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid (unless otherwise specifically required or permitted herein) to the Trust, the Trustee, and the Paying Agent at the addresses set forth below:

(a)	Trust:	New Jersey Environmental Infrastructure Trust 3131 Princeton Pike Building 4, Suite 216 Lawrenceville, New Jersey 08648 Attention: Executive Director
(b)	Trustee:	U.S. Bank National Association 21 South Street, 3rd Floor Morristown, New Jersey 07960 Attention: Corporate Trust Department
(c)	Paying Agent:	U.S. Bank National Association 21 South Street, 3rd Floor Morristown, New Jersey 07960 Attention: Corporate Trust Department

The Trust, the Trustee, and the Paying Agent may designate any further or different address to which subsequent notices and communications shall be sent by giving notice thereof to the other parties hereto.

SECTION 14.08. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Bond Resolution, Bonds that are owned or held by or for the account of the Trust or any Borrower, or by any other primary or secondary obligor on any Loan Agreement, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Trust or any Borrower or any other primary or secondary obligor on any Loan Agreement, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purpose of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Trust or any Borrower or any other primary or secondary obligor on any Loan Agreement. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

The determination to be made hereunder by the Trustee with respect to Bonds to be disregarded and deemed not to be Outstanding shall be based upon information that has been brought to the attention of the Trustee. There is no affirmative duty on the part of the Trustee to undertake any investigation in determining Bonds to be disregarded and deemed not to be Outstanding.

SECTION 14.09. Funds and Accounts. Any fund, account or subaccount required by this Bond Resolution to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund, an account or a subaccount, and, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, may be treated either as a fund, an account or a subaccount; but all such records with respect to all such funds, accounts or subaccounts shall at all times be maintained in accordance with generally accepted accounting principles, to the extent practicable, or some other accounting standard recognized by the State or acceptable to the Trust.

SECTION 14.10. Waiver of Personal Liability. No member, officer, agent or employee of the Trust shall be individually or personally liable for the payment of the principal or Redemption Price of, or interest on, the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof, all such liability, if any, being expressly waived and released by each Holder of Bonds by the acceptance of such Bonds, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Bond Resolution.

SECTION 14.11. Trust Protected in Acting in Good Faith. In the exercise of the powers of the Trust and its members, officers, employees and agents under this Bond Resolution, the Loan Agreements or any other document executed in connection with the Bonds, the Trust shall not be accountable to any Borrower, the Trustee, the Paying Agent, or any Holder for any action taken or omitted by it or its members, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred.

SECTION 14.12. Business Days. Except as otherwise specifically provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or Redemption Price of or interest on any Bond shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.

ARTICLE XV

BOND FORM AND EFFECTIVE DATE

SECTION 15.01. Form of Series 2016A-2 Bonds and Trustee's Authentication Certificate. Subject to the provisions of this Bond Resolution, the form of the Series 2016A-2 Bonds and the Trustee's certificate of authentication shall be of substantially the following tenor:

[FORM OF SERIES 2016A-2 BOND]

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2016A-2

NO. R-__ **CUSIP: _____-___**

Interest Rate	**Maturity Date**	**Dated Date**	**Authentication Date**
____%	**September 1, ____**	**December 22, 2016**	**December 22, 2016**

Registered Owner: **CEDE & CO.**

Principal Sum: **_____ ($___,___)**

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST (the "Trust"), a public body corporate and politic and an instrumentality of the State of New Jersey created and existing under the laws of the State of New Jersey, hereby acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or its registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the Principal Office of U.S. Bank National Association (such bank and any successors thereto being herein called the "Trustee" and "Paying Agent"), the Principal Sum stated hereon in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on March 1 and September 1 in each year, commencing September 1, 2017, until the Trust's obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Trustee mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month immediately preceding such interest payment date on the books of the Trust maintained by the Trustee. However, so long as the Series 2016A-2 Bonds (as hereinafter defined) are held in book-entry-only form pursuant to the Resolution (as hereinafter defined), the provisions of the Resolution governing such book-entry-only form shall govern repayment of the principal or Redemption Price, if any, of and interest on the Series 2016A-2 Bonds.

This bond is one of a duly authorized Series of Bonds of the Trust designated "Environmental Infrastructure Bonds, Series 2016A-2" (herein called the "Series 2016A-2 Bonds"), and issued in the aggregate principal amount of $__,___,000 under and in full compliance with the Constitution and statutes of the State of New Jersey, including, without limitation, the "New Jersey Environmental Infrastructure Trust Act", constituting chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented (herein called the "Act"), and under and pursuant to a resolution authorizing the Series 2016A-2 Bonds adopted by the Trust on November 10, 2016 and entitled "Environmental Infrastructure Bond Resolution, Series 2016A-2", as the same may be amended or supplemented from time to time in accordance with its terms (herein called the "Resolution").

All capitalized terms used but not defined herein shall have the meanings set forth in the Resolution as if fully set forth herein.

As provided in the Resolution, the Series 2016A-2 Bonds and all other bonds issued on a parity basis with the Series 2016A-2 Bonds under the Resolution (herein collectively called the "Bonds") are direct and special obligations of the Trust payable solely, subject to the following sentence, from and secured (as to payment of principal or Redemption Price, if any, of and interest on) by the Trust Estate, all in accordance with their terms and the terms and conditions of the Resolution, subject only to the provisions of the Resolution permitting the application of the Trust Estate for the purposes and upon the terms and conditions set forth in the Resolution. The principal or Redemption Price, if any, of and interest on the Series 2016A-2 Bonds are additionally secured by moneys held by the Master Program Trustee in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. The Trust Estate under the Resolution includes the Loan Agreements (with certain exceptions set forth in the Resolution), any other Revenues and all other funds and accounts established under the Resolution (other than the Operating Expense Fund, the Project Fund, and the Rebate Fund), including Investment Securities, as applicable, held in any such Fund thereunder, together with all proceeds and revenues of the foregoing, all of the Trust's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price, if any, of and interest on the Bonds in accordance with the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the Trust and at the above-mentioned office of the Trustee. Reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and for all of the other terms and provisions thereof. All duties, covenants, agreements and obligations of the Trust under the Resolution may be discharged and satisfied at or prior to the maturity or redemption, if any, of this bond if moneys or certain specified securities shall have been deposited with the Trustee, all in accordance with the terms and provisions of the Resolution.

As provided in the Resolution, Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more Series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. Although the aggregate principal amount of Bonds that may be issued under the Resolution is not limited, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution, the aggregate amount of bonds that may be issued by the Trust is currently limited by the Act. The Trust makes no representation as to whether this limitation on the aggregate principal amount of bonds issued by the Trust under the Act will continue to restrict the future issuance of bonds by the Trust under the Act.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Trust with the written consent of the holders of at least two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding under the Resolution at the time such consent is given, and, in case less than all of the several Series of Bonds then Outstanding are affected thereby, with such consent of at least two-thirds (2/3) in aggregate principal amount of the Bonds of each Series so affected and Outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding under the Resolution, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption, if any (including Sinking Fund Installments), or maturity of the principal

of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price, if any, thereof or in the rate of interest thereon without the consent of the holder of such Bond, nor shall it reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, nor shall it change or modify any of the rights or obligations of the Trustee or of the Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Resolution, only upon the books of the Trust kept for that purpose at the above-mentioned office of the Trustee, as bond registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution upon payment of the charges therein prescribed. The Trust, the Trustee and the Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, hereof and the interest due hereon and for all other purposes.

The Series 2016A-2 Bonds maturing on or before September 1, [2027] shall not be subject to redemption prior to their respective stated maturity dates. The Series 2016A-2 Bonds maturing on or after September 1, [2028] shall be subject to redemption prior to their respective stated maturity dates on or after September 1, [2027], at the option of the Trust, upon the terms set forth in the Resolution.

The Series 2016A-2 Bonds are payable upon redemption at the above-mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Trustee via first class mail, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date, to the registered owners of any Series 2016A-2 Bonds or portions thereof to be redeemed at their last addresses, if any, appearing upon the Trust's registry books, all in the manner and upon the terms and conditions set forth in the Resolution. If notice of redemption shall have been mailed as aforesaid, the Series 2016A-2 Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all of the Series 2016A-2 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2016A-2 Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any Series 2016A-2 Bonds to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of such Series 2016A-2 Bonds.

The principal or Redemption Price, if any, of and interest on the Series 2016A-2 Bonds are payable by the Trust solely from the Trust Estate, and neither the State of New Jersey nor any political subdivision thereof, other than the Trust (but solely to the extent of the Trust Estate), is obligated to pay the principal or Redemption Price, if any, of or interest on this bond and the issue of which it is one, and neither the full faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal or Redemption Price, if any, of or interest on this bond or the issue of which it is one.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond exist, have happened and have been performed, and the Series of Bonds of which this is one, together with all other indebtedness of the Trust, comply in all respects with the applicable laws of the State of New Jersey, including, without limitation, the Act.

This bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman or Vice-Chairman and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date hereof.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

By:_____
Vice Chairman

[SEAL]

ATTEST:

_____
Assistant Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION ON SERIES 2016A-2 BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2016A-2 Bonds delivered pursuant to the within-mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:_____
Authorized Signatory

The following abbreviations, when used in the inscription on this bond, shall be construed as though they were written out in full according to applicable laws or regulations (additional abbreviations may also be used though not in the following list):

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties

JT TEN – as joint tenants with
right of survivorship
and not as tenants in common

UNIF GIFT MIN ACT
_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors Act
(State)

ASSIGNMENT

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE (FOR COMPUTER RECORD ONLY): _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

_____
the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_____, Attorney, to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranty:

_____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank, trust company, national bank association or other banking institution incorporated under the laws of the United States or a state of the United States.

Signature:

_____

NOTICE: The signature of this Assignment must correspond with the name that appears upon the first page of the within bond in every particular, without alteration or enlargement or any change whatsoever.

SECTION 15.02. Effective Date. This Bond Resolution shall not become effective until all of the following shall have occurred:

(a) As required by paragraph i of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, there shall have run ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Trust meeting at which this Bond Resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval; and

(b) As required by paragraph j of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, there is received by the Trust the written approval of this Bond Resolution by each of the Governor of the State and the State Treasurer.

EXHIBIT A

Form of Loan Agreement for Municipal Borrowers

EXHIBIT B

Form of Loan Agreement for Authority Borrowers

EXHIBIT C

[Reserved]

EXHIBIT D

Form of Notice of Sale

EXHIBIT E

Form of Trust Continuing Disclosure Agreement

EXHIBIT F

CERTIFICATE OF AN AUTHORIZED OFFICER OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AS REQUIRED BY SECTION 4 OR 8(a) OF THE MASTER PROGRAM TRUST AGREEMENT

I, DAVID E. ZIMMER, Executive Director of the New Jersey Environmental Infrastructure Trust (the "Trust") and an Authorized Officer as defined in and under that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the Trust, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to Wachovia Bank National Association), in several capacities thereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee (the "Master Program Trustee"), and the Trust, as the same may be amended and supplemented from time to time in accordance with its terms (the "Master Program Trust Agreement"; capitalized terms used but not defined in this Certificate shall have the meanings ascribed to such terms in the Master Program Trust Agreement), **DO HEREBY CERTIFY** as follows:

1. The 2016A-2 series within the Financing Program for State Fiscal Year 2016 shall constitute a Future Financing Program within the meaning of and for the purposes set forth in the Master Program Trust Agreement.

2. The 2016A-2 series within the Financing Program for State Fiscal Year 2016 has received all requisite approvals, authorizations and consents that constitute a condition precedent to such Financing Program becoming a Future Financing Program.

3. The 2016A-2 series within the Financing Program for State Fiscal Year 2016 shall be a Future Financing Program in order to provide additional security for the Coverage Receiving Trust Bonds, including, without limitation, the Future Trust Bonds to be issued under such Financing Program.

4. Attached hereto is an accurate and authentic copy of revised Schedule AG-2 to the Master Program Trust Agreement, which has simultaneously herewith been delivered to the Master Program Trustee for replacement of the existing Schedule AG-2 affixed to the Master Program Trust Agreement as Appendix A thereto.

5. This revised Schedule AG-2 to the Master Program Trust Agreement is being delivered to the Master Program Trustee in connection with the Trust's issuance of its Environmental Infrastructure Bonds, Series 2016A-2 in the aggregate principal amount of $__,___,000, which bonds constitute Future Trust Bonds under the Master Program Trust Agreement.

IN WITNESS WHEREOF, the undersigned duly Authorized Officer of the Trust has executed and delivered this Certificate this 22nd day of December, 2016.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

By:_____
Executive Director

SCHEDULE I-A

Reserved

SCHEDULE I-A

Reserved

SCHEDULE I-B

Allocable Share – Borrowers

The allocations contained in the attached schedule are valid for the term of the Loan of a particular Borrower. Once a Borrower's Loan is repaid or if a Borrower decides to prepay its Loan, (i) said Borrower will no longer be entitled to any Net Earnings on any of the funds or accounts established pursuant to this Bond Resolution and (ii) no reallocation will be made of the remaining Borrowers.

SCHEDULE II

Reserved

Agenda Item 8C

SUPPLEMENTAL BOND RESOLUTION

AUTHORIZING THE ISSUANCE OF

ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2016A-R3 (GREEN BONDS)

(2009A FINANCING PROGRAM)

OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Adopted November 10, 2016, as amended and supplemented by a Certificate of an Authorized Officer of the Trust in accordance with Section 6.01 hereof

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Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2016A-R3
(2009A FINANCING PROGRAM)
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

WHEREAS, on December 2, 2009, the New Jersey Environmental Infrastructure Trust, a public body corporate and politic with corporate succession (the "Trust"), duly created and validly existing under the laws of the State of New Jersey (the "State"), including, without limitation, the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may be amended and supplemented from time to time (the "Act"), issued its "Environmental Infrastructure Bonds, Series 2009A", dated December 2, 2009, in the original aggregate principal amount of $61,945,000 (the "Series 2009A Bonds"), in accordance with the provisions of (i) the "Environmental Infrastructure Bond Resolution, Series 2009A" of the Trust, duly adopted by the Trust on October 8, 2009 (the "Original Series 2009A Bond Resolution"), (ii) the Act and (iii) all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 2009A Bonds was applied by the Trust to the making of loans (the "Series 2009A Trust Loans") to each of the Borrowers (as hereinafter defined) to finance or refinance approximately 25% of the then-eligible costs of the acquisition, construction, renovation and installation of their respective environmental infrastructure projects (the "Projects"), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2009A, created by the State to implement the Federally financed State Revolving Loan Program in the State (the "Program");

WHEREAS, the State, acting by and through the New Jersey Department of Environmental Protection (the "DEP"), simultaneously made a companion loan (the "Series 2009A Fund Loans") to each of the Borrowers for approximately 75% of the then-eligible costs of each such Project, with the balance of any such costs funded (i) by the respective Borrower or (ii) by supplemental loans from the Trust and the State in other annual New Jersey Environmental Infrastructure Financing Programs;

WHEREAS, the repayment obligation with respect to each Series 2009A Trust Loan was evidenced and secured by, as the case may be, a revenue bond issued by the respective authority Borrower and a private water company Borrower and a general obligation bond issued by the respective municipal Borrower (collectively, the "Series 2009A Borrower Trust Loan Bonds"), each in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to each Series 2009A Fund Loan was evidenced and secured by, as the case may be, a revenue bond issued by the respective authority Borrower and a private water company Borrower and a general obligation bond issued by the respective municipal Borrower (collectively, the "Series 2009A Borrower Fund Loan Bonds"; the Series 2009A Borrower Trust Loan Bonds and the Series 2009A Borrower Fund Loan Bonds shall

be referred to collectively herein as the "Series 2009A Borrower Bonds"), each in accordance with all applicable law;

WHEREAS, the Series 2009A Bonds are principally secured by the Series 2009A Trust Loan repayment obligations of the Borrowers, as evidenced and secured by the Series 2009A Borrower Trust Loan Bonds;

WHEREAS, payment of the principal of and interest on the Series 2009A Bonds is also secured pursuant to the terms of that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the Trust, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ) (predecessor to The Bank of New York Mellon), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as amended and supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2002, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the Trust, as further amended and supplemented by that certain First General Amendment to Master Program Trust Agreement, dated September 1, 2006, by and among the Trust, the State, U.S. Bank Trust National Association, as Master Program Trustee thereunder, Wachovia Bank, National Association (predecessor to U.S. Bank National Association), as Trustee and Loan Servicer, The Bank of New York (predecessor to The Bank of New York Mellon), as Trustee and Loan Servicer, and Commerce Bank, National Association (predecessor to TD Bank, National Association), as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms (as amended and supplemented, the "Master Program Trust Agreement");

WHEREAS, the Trust has determined that net present value savings (the "Gross Savings") can be achieved upon the defeasance and refunding of a portion of the Series 2009A Bonds that currently are outstanding, through the implementation of the hereinafter defined 2016 Refunding of the Series 2009A Bonds to be Refunded (net of all costs incurred in connection therewith, the "Savings");

WHEREAS, Section 2.04(1) of the Original Series 2009A Bond Resolution and the terms of this Series 2016A-R3 Refunding Supplemental Bond Resolution (as hereinafter defined) authorize the issuance of the hereinafter defined Series 2016A-R3 Refunding Bonds as "Refunding Bonds" to achieve the 2016 Refunding of the Series 2009A Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series 2009A Bond Resolution;

WHEREAS, payment of the principal of and interest on the Series 2016A-R3 Refunding Bonds when due will be secured pursuant to the terms of the Master Program Trust Agreement;

WHEREAS, the Trust shall issue its "Environmental Infrastructure Refunding Bonds, Series 2016A-R3 (2009A Financing Program)", to be dated the date of issuance thereof, with an exact aggregate principal amount and an exact dated date thereof to be determined by an

Authorized Officer of the Trust upon the issuance thereof in accordance with the terms of this Series 2016A-R3 Refunding Supplemental Bond Resolution (the "Series 2016A-R3 Refunding Bonds"), all pursuant to the terms of (i) the Original Series 2009A Bond Resolution, as amended and supplemented by this "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R3 (2009A Financing Program) of the New Jersey Environmental Infrastructure Trust", adopted by the Trust on November 10, 2016, as amended and supplemented by a certificate of an Authorized Officer of the Trust, dated the date of issuance of the Series 2016A-R3 Refunding Bonds (as amended and supplemented, the "Series 2016A-R3 Refunding Supplemental Bond Resolution"; the Original Series 2009A Bond Resolution, as amended and supplemented by this Series 2016A-R3 Refunding Supplemental Bond Resolution and as the same may be further amended and supplemented from time to time in accordance with its terms, the "Series 2009A Bond Resolution"), (ii) the Act, and (iii) all other applicable law; provided, however, that, in the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the Trust to designate the Series 2016A-R3 Refunding Bonds as "Green Bonds", such Series 2016A-R3 Refunding Bonds shall be designated by the title, "Environmental Infrastructure Refunding Bonds, Series 2016A-R3 (2009A Financing Program) (Green Bonds)";

WHEREAS, upon issuance of the Series 2016A-R3 Refunding Bonds, the Trust shall establish an escrow fund (the "Defeased Series 2009A Bond Escrow Fund") in accordance with the terms of that certain "Escrow Deposit Agreement, Series 2016A-R3 (2009A Financing Program)", to be dated the date of issuance of the Series 2016A-R3 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "Defeased Series 2009A Bond Escrow Deposit Agreement"), by and between the Trust and U.S. Bank National Association, Morristown, New Jersey (the original Trustee pursuant to the Original Series 2009A Bond Resolution), as Defeased Series 2009A Bond Escrow Agent (or any successor thereto, the "Defeased Series 2009A Bond Escrow Agent") thereunder;

WHEREAS, upon issuance of the Series 2016A-R3 Refunding Bonds, the Trust will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2009A Bond Escrow Fund in an amount that, together with interest earned thereon as well as certain other available funds, will be sufficient to pay (i) all of the interest due and payable on March 1, 2017 through and including September 1, 2018 (the "Redemption Date") on all or a portion of the outstanding Series 2009A Bonds otherwise maturing on September 1, 2019 through and including September 1, 2029 (exclusive of that portion thereof that relates to the Loan made to the West Milford Township Municipal Utilities Authority (S340701-09)) (collectively, the "Series 2009A Bonds to be Refunded"), (ii) all of the principal of the Series 2009A Bonds to be Refunded on the Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2009A Bonds to be Refunded on the Redemption Date (collectively, the "2016 Refunding of the Series 2009A Bonds to be Refunded");

WHEREAS, upon issuance of the Series 2016A-R3 Refunding Bonds, the Trust will finance the 2016 Refunding of the Series 2009A Bonds to be Refunded with deposits into the Defeased Series 2009A Bond Escrow Fund, from the following sources: (i) from a portion (consisting of the majority share) of the proceeds of the Series 2016A-R3 Refunding Bonds, and (ii) from the immediate transfer of certain moneys remaining on deposit in certain funds and

accounts established and existing under the Original Series 2009A Bond Resolution and held by U.S. Bank National Association, Morristown, New Jersey, as Trustee (or any successor thereto, the "Trustee") thereunder, all as set forth in this Series 2016A-R3 Refunding Supplemental Bond Resolution, a Certificate of an Authorized Officer of the Trust and, to the extent the 2016 Refunding of the Series 2009A Bonds to be Refunded is financed with deposits into the Defeased Series 2009A Bond Escrow Fund, in the Defeased Series 2009A Bond Escrow Deposit Agreement;

WHEREAS, upon issuance of the Series 2016A-R3 Refunding Bonds, the Trust, in accordance with the Act, the Series 2009A Bond Resolution, and a financial plan approved by the State Legislature in accordance with Section 23 of the Act will (i) issue the Series 2016A-R3 Refunding Bonds for the purpose of applying the primary share of the proceeds thereof toward the 2016 Refunding of the Series 2009A Bonds to be Refunded, (ii) apply the balance of the proceeds thereof to the payment of certain costs incurred in connection therewith, and (iii) pass on to each of the Borrowers their *pro rata* portion of the Savings achieved from the 2016 Refunding of the Series 2009A Bonds to be Refunded, such *pro rata* portion of the Savings to be applied as an additional credit to the existing Series 2009A Trust Loan repayment obligations of such Borrowers; provided, however, that an Authorized Officer of the Trust may withhold from the Borrowers a portion of the of the Savings, to the extent that it is reasonably required to reimburse the Trust for direct out of pocket costs of issuing the Series 2016A-R3 Refunding Bonds that have been paid by the Trust and not otherwise financed from the proceeds of the Series 2016A-R3 Refunding Bonds, the amount of which portion, if any, shall be set forth on the Savings Credit Schedules (as hereinafter defined) under the heading "Withheld Savings" (the "Withheld Savings");

WHEREAS, in order to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Securities Exchange Act"), including any successor regulation or statute thereto ("Rule 15c2-12"), the Trust (i) has determined that the Program is and (ii) will determine whether certain Borrowers (the "Disclosure Borrowers") and, if applicable, whether certain related local government units, are material "obligated persons" in connection with the issuance of the Series 2016A-R3 Refunding Bonds, as the term "obligated person" is defined in Rule 15c2-12, based upon criteria set forth in this Series 2016A-R3 Refunding Supplemental Bond Resolution;

WHEREAS, prior to or simultaneously with the issuance of the Series 2016A-R3 Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate "Series 2016A-R3 Continuing Disclosure Agreement (2009A Financing Program)", to be dated the date of issuance of the Series 2016A-R3 Refunding Bonds, with the Trustee and the Trust (as the same may be further amended and supplemented from time to time in accordance with their respective terms, the "Series 2016A-R3 Borrower Continuing Disclosure Agreements"), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2016A-R3 Refunding Bonds, the Trust shall enter into a "Series 2016A-R3 Trust Continuing Disclosure Agreement (2009A Financing Program)", to be dated the date of issuance of the Series 2016A-R3 Refunding Bonds, with the Trustee (as the same may be further amended and supplemented from

time to time in accordance with the terms thereof, the "Series 2016A-R3 Trust Continuing Disclosure Agreement"; the Series 2016A-R3 Borrower Continuing Disclosure Agreements and the Series 2016A-R3 Trust Continuing Disclosure Agreement shall be referred to collectively herein as the "Series 2016A-R3 Continuing Disclosure Agreements"), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Trust as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY FOR SERIES 2016A-R3 REFUNDING SUPPLEMENTAL BOND RESOLUTION

SECTION 1.01. Definitions.

(A) As used in this Series 2016A-R3 Refunding Supplemental Bond Resolution, unless the context requires otherwise, all capitalized terms not defined herein shall have the meanings ascribed to such terms in Section 1.01 of the Original Series 2009A Bond Resolution, as amended and supplemented.

(B) The following capitalized terms set forth in this Series 2016A-R3 Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in the recitals to this Series 2016A-R3 Refunding Supplemental Bond Resolution:

Act
Defeased Series 2009A Bond Escrow Agent
Defeased Series 2009A Bond Escrow Deposit Agreement
Defeased Series 2009A Bond Escrow Fund
DEP
Gross Savings
Original Series 2009A Bond Resolution
Projects
Program
Redemption Date
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series 2009A Bond Resolution
Series 2009A Bonds
Series 2009A Bonds to be Refunded
Series 2009A Borrower Bonds
Series 2009A Borrower Fund Loan Bonds
Series 2009A Borrower Trust Loan Bonds
Series 2009A Fund Loans
Series 2009A Trust Loans
Series 2016A-R3 Continuing Disclosure Agreements
Series 2016A-R3 Borrower Continuing Disclosure Agreements
Series 2016A-R3 Refunding Bonds
Series 2016A-R3 Refunding Supplemental Bond Resolution
Series 2016A-R3 Trust Continuing Disclosure Agreement
State
Trust
Trustee

2016 Refunding of the Series 2009A Bonds to be Refunded
Withheld Savings

(C) In addition, as used in this Series 2016A-R3 Refunding Supplemental Bond Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

"Borrowers" shall mean individually or collectively, as the case may be, each local governmental unit and the private water company that previously received a Series 2009A Trust Loan and, in accordance with this Series 2016A-R3 Refunding Supplemental Bond Resolution, will receive its *pro rata* share of the Savings, less the Withheld Savings, if any.

"DTC" shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2016A-R3 Refunding Bonds.

"DTC Representation Letter" means the agreement entered into by and between the Trust and DTC, detailing the rights, duties and obligations of the parties thereto relative to the Series 2016A-R3 Refunding Bonds.

"Savings Credit" shall mean the *pro rata* portion of the Savings, other than the Withheld Savings, if any, allocated by the Trust to each Borrower, as such *pro rata* portion shall be identified by the Trust in the Savings Credit Schedule, relating to each respective Borrower, under the column therein entitled "Savings Credit (Total)".

"Savings Credit Schedule" shall mean collectively or individually, as the case may be, the schedule, prepared by or at the direction of the Trust with respect to each Borrower, demonstrating the Savings Credit and Withheld Savings, if any, such Savings Credit Schedule to be included by the Trust as an exhibit to that certain Certificate of an Authorized Officer of the Trust pursuant to Section 6.01 hereof.

"Trust Conditions Precedent" shall mean the written approval of the Governor and Treasurer of the State of this Series 2016A-R3 Refunding Supplemental Bond Resolution in satisfaction of the requirements of Section 4(j) of the Act.

(D) In addition, the definition of the following term in Section 1.01 of the Original Series 2009A Bond Resolution are hereby amended to the extent provided below:

The definition of "Bond Year" in Section 1.01 of the Original Series 2009A Bond Resolution is hereby amended to include at the end thereof the following:

> ", and with respect to the Series 2016A-R3 Refunding Bonds, shall mean a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first Bond Year with respect to the Series 2016A-R3 Refunding Bonds shall be a

period commencing on the date of issuance of the Series 2016A-R3 Refunding Bonds hereunder and ending on August 31, 2017."

SECTION 1.02. Authority for Supplemental Bond Resolution. This Series 2016A-R3 Refunding Supplemental Bond Resolution is adopted pursuant to and in accordance with the provisions of the Act and Section 2.04 and Article XI of the Original Series 2009A Bond Resolution, as amended and supplemented.

ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2016A-R3 REFUNDING BONDS

SECTION 2.01. [Reserved].

SECTION 2.02. Issuance of Series 2016A-R3 Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The Trust hereby declares the issuance of the Series 2016A-R3 Refunding Bonds to be an authorized undertaking of the Trust pursuant to the Act and Section 2.04(1) of the Original Series 2009A Bond Resolution, as amended and supplemented, and hereby authorizes and directs an Authorized Officer to execute and deliver all documents necessary or desirable in connection therewith.

(B) In accordance with the terms of the Series 2009A Bond Resolution, upon the issuance of the Series 2016A-R3 Refunding Bonds pursuant to the terms hereof, the Holders of the Series 2016A-R3 Refunding Bonds will be equally and ratably entitled to the benefit of the pledge of the Trust Estate under the Series 2009A Bond Resolution with the Holders of the Series 2009A Bonds that shall remain Outstanding (the "Outstanding Series 2009A Bonds") and any other Series of Bonds to be issued pursuant to the Series 2009A Bond Resolution, including, without limitation, the moneys and securities in the Debt Service Fund and the rights to the Loan Repayments. Accordingly, each Series of Bonds that is Outstanding pursuant to the terms of the Series 2009A Bond Resolution shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2009A Bond Resolution.

(C) The Trust shall create two Loan Repayment schedules for each of the Series 2009A Trust Loans (collectively, the "Loan Repayment Schedules"): (i) the first, reflecting the Loan Repayments that are allocable to the Series 2016A-R3 Refunding Bonds until the maturity thereof; and (ii) the second, reflecting the Loan Repayments that are allocable to the Outstanding Series 2009A Bonds until the maturity thereof. At its election, the Trust may present such Loan Repayment Schedules in a consolidated format. In addition, the Trust shall prepare a consolidated schedule (the "Savings Credit Schedules") that reflects the Savings to be realized by each Borrower with respect to its Series 2009A Trust Loan through the implementation of the 2016 Refunding of the Series 2009A Bonds to be Refunded. The Loan Repayment Schedules and the Savings Credit Schedule shall be provided by the Trust to each Borrower promptly following the issuance by the Trust of the Series 2016A-R3 Refunding Bonds. The Loan Repayments to be made by the Borrowers shall be allocated by the Trustee on a pro rata basis to the respective Accounts within the Revenue Fund relating to each Series of Bonds; thereafter, disbursements shall be made by the Trustee to the respective Accounts within the Debt Service Fund for each Series of Bonds for payment of the principal and redemption premium, if any, of and the interest on each such Series of Bonds.

(D) Upon issuance of the Series 2016A-R3 Refunding Bonds, the aggregate of the sum of the principal amount of the Series 2016A-R3 Refunding Bonds and the principal amount of the Outstanding Series 2009A Bonds (collectively, the "Outstanding Bonds") shall be equal to or less

than the aggregate principal amount of the Series 2009A Borrower Trust Loan Bonds that are outstanding as of such date of issuance of the Series 2016A-R3 Refunding Bonds. Upon the allocation of the Savings to the Borrowers through the Savings Credits and to the Trust through the Withheld Savings, if any, the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2009A Trust Loans (as evidenced and secured by the aggregate principal amount of the Series 2009A Borrower Trust Loan Bonds), net of the Savings Credits and the Withheld Savings, if any, to the extent and as applied to the aggregate principal payment obligations of the Borrowers with respect to the aggregate Series 2009A Trust Loans, shall equal the aggregate principal amount of the Outstanding Bonds. Notwithstanding any provision to the contrary in the Series 2009A Bond Resolution and in light of the foregoing provisions of this subsection (D), to the extent there is an acceleration of the then Outstanding Bonds, the Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Bonds in excess of said Outstanding Bonds. In such case, any such excess amount shall be deposited by the Trustee in the General Fund to be used by the Trust free and clear of any lien created under the Series 2009A Bond Resolution for any corporate purpose of the Trust.

(E) The Trustee shall take into account as a credit to the Loan Repayments otherwise due from the Borrower on each such Loan Repayment date the Savings, other than the Withheld Savings, if any, specified in such the Savings Credit Schedule.

(F) On the date that is no more than 180 days after the date of issuance of the Series 2016A-R3 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund shall be paid by the Trust to the Trustee for deposit in the Debt Service Fund to be used to pay interest on the Series 2016A-R3 Refunding Bonds on the first available Interest Payment Date.

SECTION 2.03. Authorization and Terms of the Series 2016A-R3 Refunding Bonds.

(A) The Trust hereby authorizes the issuance of the Series 2016A-R3 Refunding Bonds in the aggregate principal amount not to exceed an amount such that the aggregate principal amount of the Outstanding Bonds equals the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2009A Trust Loans (as evidenced and secured by the aggregate principal amount of the Series 2009A Borrower Trust Loan Bonds), after taking into account the allocation of the Savings to the Borrowers through the Savings Credits and to the Trust through the Withheld Savings, if any, to the extent and as applied to the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2009A Trust Loans, and in the exact principal amount as set forth in a Certificate of an Authorized Officer of the Trust pursuant to Section 6.01 hereof, for the following purposes: (i) the 2016 Refunding of the Series 2009A Bonds to be Refunded and (ii) the payment of certain expenses incurred in connection with the issuance of the Series 2016A-R3 Refunding Bonds. Notwithstanding any provision of this Section 2.03(A) or this Series 2016A-R3 Refunding Supplemental Bond Resolution to the contrary, the Series 2016A-R3 Refunding Bonds shall not be issued by the Trust until satisfaction in full of the Trust Conditions Precedent.

(B) The Series 2016A-R3 Refunding Bonds shall bear interest from the date of issuance thereof until final maturity (stated or otherwise) based upon the Outstanding principal amount

thereof at the per annum interest rates set forth below payable to the registered owners thereof as of each applicable Record Date and payable initially on March 1, 2017 and semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2016A-R3 Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2016A-R3 Refunding Bonds shall mature in the principal amounts and on September 1 in each of the years set forth below. The principal of and interest on the Series 2016A-R3 Refunding Bonds shall, except as provided in this subsection (B) and in subsection (C) and Section 2.08 below, be payable as otherwise provided in the Original Series 2009A Bond Resolution, as amended and supplemented. Except as provided in subsection (C) and Section 2.08 below, interest shall be paid to the registered owner as of the applicable Record Date by check mailed on any applicable Interest Payment Date.

Year	Principal Amount	Interest Rate
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		

(C) The Series 2016A-R3 Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2016A-R3-R from 1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2016A-R3 Refunding Bonds will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC. Upon issuance, the Series 2016A-R3 Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2016A-R3 Refunding Bonds will be made in book-entry form (without certificates) in denominations of $5,000 each or any integral multiple thereof. The Series 2016A-R3 Refunding Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Notwithstanding any other provision in the Series 2009A Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2016A-R3 Refunding Bonds, payments of the principal of and interest on the Series 2016A-R3 Refunding Bonds will be made directly to Cede & Co., as nominee for DTC, in accordance with the provisions of the DTC Representation Letter, and interest shall be paid on each Interest Payment Date by wire transfer from the Paying Agent to DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2016A-R3 Refunding Bonds is the responsibility of the DTC participants.

(D) The Series 2016A-R3 Refunding Bonds shall constitute a single Series of Bonds, and each shall be designated "Environmental Infrastructure Refunding Bond, Series 2016A-R3 (2009A Financing Program)".

SECTION 2.04. Redemption of the Series 2016A-R3 Refunding Bonds.

(A) **Optional Redemption**. **[**The Series 2016A-R3 Refunding Bonds maturing on or before September 1, [2027] shall not be subject to redemption prior to their respective stated maturity dates. The Series 2016A-R3 Refunding Bonds maturing on or after September 1, [2028] shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, [2027], at the option of the Trust, upon the terms set forth in this subsection and upon notice as provided in Article IV of the Original Series 2009A Bond Resolution, as amended and supplemented, either in whole on any date, or in part, by lot within any maturity or maturities determined by the Trust, on any Interest Payment Date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.]

(B) **Mandatory Sinking Fund Redemption.** The Series 2016A-R3 Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

SECTION 2.05. Form of Series 2016A-R3 Refunding Bonds. The Series 2016A-R3 Refunding Bonds shall be in substantially the form set forth in Section 14.01 of the Original Series 2009A Bond Resolution, as amended and supplemented, with such insertions, omissions or variations as may be necessary or appropriate to effectuate the purposes of this Series 2016A-R3 Refunding Supplemental Bond Resolution, including, without limitation, the dated dates, maturity dates, principal or sinking fund amounts, interest rates and redemption provisions set forth herein, and including, without limitation, the 2016 Refunding of the Series 2009A Bonds to be Refunded.

SECTION 2.06. Execution, Authentication and Delivery. The Chairman or Vice Chairman of the Trust are each hereby severally authorized to execute the Series 2016A-R3 Refunding Bonds, and the Secretary and Assistant Secretary of the Trust are hereby severally authorized to attest to the execution of the Series 2016A-R3 Refunding Bonds by the Chairman or Vice Chairman of the Trust and to affix the corporate seal of the Trust upon the Series 2016A-R3 Refunding Bonds, all in accordance with Article III of the Original Series 2009A Bond Resolution, as amended and supplemented. Following execution of the Series 2016A-R3 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2016A-R3 Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2016A-R3 Refunding Bonds in accordance with Article III of the Original Series 2009A Bond Resolution, as amended and supplemented, and thereafter deliver the Series 2016A-R3 Refunding Bonds to the Trust or purchaser thereof in accordance with a Certificate of an Authorized Officer, but such delivery shall not occur unless (i) the Trust Conditions Precedent have been satisfied in full and (ii) the provisions of Article II of the Original Series 2009A Bond Resolution, as amended and supplemented, regarding conditions precedent to the issuance of a Series of Bonds, have been satisfied in full.

SECTION 2.07. Refunding Bonds. After execution of the Series 2016A-R3 Refunding Bonds by the Trust as provided in the Series 2009A Bond Resolution and after the authentication

and delivery thereof as also provided in the Series 2009A Bond Resolution, the Series 2016A-R3 Refunding Bonds shall constitute Refunding Bonds in accordance with Article II of the Original Series 2009A Bond Resolution, as amended and supplemented.

SECTION 2.08. Book-Entry Format. The Series 2016A-R3 Refunding Bonds shall be registered in the name of Cede & Co., and shall be issued in accordance with the terms of the DTC Representation Letter and the provisions of Article II of the Original Series 2009A Bond Resolution, as amended and supplemented.

ARTICLE III

CREATION AND ESTABLISHMENT OF DEFEASED SERIES 2009A BOND ESCROW FUND AND SEPARATE ACCOUNTS WITHIN ALL FUNDS; APPLICATION OF SERIES 2016A-R3 REFUNDING BOND PROCEEDS AND TAX CERTIFICATE

SECTION 3.01. Creation of Defeased Series 2009A Bond Escrow Fund, Separate Accounts within all Funds and Certain Other Accounts and Funds.

(A) The Trust hereby creates, and the Trustee shall establish, for the sole benefit of the Holders of the Series 2009A Bonds to be Refunded in accordance with the terms of the Defeased Series 2009A Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated "Defeased Environmental Infrastructure Bonds, Series 2009A Escrow Fund (2016)".

(B) Section 5.01 of the Original Series 2009A Bond Resolution is hereby amended and supplemented as follows: The Trust hereby directs the Trustee to establish separate subaccounts, as necessary, for the Series 2016A-R3 Refunding Bonds within each Account created under the Series 2009A Bond Resolution that is held by the Trustee. The Trust hereby further directs the Trustee to establish separate Accounts, as necessary, for the Series 2016A-R3 Refunding Bonds within each Fund created under the Series 2009A Bond Resolution that is held by the Trustee. The Trust is hereby authorized and directed to establish separate subaccounts, as necessary, within each Account created under the Series 2009A Bond Resolution that is held by the Trust. The Trust is hereby authorized and directed to establish separate Accounts, as necessary, within each Fund created under the Series 2009A Bond Resolution that is held by the Trust.

SECTION 3.02. Amendment of Section 5.05 of the Original Series 2009A Bond Resolution. Section 5.07(1) of the Original Series 2009A Bond Resolution is hereby amended to include at the end thereof the following paragraph 7:

> "7. On each Interest Payment Date, after giving effect to the transfers set forth in paragraphs (1) through (4) of this Section 5.05, the Trustee shall transfer from amounts in the SRF Account and the Non-SRF Account of the Revenue Fund to the Administrative Fee Account an amount equal to the aggregate of the Withheld Savings, if any, with respect to such Interest Payment Date, as set forth on the Savings Credit Schedules, which Withheld Savings, if any, shall be applied by the Trust in accordance with the provisions of Section 5.03(4) hereof."

SECTION 3.03. [Reserved.].

SECTION 3.04. Application of the Proceeds of the Series 2016A-R3 Refunding Bonds and Other Moneys. The proceeds of the Series 2016A-R3 Refunding Bonds of $_____ (par of $_____, plus original issue premium of $_____, less underwriters' discount of $_____), shall be received by the Trustee, and the Trustee shall deposit or transfer such proceeds, together with (i) such amounts on deposit in the respective Funds and Accounts under the Series 2009A Bond Resolution as shall be set forth in a Certificate of an Authorized Officer of

the Trust and (ii) such amounts to be paid by the Trust with respect to the costs of issuing the Series 2016A-R3 Refunding Bonds pursuant to Section 3.06 hereof (other than those such amounts paid directly by the Trust to a direct payee), into the Funds and Accounts as shall be set forth in a Certificate of an Authorized Officer of the Trust, to effect the 2016 Refunding of the Series 2009A Bonds to be Refunded; provided that the origin of moneys for such funds shall comply in all respects with the Series 2009A Bond Resolution, as amended and supplemented, and the Code.

SECTION 3.05. Tax Exempt Status of Series 2016A-R3 Refunding Bonds. The Trust covenants to comply with the provisions of the Code applicable to the Series 2016A-R3 Refunding Bonds and covenants not to take any action or fail to take any action that would cause the interest on the Series 2016A-R3 Refunding Bonds to become includable in gross income of the owners thereof for Federal income tax purposes under Section 103 of the Code or to become an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In accordance therewith, the Trust hereby authorizes and directs an Authorized Officer to execute a tax certificate prior to the issuance of the Series 2016A-R3 Refunding Bonds in such form as specified by Bond Counsel to the Trust.

SECTION 3.06. Payment of Costs of Issuing the Series 2016A-R3 Refunding Bonds. In connection with the issuance of the Series 2016A-R3 Refunding Bonds, the Trust hereby severally authorizes and directs the Authorized Officers to pay to the Trustee or the direct payee, as appropriate, from amounts available to the Trust for such purposes, the sum required to pay those costs of issuing the Series 2016A-R3 Refunding Bonds that are not permitted to be paid from the proceeds of the Series 2016A-R3 Refunding Bonds pursuant to the Code, if any. The amount to be paid by the Trust pursuant to this Section 3.06, if any, shall be set forth in, and applied pursuant to, a Certificate of an Authorized Officer of the Trust.

ARTICLE IV

APPOINTMENT OF TRUSTEE, PAYING AGENT AND DEFEASED SERIES 2009A BOND ESCROW AGENT

SECTION 4.01. Appointment of Trustee. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Trustee for the holders of the Series 2016A-R3 Refunding Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2009A Bond Resolution by executing the certificate of authentication endorsed upon the Series 2016A-R3 Refunding Bonds upon the original issuance thereof. All of the provisions set forth in Article X or otherwise of the Original Series 2009A Bond Resolution, as amended and supplemented, relating to the Trustee shall be applicable to the Trustee with respect to the Series 2016A-R3 Refunding Bonds as if fully set forth herein.

SECTION 4.02. Appointment of Paying Agent. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Paying Agent for the Series 2016A-R3 Refunding Bonds. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2009A Bond Resolution by executing and delivering a written acceptance thereof to the Trust and to the Trustee. The Trustee may be appointed and may serve as Paying Agent for the Series 2016A-R3 Refunding Bonds. All of the provisions set forth in Article X or otherwise of the Original Series 2009A Bond Resolution, as amended and supplemented, relating to the Paying Agent shall be applicable to the Paying Agent with respect to the Series 2016A-R3 Refunding Bonds as if fully set forth herein.

SECTION 4.03. Appointment of Defeased Series 2009A Bond Escrow Agent. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Defeased Series 2009A Bond Escrow Agent for the Series 2009A Bonds to be Refunded. In such event, the Defeased Series 2009A Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2009A Bond Escrow Deposit Agreement by executing and delivering same.

ARTICLE V

DEFEASED SERIES 2009A BOND ESCROW DEPOSIT AGREEMENT, SERIES 2016A-R3 CONTINUING DISCLOSURE AGREEMENTS, OFFICIAL STATEMENT AND SALE OF THE SERIES 2016A-R3 REFUNDING BONDS

SECTION 5.01. Defeased Series 2009A Bond Escrow Deposit Agreement and Series 2016A-R3 Continuing Disclosure Agreements.

(A) The Trust hereby severally authorizes any Authorized Officer to execute, deliver and perform the duties and obligations of the Trust pursuant to the terms of the Defeased Series 2009A Bond Escrow Deposit Agreement and the Series 2016A-R3 Continuing Disclosure Agreements, each in the form attached hereto as Exhibit A, with such changes thereto as shall be within the constraints set forth herein and as shall be determined exclusively by the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, which determination shall be conclusively evidenced by the Authorized Officer's execution and delivery thereof. Such Authorized Officer and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by such Authorized Officer or any such other Authorized Officer to consummate the transactions contemplated hereby and by such Defeased Series 2009A Bond Escrow Deposit Agreement and Series 2016A-R3 Continuing Disclosure Agreements; provided, however, that the Defeased Series 2009A Bond Escrow Deposit Agreement shall in any event conform with all of the requirements for the defeasance of the Series 2009A Bonds to be Refunded as set forth in the Series 2009A Bond Resolution, particularly Article XII of the Original Series 2009A Bond Resolution, as amended and supplemented, and such Defeased Series 2009A Bond Escrow Deposit Agreement and Series 2016A-R3 Continuing Disclosure Agreements shall otherwise conform in all material respects to the provisions of this Article V.

(B) The delegation to the Authorized Officers set forth in subsection (A), above, of this Section 5.01, authorizing such Authorized Officer to take all actions deemed necessary, convenient or desirable by such Authorized Officer to consummate the transactions contemplated hereby and by the Defeased Series 2009A Bond Escrow Deposit Agreement shall include, without limitation, authorization to purchase Investment Securities (including, without limitation, United States Treasury Obligations – State and Local Government Series issued or held in book-entry form on the books of the Department of the Treasury of the United States), such purchase to be undertaken either directly or through the subscription services of professional advisors to the Trust, including, without limitation, the financial advisor to the Trust, in connection with the investment of the Defeased Series 2009A Bond Escrow Fund established in accordance with the terms of the Defeased Series 2009A Bond Escrow Deposit Agreement, as applicable, and such Authorized Officer shall undertake whatever method of acquisition of such Investment Securities is deemed in compliance with (i) the provisions of the Series 2009A Bond Resolution, (ii) applicable law, including, without limitation, the Act, and (iii) the then-current investment policy of the Trust, provided that such Authorized Officer has consulted with counsel and other applicable professional advisors to the Trust.

SECTION 5.02. Appointment of Verification Agent. The Authorized Officers are hereby severally authorized and directed, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, to secure the appointment of an independent nationally recognized certified public accountant, which shall, in accordance with the requirements of Section 2.04(e) of the Original Series 2009A Bond Resolution, as amended and supplemented, prepare and deliver to the Trust and the Trustee a verification report with respect to the matters set forth in Sections 2.04(c), 2.04 (d) and, if applicable, 2.04(f) of the Original Series 2009A Bond Resolution, as amended and supplemented.

SECTION 5.03. Preliminary Official Statement.

(A) The Authorized Officers are hereby severally authorized and directed, subsequent to (i) the satisfaction in full of the Trust Conditions Precedent and (ii) the satisfaction in full of all other legal conditions precedent to the delivery of the preliminary official statement relating to the Series 2016A-R3 Refunding Bonds (the "Preliminary Official Statement) by the Trust, as such satisfaction shall be determined by the Authorized Officer in consultation with Bond Counsel and the Office of the Attorney General of the State, to "deem final" the Preliminary Official Statement in accordance with the provisions of Rule 15c2-12 and deliver the Preliminary Official Statement in the form and with such provisions as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable for the delivery thereof, which delivery thereof by the Authorized Officer shall conclusively evidence his consent to the provisions thereof.

(B) The Authorized Officers are hereby severally authorized and directed to execute any certificate or document, including, without limitation, the Series 2016A-R3 Continuing Disclosure Agreements, and to take such other actions as may be necessary, relating to any statutes, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, that the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2016A-R3 Refunding Bonds, and the transactions contemplated by the Preliminary Official Statement, including, without limitation, Rule 15c2-12.

SECTION 5.04. Official Statement. The Authorized Officers are hereby severally authorized and directed to execute and deliver a final official statement (the "Official Statement") in substantially similar form to the Preliminary Official Statement, with such changes to reflect the final pricing as set forth in any documents relating to the sale of the Series 2016A-R3 Refunding Bonds and to reflect any other changes required under any applicable securities laws, rules or regulations as set forth in Section 5.03 hereof as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable to effect the issuance of the Series 2016A-R3 Refunding Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer shall conclusively evidence his consent to the provisions thereof.

SECTION 5.05. Sale of the Series 2016A-R3 Refunding Bonds.

(A) The Authorized Officers are hereby severally authorized and directed to cause to be published and disseminated in connection with the marketing and sale of the Series 2016A-R3 Refunding Bonds a notice of sale with respect to the Series 2016A-R3 Refunding Bonds (the "Notice of Sale"), which Notice of Sale shall set forth, *inter alia*, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust: (i) a summary of the terms of the Series 2016A-R3 Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2016A-R3 Refunding Bonds shall be made by the Trust; (iii) the date and time at which proposals for the purchase of the Series 2016A-R3 Refunding Bonds shall be accepted by the Trust; and (iv) the method by which the bidders for the purchase of the Series 2016A-R3 Refunding Bonds shall submit their proposals, which proposals shall be submitted to the Trust, in compliance with the Notice of Sale, via a written proposal for Series 2016A-R3 Refunding Bonds (the "Proposal for Bonds").

(B) The Authorized Officers are hereby severally authorized and directed to cause (i) the Notice of Sale and the Proposal for Bonds to be disseminated simultaneously with the dissemination of the Preliminary Official Statement and (ii) a summary of the Notice of Sale to be published in compliance with Section 6(d) of the Act at least once in at least three newspapers published in the State and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published in the State or in the City of New York, the first summary Notice of Sale to be published at least five (5) days prior to the date established by the Notice of Sale for the sale of the Series 2016A-R3 Refunding Bonds.

(C) On the date and time established therefore in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer. Upon receipt and acceptance of the Proposals for Bonds, the Authorized Officers are hereby severally authorized and directed to open such Proposals for Bonds and, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, accept the successful Proposal for Bonds, such successful Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2016A-R3 Refunding Bonds and after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust.

(D) The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the marketing and sale of the Series 2016A-R3 Refunding Bonds, including, without limitation, such other actions as may be necessary in connection with the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers shall comply with the provisions of this Section 5.05 and shall consult with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust with respect thereto.

(E) In the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the Trust, and the marketing and sale of the Series 2016A-R3 Refunding Bonds, to designate the Series

2016A-R3 Refunding Bonds as "Green Bonds", the Series 2016A-R3 Refunding Bonds shall be designated by the title, "Environmental Infrastructure Refunding Bonds, Series 2016A-R3 (2009A Financing Program) (Green Bonds)".

SECTION 5.06. Attestation. The Secretary and Assistant Secretary of the Trust are hereby severally authorized and directed, where deemed necessary, desirable or convenient to effect the 2016 Refunding of the Series 2009A Bonds to be Refunded in the sole discretion of an Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State, to attest to the execution by any such Authorized Officer of any such documents, instruments or certificates executed by any such Authorized Officer pursuant to this Article V, and to affix the corporate seal of the Trust upon any such document, instrument or certificate.

SECTION 5.07. Electronic Dissemination of the Preliminary Official Statement; Electronic Acceptance of Proposals for Bonds; Electronic Dissemination of the Official Statement.

(A) Notwithstanding any provision of this Series 2016A-R3 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.03 hereof.

(B) In complying with the provisions of Section 5.05 hereof, the Authorized Officers are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2016A-R3 Refunding Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer shall consult with counsel and other appropriate professional advisors to the Trust with respect thereto.

(C) Notwithstanding any provision of this Series 2016A-R3 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.04 hereof.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Certificate of an Authorized Officer Amending and Supplementing this Series 2016A-R3 Refunding Supplemental Bond Resolution. Notwithstanding any other provision herein to the contrary, the Series 2016A-R3 Refunding Bonds shall not be issued until the Trustee receives a Certificate of an Authorized Officer setting forth (i) the aggregate principal amount of Series 2016A-R3 Refunding Bonds to be issued, (ii) as applicable, the interest rates, principal amounts maturing, dated date, term of capitalized interest, redemption premiums, sinking fund installments, sinking fund payment dates, other redemption terms applicable to the Series 2016A-R3 Refunding Bonds and the amounts and sources of funds to be deposited in the Defeased Series 2009A Bond Escrow Fund (iii) any changes to the Series 2009A Bond Resolution required (1) by any Rating Agency rating the Series 2016A-R3 Refunding Bonds or (2) to ensure that interest is excludable from the gross income of the Holders of the Series 2016A-R3 Refunding Bonds pursuant to the Code, (iv) that the amount of Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2009A Bonds to be Refunded on a net present value basis, (v) the Savings Credit Schedules and the Withheld Savings, if any, relating to each respective Borrower, (vi) the Disclosure Borrowers, if any, as determined pursuant to the criteria set forth in Section 6.05 hereof, and (vii) subject to the parameters set forth in the definition of Series 2016A-R3 Refunding Bonds herein and upon the advice of Trust counsel and its professional advisors, the addition to, deletion from or modification of any financial term or any term remaining in blanks or brackets in this Series 2016A-R3 Refunding Supplemental Bond Resolution, as originally adopted on November 10, 2016, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2016A-R3 Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2016 Refunding of the Series 2009A Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2016A-R3 Refunding Supplemental Bond Resolution without compliance with any other provision of the Series 2009A Bond Resolution, including, without limitation, Article XI of the Original Series 2009A Bond Resolution, as amended and supplemented. The Authorized Officer executing any such Certificate shall report the substance of such Certificate to the members of the Trust at their next public meeting.

SECTION 6.02. Series 2016A-R3 Refunding Supplemental Bond Resolution to Govern. To the extent that the provisions of this Series 2016A-R3 Refunding Supplemental Bond Resolution are inconsistent with the provisions of the Original Series 2009A Bond Resolution, the provisions of this Series 2016A-R3 Refunding Supplemental Bond Resolution shall control.

SECTION 6.03. Incidental Action. The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order (i) to effectuate the sale and issuance of the Series 2016A-R3 Refunding Bonds, (ii) to effect the 2016 Refunding of the Series 2009A Bonds to be Refunded, and (iii) to maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2016A-R3 Refunding Bonds and the Series 2009A Bonds to be Refunded (including the preparation and filing of any information reports or other documents with respect

to the Series 2016A-R3 Refunding Bonds or the Series 2009A Bonds to be Refunded as may at any time be required under Section 149 of the Code).

SECTION 6.04. Series 2016A-R3 Refunding Supplemental Bond Resolution Amendments. This Series 2016A-R3 Refunding Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2016A-R3 Refunding Bonds by a Certificate of an Authorized Officer contemplated by Section 6.01 hereof without any further compliance with the provisions for adoption of a supplemental resolution under the Original Series 2009A Bond Resolution, as amended and supplemented, including, without limitation, Article XI thereof. All other amendments and supplements hereto shall be effected in accordance with the terms of the Series 2009A Bond Resolution relating to the amendment or supplement to a Supplemental Resolution.

SECTION 6.05. Continuing Disclosure. Prior to the issuance of the Series 2016A-R3 Refunding Bonds, the Trust, pursuant to the sole discretion of an Authorized Officer of the Trust, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, shall determine if any Borrower is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12, based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material "obligated persons" if their remaining Fund Loan repayments in all Coverage Providing Financing Programs (unless defined in this Section 6.05, capitalized terms not defined in this Series 2016A-R3 Refunding Supplemental Bond Resolution and used in this Section 6.05 shall have the respective meanings ascribed to such terms in the Master Program Trust Agreement), when aggregated with such Borrower's remaining Series 2009A Trust Loan repayments, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining Series 2009A Trust Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material "obligated persons" within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the Series 2009A Trust Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Series 2009A Fund Loan repayments and the Series 2009A Trust Loan repayments of any such Borrowers to such extent that such annual and indirect annual charges would in and of themselves exceed the ten percent (10%) test described above, any such Underlying Government Unit and Indirect Underlying Government Unit shall also be considered material "obligated persons" within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material "obligated person" based upon the criteria set forth herein shall be required to enter into a Series 2016A-R3 Borrower Continuing Disclosure Agreement with respect to the obligation of such Borrower and any Underlying Government Unit or Indirect Underlying Government Unit, if applicable, with a term as specified therein, by and among such Borrower, the Trust and the Trustee, substantially in the form attached hereto as

Exhibit A, with such changes therein as shall be approved by the Trust as evidenced by the execution thereof by an Authorized Officer of the Trust.

The Trust hereby determines that it is not an "obligated person". The Trust hereby determines that the Program is an “obligated person”. Accordingly, the Trust hereby covenants to provide on behalf of the Program notice of Bond Disclosure Events (as defined in the Series 2016A-R3 Trust Continuing Disclosure Agreement), if material, with respect to the Series 2016A-R3 Refunding Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

Notwithstanding any provision to the contrary in Article XI of the Original Series 2009A Bond Resolution, as amended and supplemented, the Trust may amend or supplement this Section 6.05 to comply with any amendment, supplement, modification, termination, interpretation or other change to Rule 15c2-12.

SECTION 6.06. [Reserved.]

SECTION 6.07. Effective Date. This Series 2016A-R3 Refunding Supplemental Bond Resolution shall take effect in accordance with paragraphs i and j of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, which provisions include, without limitation, the requirement that the Governor and Treasurer of the State approve this Series 2016A-R3 Refunding Supplemental Bond Resolution.

EXHIBIT A

FORMS OF DEFEASED SERIES 2009A BOND ESCROW DEPOSIT AGREEMENT AND SERIES 2016A-R3 CONTINUING DISCLOSURE AGREEMENT

Agenda Item 8D

SUPPLEMENTAL BOND RESOLUTION

AUTHORIZING THE ISSUANCE OF

ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2016A-R4 (GREEN BONDS)

(2010A FINANCING PROGRAM)

OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Adopted November 10, 2016, as amended and supplemented by a Certificate of an Authorized Officer of the Trust in accordance with Section 6.01 hereof

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Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2016A-R4
(2010A FINANCING PROGRAM)
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

WHEREAS, on March 10, 2010, the New Jersey Environmental Infrastructure Trust, a public body corporate and politic with corporate succession (the "Trust"), duly created and validly existing under the laws of the State of New Jersey (the "State"), including, without limitation, the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may be amended and supplemented from time to time (the "Act"), issued its "Environmental Infrastructure Bonds, Series 2010A", dated March 10, 2010, in the original aggregate principal amount of $127,595,000 (the "Series 2010A Bonds"), in accordance with the provisions of (i) the "Environmental Infrastructure Bond Resolution, Series 2010A" of the Trust, duly adopted by the Trust on January 28, 2010 (the "Original Series 2010A Bond Resolution"), (ii) the Act and (iii) all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 2010A Bonds was applied by the Trust to the making of loans (the "Series 2010A Trust Loans") to each of the Borrowers (as hereinafter defined) to finance or refinance approximately 25% of the then-eligible costs of the acquisition, construction, renovation and installation of their respective environmental infrastructure projects (the "Projects"), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2010A, created by the State to implement the Federally financed State Revolving Loan Program in the State (the "Program");

WHEREAS, the State, acting by and through the New Jersey Department of Environmental Protection (the "DEP"), simultaneously made a companion loan (the "Series 2010A Fund Loans") to each of the Borrowers for approximately 75% of the then-eligible costs of each such Project, with the balance of any such costs funded (i) by the respective Borrower or (ii) by supplemental loans from the Trust and the State in other annual New Jersey Environmental Infrastructure Financing Programs;

WHEREAS, the repayment obligation with respect to each Series 2010A Trust Loan was evidenced and secured by, as the case may be, a revenue bond issued by the respective authority Borrower and a private water company Borrower and a general obligation bond issued by the respective municipal Borrower (collectively, the "Series 2010A Borrower Trust Loan Bonds"), each in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to each Series 2010A Fund Loan was evidenced and secured by, as the case may be, a revenue bond issued by the respective authority Borrower and a private water company Borrower and a general obligation bond issued by the respective municipal Borrower (collectively, the "Series 2010A Borrower Fund Loan Bonds"; the Series 2010A Borrower Trust Loan Bonds and the Series 2010A Borrower Fund Loan Bonds shall

be referred to collectively herein as the "Series 2010A Borrower Bonds"), each in accordance with all applicable law;

WHEREAS, the Series 2010A Bonds are principally secured by the Series 2010A Trust Loan repayment obligations of the Borrowers, as evidenced and secured by the Series 2010A Borrower Trust Loan Bonds;

WHEREAS, payment of the principal of and interest on the Series 2010A Bonds is also secured pursuant to the terms of that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the Trust, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ) (predecessor to The Bank of New York Mellon), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as amended and supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2002, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the Trust, as further amended and supplemented by that certain First General Amendment to Master Program Trust Agreement, dated September 1, 2006, by and among the Trust, the State, U.S. Bank Trust National Association, as Master Program Trustee thereunder, Wachovia Bank, National Association (predecessor to U.S. Bank National Association), as Trustee and Loan Servicer, The Bank of New York (predecessor to The Bank of New York Mellon), as Trustee and Loan Servicer, and Commerce Bank, National Association (predecessor to TD Bank, National Association), as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms (as amended and supplemented, the "Master Program Trust Agreement");

WHEREAS, the Trust has determined that net present value savings (the "Gross Savings") can be achieved upon the defeasance and refunding of a portion of the Series 2010A Bonds that currently are outstanding, through the implementation of the hereinafter defined 2016 Refunding of the Series 2010A Bonds to be Refunded (net of all costs incurred in connection therewith, the "Savings");

WHEREAS, Section 2.04(1) of the Original Series 2010A Bond Resolution and the terms of this Series 2016A-R4 Refunding Supplemental Bond Resolution (as hereinafter defined) authorize the issuance of the hereinafter defined Series 2016A-R4 Refunding Bonds as "Refunding Bonds" to achieve the 2016 Refunding of the Series 2010A Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series 2010A Bond Resolution;

WHEREAS, payment of the principal of and interest on the Series 2016A-R4 Refunding Bonds when due will be secured pursuant to the terms of the Master Program Trust Agreement;

WHEREAS, the Trust shall issue its "Environmental Infrastructure Refunding Bonds, Series 2016A-R4 (2010A Financing Program)", to be dated the date of issuance thereof, with an exact aggregate principal amount and an exact dated date thereof to be determined by an

Authorized Officer of the Trust upon the issuance thereof in accordance with the terms of this Series 2016A-R4 Refunding Supplemental Bond Resolution (the "Series 2016A-R4 Refunding Bonds"), all pursuant to the terms of (i) the Original Series 2010A Bond Resolution, as amended and supplemented by this "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R4 (2010A Financing Program) of the New Jersey Environmental Infrastructure Trust", adopted by the Trust on November 10, 2016, as amended and supplemented by a certificate of an Authorized Officer of the Trust, dated the date of issuance of the Series 2016A-R4 Refunding Bonds (as amended and supplemented, the "Series 2016A-R4 Refunding Supplemental Bond Resolution"; the Original Series 2010A Bond Resolution, as amended and supplemented by this Series 2016A-R4 Refunding Supplemental Bond Resolution and as the same may be further amended and supplemented from time to time in accordance with its terms, the "Series 2010A Bond Resolution"), (ii) the Act, and (iii) all other applicable law; provided, however, that, in the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the Trust to designate the Series 2016A-R4 Refunding Bonds as "Green Bonds", such Series 2016A-R4 Refunding Bonds shall be designated by the title, "Environmental Infrastructure Refunding Bonds, Series 2016A-R4 (2010A Financing Program) (Green Bonds)";

WHEREAS, upon issuance of the Series 2016A-R4 Refunding Bonds, the Trust shall establish an escrow fund (the "Defeased Series 2010A Bond Escrow Fund") in accordance with the terms of that certain "Escrow Deposit Agreement, Series 2016A-R4 (2010A Financing Program)", to be dated the date of issuance of the Series 2016A-R4 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "Defeased Series 2010A Bond Escrow Deposit Agreement"), by and between the Trust and U.S. Bank National Association, Morristown, New Jersey (the original Trustee pursuant to the Original Series 2010A Bond Resolution), as Defeased Series 2010A Bond Escrow Agent (or any successor thereto, the "Defeased Series 2010A Bond Escrow Agent") thereunder;

WHEREAS, upon issuance of the Series 2016A-R4 Refunding Bonds, the Trust will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2010A Bond Escrow Fund in an amount that, together with interest earned thereon as well as certain other available funds, will be sufficient to pay (i) all of the interest due and payable on March 1, 2017 through and including September 1, 2018 (the "Redemption Date") on all or a portion of the outstanding Series 2010A Bonds otherwise maturing on September 1, 2019 through and including September 1, 2029 (collectively, the "Series 2010A Bonds to be Refunded"), (ii) all of the principal of the Series 2010A Bonds to be Refunded on the Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2010A Bonds to be Refunded on the Redemption Date (collectively, the "2016 Refunding of the Series 2010A Bonds to be Refunded");

WHEREAS, upon issuance of the Series 2016A-R4 Refunding Bonds, the Trust will finance the 2016 Refunding of the Series 2010A Bonds to be Refunded with deposits into the Defeased Series 2010A Bond Escrow Fund, from the following sources: (i) from a portion (consisting of the majority share) of the proceeds of the Series 2016A-R4 Refunding Bonds, and (ii) from the immediate transfer of certain moneys remaining on deposit in certain funds and accounts established and existing under the Original Series 2010A Bond Resolution and held by U.S. Bank National Association, Morristown, New Jersey, as Trustee (or any successor thereto,

the "Trustee") thereunder, all as set forth in this Series 2016A-R4 Refunding Supplemental Bond Resolution, a Certificate of an Authorized Officer of the Trust and, to the extent the 2016 Refunding of the Series 2010A Bonds to be Refunded is financed with deposits into the Defeased Series 2010A Bond Escrow Fund, in the Defeased Series 2010A Bond Escrow Deposit Agreement;

WHEREAS, upon issuance of the Series 2016A-R4 Refunding Bonds, the Trust, in accordance with the Act, the Series 2010A Bond Resolution, and a financial plan approved by the State Legislature in accordance with Section 23 of the Act will (i) issue the Series 2016A-R4 Refunding Bonds for the purpose of applying the primary share of the proceeds thereof toward the 2016 Refunding of the Series 2010A Bonds to be Refunded, (ii) apply the balance of the proceeds thereof to the payment of certain costs incurred in connection therewith, and (iii) pass on to each of the Borrowers their *pro rata* portion of the Savings achieved from the 2016 Refunding of the Series 2010A Bonds to be Refunded, such *pro rata* portion of the Savings to be applied as an additional credit to the existing Series 2010A Trust Loan repayment obligations of such Borrowers; provided, however, that an Authorized Officer of the Trust may withhold from the Borrowers a portion of the of the Savings, to the extent that it is reasonably required to reimburse the Trust for direct out of pocket costs of issuing the Series 2016A-R4 Refunding Bonds that have been paid by the Trust and not otherwise financed from the proceeds of the Series 2016A-R4 Refunding Bonds, the amount of which portion, if any, shall be set forth on the Savings Credit Schedules (as hereinafter defined) under the heading "Withheld Savings" (the "Withheld Savings");

WHEREAS, in order to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Securities Exchange Act"), including any successor regulation or statute thereto ("Rule 15c2-12"), the Trust (i) has determined that the Program is and (ii) will determine whether certain Borrowers (the "Disclosure Borrowers") and, if applicable, whether certain related local government units, are material "obligated persons" in connection with the issuance of the Series 2016A-R4 Refunding Bonds, as the term "obligated person" is defined in Rule 15c2-12, based upon criteria set forth in this Series 2016A-R4 Refunding Supplemental Bond Resolution;

WHEREAS, prior to or simultaneously with the issuance of the Series 2016A-R4 Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate "Series 2016A-R4 Continuing Disclosure Agreement (2010A Financing Program)", to be dated the date of issuance of the Series 2016A-R4 Refunding Bonds, with the Trustee and the Trust (as the same may be further amended and supplemented from time to time in accordance with their respective terms, the "Series 2016A-R4 Borrower Continuing Disclosure Agreements"), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2016A-R4 Refunding Bonds, the Trust shall enter into a "Series 2016A-R4 Trust Continuing Disclosure Agreement (2010A Financing Program)", to be dated the date of issuance of the Series 2016A-R4 Refunding Bonds, with the Trustee (as the same may be further amended and supplemented from time to time in accordance with the terms thereof, the "Series 2016A-R4 Trust Continuing Disclosure Agreement"; the Series 2016A-R4 Borrower Continuing Disclosure Agreements and

the Series 2016A-R4 Trust Continuing Disclosure Agreement shall be referred to collectively herein as the "Series 2016A-R4 Continuing Disclosure Agreements"), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Trust as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY FOR SERIES 2016A-R4 REFUNDING SUPPLEMENTAL BOND RESOLUTION

SECTION 1.01. Definitions.

(A) As used in this Series 2016A-R4 Refunding Supplemental Bond Resolution, unless the context requires otherwise, all capitalized terms not defined herein shall have the meanings ascribed to such terms in Section 1.01 of the Original Series 2010A Bond Resolution, as amended and supplemented.

(B) The following capitalized terms set forth in this Series 2016A-R4 Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in the recitals to this Series 2016A-R4 Refunding Supplemental Bond Resolution:

Act
Defeased Series 2010A Bond Escrow Agent
Defeased Series 2010A Bond Escrow Deposit Agreement
Defeased Series 2010A Bond Escrow Fund
DEP
Gross Savings
Original Series 2010A Bond Resolution
Projects
Program
Redemption Date
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series 2010A Bond Resolution
Series 2010A Bonds
Series 2010A Bonds to be Refunded
Series 2010A Borrower Bonds
Series 2010A Borrower Fund Loan Bonds
Series 2010A Borrower Trust Loan Bonds
Series 2010A Fund Loans
Series 2010A Trust Loans
Series 2016A-R4 Continuing Disclosure Agreements
Series 2016A-R4 Borrower Continuing Disclosure Agreements
Series 2016A-R4 Refunding Bonds
Series 2016A-R4 Refunding Supplemental Bond Resolution
Series 2016A-R4 Trust Continuing Disclosure Agreement
State
Trust
Trustee

2016 Refunding of the Series 2010A Bonds to be Refunded
Withheld Savings

(C) In addition, as used in this Series 2016A-R4 Refunding Supplemental Bond Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

"Borrowers" shall mean individually or collectively, as the case may be, each local governmental unit and the private water company that previously received a Series 2010A Trust Loan and, in accordance with this Series 2016A-R4 Refunding Supplemental Bond Resolution, will receive its *pro rata* share of the Savings, less the Withheld Savings, if any.

"DTC" shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2016A-R4 Refunding Bonds.

"DTC Representation Letter" means the agreement entered into by and between the Trust and DTC, detailing the rights, duties and obligations of the parties thereto relative to the Series 2016A-R4 Refunding Bonds.

"Savings Credit" shall mean the *pro rata* portion of the Savings, other than the Withheld Savings, if any, allocated by the Trust to each Borrower, as such *pro rata* portion shall be identified by the Trust in the Savings Credit Schedule, relating to each respective Borrower, under the column therein entitled "Savings Credit (Total)".

"Savings Credit Schedule" shall mean collectively or individually, as the case may be, the schedule, prepared by or at the direction of the Trust with respect to each Borrower, demonstrating the Savings Credit and Withheld Savings, if any, such Savings Credit Schedule to be included by the Trust as an exhibit to that certain Certificate of an Authorized Officer of the Trust pursuant to Section 6.01 hereof.

"Trust Conditions Precedent" shall mean the written approval of the Governor and Treasurer of the State of this Series 2016A-R4 Refunding Supplemental Bond Resolution in satisfaction of the requirements of Section 4(j) of the Act.

(D) In addition, the definition of the following term in Section 1.01 of the Original Series 2010A Bond Resolution are hereby amended to the extent provided below:

The definition of "Bond Year" in Section 1.01 of the Original Series 2010A Bond Resolution is hereby amended to include at the end thereof the following:

> ", and with respect to the Series 2016A-R4 Refunding Bonds, shall mean a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first Bond Year with respect to the Series 2016A-R4 Refunding Bonds shall be a

period commencing on the date of issuance of the Series 2016A-R4 Refunding Bonds hereunder and ending on August 31, 2017."

SECTION 1.02. Authority for Supplemental Bond Resolution. This Series 2016A-R4 Refunding Supplemental Bond Resolution is adopted pursuant to and in accordance with the provisions of the Act and Section 2.04 and Article XI of the Original Series 2010A Bond Resolution, as amended and supplemented.

ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2016A-R4 REFUNDING BONDS

SECTION 2.01. [Reserved].

SECTION 2.02. Issuance of Series 2016A-R4 Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The Trust hereby declares the issuance of the Series 2016A-R4 Refunding Bonds to be an authorized undertaking of the Trust pursuant to the Act and Section 2.04(1) of the Original Series 2010A Bond Resolution, as amended and supplemented, and hereby authorizes and directs an Authorized Officer to execute and deliver all documents necessary or desirable in connection therewith.

(B) In accordance with the terms of the Series 2010A Bond Resolution, upon the issuance of the Series 2016A-R4 Refunding Bonds pursuant to the terms hereof, the Holders of the Series 2016A-R4 Refunding Bonds will be equally and ratably entitled to the benefit of the pledge of the Trust Estate under the Series 2010A Bond Resolution with the Holders of the Series 2010A Bonds that shall remain Outstanding (the "Outstanding Series 2010A Bonds") and any other Series of Bonds to be issued pursuant to the Series 2010A Bond Resolution, including, without limitation, the moneys and securities in the Debt Service Fund and the rights to the Loan Repayments. Accordingly, each Series of Bonds that is Outstanding pursuant to the terms of the Series 2010A Bond Resolution shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2010A Bond Resolution.

(C) The Trust shall create two Loan Repayment schedules for each of the Series 2010A Trust Loans (collectively, the "Loan Repayment Schedules"): (i) the first, reflecting the Loan Repayments that are allocable to the Series 2016A-R4 Refunding Bonds until the maturity thereof; and (ii) the second, reflecting the Loan Repayments that are allocable to the Outstanding Series 2010A Bonds until the maturity thereof. At its election, the Trust may present such Loan Repayment Schedules in a consolidated format. In addition, the Trust shall prepare a consolidated schedule (the "Savings Credit Schedules") that reflects the Savings to be realized by each Borrower with respect to its Series 2010A Trust Loan through the implementation of the 2016 Refunding of the Series 2010A Bonds to be Refunded. The Loan Repayment Schedules and the Savings Credit Schedule shall be provided by the Trust to each Borrower promptly following the issuance by the Trust of the Series 2016A-R4 Refunding Bonds. The Loan Repayments to be made by the Borrowers shall be allocated by the Trustee on a pro rata basis to the respective Accounts within the Revenue Fund relating to each Series of Bonds; thereafter, disbursements shall be made by the Trustee to the respective Accounts within the Debt Service Fund for each Series of Bonds for payment of the principal and redemption premium, if any, of and the interest on each such Series of Bonds.

(D) Upon issuance of the Series 2016A-R4 Refunding Bonds, the aggregate of the sum of the principal amount of the Series 2016A-R4 Refunding Bonds and the principal amount of the Outstanding Series 2010A Bonds (collectively, the "Outstanding Bonds") shall be equal to or less

than the aggregate principal amount of the Series 2010A Borrower Trust Loan Bonds that are outstanding as of such date of issuance of the Series 2016A-R4 Refunding Bonds. Upon the allocation of the Savings to the Borrowers through the Savings Credits and to the Trust through the Withheld Savings, if any, the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2010A Trust Loans (as evidenced and secured by the aggregate principal amount of the Series 2010A Borrower Trust Loan Bonds), net of the Savings Credits and the Withheld Savings, if any, to the extent as applied to the aggregate principal payment obligations of the Borrowers with respect to the aggregate Series 2010A Trust Loans, shall equal the aggregate principal amount of the Outstanding Bonds. Notwithstanding any provision to the contrary in the Series 2010A Bond Resolution and in light of the foregoing provisions of this subsection (D), to the extent there is an acceleration of the then Outstanding Bonds, the Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Bonds in excess of said Outstanding Bonds. In such case, any such excess amount shall be deposited by the Trustee in the General Fund to be used by the Trust free and clear of any lien created under the Series 2010A Bond Resolution for any corporate purpose of the Trust.

(E) The Trustee shall take into account as a credit to the Loan Repayments otherwise due from the Borrower on each such Loan Repayment date the Savings, other than the Withheld Savings, if any, specified in such the Savings Credit Schedule.

(F) On the date that is no more than 180 days after the date of issuance of the Series 2016A-R4 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund shall be paid by the Trust to the Trustee for deposit in the Debt Service Fund to be used to pay interest on the Series 2016A-R4 Refunding Bonds on the first available Interest Payment Date.

SECTION 2.03. Authorization and Terms of the Series 2016A-R4 Refunding Bonds.

(A) The Trust hereby authorizes the issuance of the Series 2016A-R4 Refunding Bonds in the aggregate principal amount not to exceed an amount such that the aggregate principal amount of the Outstanding Bonds equals the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2010A Trust Loans (as evidenced and secured by the aggregate principal amount of the Series 2010A Borrower Trust Loan Bonds), (after taking into account the allocation of the Savings to the Borrowers through the Savings Credits and to the Trust through the Withheld Savings, if any, to the extent and as applied to the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2010A Trust Loans, and in the exact principal amount as set forth in a Certificate of an Authorized Officer of the Trust pursuant to Section 6.01 hereof, for the following purposes: (i) the 2016 Refunding of the Series 2010A Bonds to be Refunded and (ii) the payment of certain expenses incurred in connection with the issuance of the Series 2016A-R4 Refunding Bonds. Notwithstanding any provision of this Section 2.03(A) or this Series 2016A-R4 Refunding Supplemental Bond Resolution to the contrary, the Series 2016A-R4 Refunding Bonds shall not be issued by the Trust until satisfaction in full of the Trust Conditions Precedent.

(B) The Series 2016A-R4 Refunding Bonds shall bear interest from the date of issuance thereof until final maturity (stated or otherwise) based upon the Outstanding principal amount

thereof at the per annum interest rates set forth below payable to the registered owners thereof as of each applicable Record Date and payable initially on March 1, 2017 and semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2016A-R4 Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2016A-R4 Refunding Bonds shall mature in the principal amounts and on September 1 in each of the years set forth below. The principal of and interest on the Series 2016A-R4 Refunding Bonds shall, except as provided in this subsection (B) and in subsection (C) and Section 2.08 below, be payable as otherwise provided in the Original Series 2010A Bond Resolution, as amended and supplemented. Except as provided in subsection (C) and Section 2.08 below, interest shall be paid to the registered owner as of the applicable Record Date by check mailed on any applicable Interest Payment Date.

Year	**Principal Amount**	**Interest Rate**
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		

(C) The Series 2016A-R4 Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2016A-R4-R from 1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2016A-R4 Refunding Bonds will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC. Upon issuance, the Series 2016A-R4 Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2016A-R4 Refunding Bonds will be made in book-entry form (without certificates) in denominations of $5,000 each or any integral multiple thereof. The Series 2016A-R4 Refunding Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Notwithstanding any other provision in the Series 2010A Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2016A-R4 Refunding Bonds, payments of the principal of and interest on the Series 2016A-R4 Refunding Bonds will be made directly to Cede & Co., as nominee for DTC, in accordance with the provisions of the DTC Representation Letter, and interest shall be paid on each Interest Payment Date by wire transfer from the Paying Agent to DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2016A-R4 Refunding Bonds is the responsibility of the DTC participants.

(D) The Series 2016A-R4 Refunding Bonds shall constitute a single Series of Bonds, and each shall be designated "Environmental Infrastructure Refunding Bond, Series 2016A-R4 (2010A Financing Program)".

SECTION 2.04. Redemption of the Series 2016A-R4 Refunding Bonds.

(A) **Optional Redemption**. **[**The Series 2016A-R4 Refunding Bonds maturing on or before September 1, [2027] shall not be subject to redemption prior to their respective stated maturity dates. The Series 2016A-R4 Refunding Bonds maturing on or after September 1, [2028] shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, [2027], at the option of the Trust, upon the terms set forth in this subsection and upon notice as provided in Article IV of the Original Series 2010A Bond Resolution, as amended and supplemented, either in whole on any date, or in part, by lot within any maturity or maturities determined by the Trust, on any Interest Payment Date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.]

(B) **Mandatory Sinking Fund Redemption.** The Series 2016A-R4 Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

SECTION 2.05. Form of Series 2016A-R4 Refunding Bonds. The Series 2016A-R4 Refunding Bonds shall be in substantially the form set forth in Section 14.01 of the Original Series 2010A Bond Resolution, as amended and supplemented, with such insertions, omissions or variations as may be necessary or appropriate to effectuate the purposes of this Series 2016A-R4 Refunding Supplemental Bond Resolution, including, without limitation, the dated dates, maturity dates, principal or sinking fund amounts, interest rates and redemption provisions set forth herein, and including, without limitation, the 2016 Refunding of the Series 2010A Bonds to be Refunded.

SECTION 2.06. Execution, Authentication and Delivery. The Chairman or Vice Chairman of the Trust are each hereby severally authorized to execute the Series 2016A-R4 Refunding Bonds, and the Secretary and Assistant Secretary of the Trust are hereby severally authorized to attest to the execution of the Series 2016A-R4 Refunding Bonds by the Chairman or Vice Chairman of the Trust and to affix the corporate seal of the Trust upon the Series 2016A-R4 Refunding Bonds, all in accordance with Article III of the Original Series 2010A Bond Resolution, as amended and supplemented. Following execution of the Series 2016A-R4 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2016A-R4 Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2016A-R4 Refunding Bonds in accordance with Article III of the Original Series 2010A Bond Resolution, as amended and supplemented, and thereafter deliver the Series 2016A-R4 Refunding Bonds to the Trust or purchaser thereof in accordance with a Certificate of an Authorized Officer, but such delivery shall not occur unless (i) the Trust Conditions Precedent have been satisfied in full and (ii) the provisions of Article II of the Original Series 2010A Bond Resolution, as amended and supplemented, regarding conditions precedent to the issuance of a Series of Bonds, have been satisfied in full.

SECTION 2.07. Refunding Bonds. After execution of the Series 2016A-R4 Refunding Bonds by the Trust as provided in the Series 2010A Bond Resolution and after the authentication and delivery thereof as also provided in the Series 2010A Bond Resolution, the Series 2016A-R4

Refunding Bonds shall constitute Refunding Bonds in accordance with Article II of the Original Series 2010A Bond Resolution, as amended and supplemented.

SECTION 2.08. Book-Entry Format. The Series 2016A-R4 Refunding Bonds shall be registered in the name of Cede & Co., and shall be issued in accordance with the terms of the DTC Representation Letter and the provisions of Article II of the Original Series 2010A Bond Resolution, as amended and supplemented.

ARTICLE III

CREATION AND ESTABLISHMENT OF DEFEASED SERIES 2010A BOND ESCROW FUND AND SEPARATE ACCOUNTS WITHIN ALL FUNDS; APPLICATION OF SERIES 2016A-R4 REFUNDING BOND PROCEEDS AND TAX CERTIFICATE

SECTION 3.01. Creation of Defeased Series 2010A Bond Escrow Fund, Separate Accounts within all Funds and Certain Other Accounts and Funds.

(A) The Trust hereby creates, and the Trustee shall establish, for the sole benefit of the Holders of the Series 2010A Bonds to be Refunded in accordance with the terms of the Defeased Series 2010A Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated "Defeased Environmental Infrastructure Bonds, Series 2010A Escrow Fund (2016)".

(B) Section 5.01 of the Original Series 2010A Bond Resolution is hereby amended and supplemented as follows: The Trust hereby directs the Trustee to establish separate subaccounts, as necessary, for the Series 2016A-R4 Refunding Bonds within each Account created under the Series 2010A Bond Resolution that is held by the Trustee. The Trust hereby further directs the Trustee to establish separate Accounts, as necessary, for the Series 2016A-R4 Refunding Bonds within each Fund created under the Series 2010A Bond Resolution that is held by the Trustee. The Trust is hereby authorized and directed to establish separate subaccounts, as necessary, within each Account created under the Series 2010A Bond Resolution that is held by the Trust. The Trust is hereby authorized and directed to establish separate Accounts, as necessary, within each Fund created under the Series 2010A Bond Resolution that is held by the Trust.

SECTION 3.02. Amendment of Section 5.05 of the Original Series 2010A Bond Resolution. Section 5.07(1) of the Original Series 2010A Bond Resolution is hereby amended to include at the end thereof the following paragraph 7:

> "7. On each Interest Payment Date, after giving effect to the transfers set forth in paragraphs (1) through (4) of this Section 5.05, the Trustee shall transfer from amounts in the SRF Account and the Non-SRF Account of the Revenue Fund to the Administrative Fee Account an amount equal to the aggregate of the Withheld Savings, if any, with respect to such Interest Payment Date, as set forth on the Savings Credit Schedules, which Withheld Savings, if any, shall be applied by the Trust in accordance with the provisions of Section 5.03(4) hereof."

SECTION 3.03. [Reserved.].

SECTION 3.04. Application of the Proceeds of the Series 2016A-R4 Refunding Bonds and Other Moneys. The proceeds of the Series 2016A-R4 Refunding Bonds of $_____ (par of $_____, plus original issue premium of $_____, less underwriters' discount of $_____), shall be received by the Trustee, and the Trustee shall deposit or transfer such proceeds, together with (i) such amounts on deposit in the respective Funds and Accounts under the Series 2010A Bond Resolution as shall be set forth in a Certificate of an Authorized Officer of

the Trust and (ii) such amounts to be paid by the Trust with respect to the costs of issuing the Series 2016A-R4 Refunding Bonds pursuant to Section 3.06 hereof (other than those such amounts paid directly by the Trust to a direct payee), into the Funds and Accounts as shall be set forth in a Certificate of an Authorized Officer of the Trust, to effect the 2016 Refunding of the Series 2010A Bonds to be Refunded; provided that the origin of moneys for such funds shall comply in all respects with the Series 2010A Bond Resolution, as amended and supplemented, and the Code.

SECTION 3.05. Tax Exempt Status of Series 2016A-R4 Refunding Bonds. The Trust covenants to comply with the provisions of the Code applicable to the Series 2016A-R4 Refunding Bonds and covenants not to take any action or fail to take any action that would cause the interest on the Series 2016A-R4 Refunding Bonds to become includable in gross income of the owners thereof for Federal income tax purposes under Section 103 of the Code or to become an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In accordance therewith, the Trust hereby authorizes and directs an Authorized Officer to execute a tax certificate prior to the issuance of the Series 2016A-R4 Refunding Bonds in such form as specified by Bond Counsel to the Trust.

SECTION 3.06. Payment of Costs of Issuing the Series 2016A-R4 Refunding Bonds. In connection with the issuance of the Series 2016A-R4 Refunding Bonds, the Trust hereby severally authorizes and directs the Authorized Officers to pay to the Trustee or the direct payee, as appropriate, from amounts available to the Trust for such purposes, the sum required to pay those costs of issuing the Series 2016A-R4 Refunding Bonds that are not permitted to be paid from the proceeds of the Series 2016A-R4 Refunding Bonds pursuant to the Code, if any. The amount to be paid by the Trust pursuant to this Section 3.06, if any, shall be set forth in, and applied pursuant to, a Certificate of an Authorized Officer of the Trust.

ARTICLE IV

APPOINTMENT OF TRUSTEE, PAYING AGENT AND DEFEASED SERIES 2010A BOND ESCROW AGENT

SECTION 4.01. Appointment of Trustee. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Trustee for the holders of the Series 2016A-R4 Refunding Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2010A Bond Resolution by executing the certificate of authentication endorsed upon the Series 2016A-R4 Refunding Bonds upon the original issuance thereof. All of the provisions set forth in Article X or otherwise of the Original Series 2010A Bond Resolution, as amended and supplemented, relating to the Trustee shall be applicable to the Trustee with respect to the Series 2016A-R4 Refunding Bonds as if fully set forth herein.

SECTION 4.02. Appointment of Paying Agent. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Paying Agent for the Series 2016A-R4 Refunding Bonds. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2010A Bond Resolution by executing and delivering a written acceptance thereof to the Trust and to the Trustee. The Trustee may be appointed and may serve as Paying Agent for the Series 2016A-R4 Refunding Bonds. All of the provisions set forth in Article X or otherwise of the Original Series 2010A Bond Resolution, as amended and supplemented, relating to the Paying Agent shall be applicable to the Paying Agent with respect to the Series 2016A-R4 Refunding Bonds as if fully set forth herein.

SECTION 4.03. Appointment of Defeased Series 2010A Bond Escrow Agent. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Defeased Series 2010A Bond Escrow Agent for the Series 2010A Bonds to be Refunded. In such event, the Defeased Series 2010A Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2010A Bond Escrow Deposit Agreement by executing and delivering same.

ARTICLE V

DEFEASED SERIES 2010A BOND ESCROW DEPOSIT AGREEMENT, SERIES 2016A-R4 CONTINUING DISCLOSURE AGREEMENTS, OFFICIAL STATEMENT AND SALE OF THE SERIES 2016A-R4 REFUNDING BONDS

SECTION 5.01. Defeased Series 2010A Bond Escrow Deposit Agreement and Series 2016A-R4 Continuing Disclosure Agreements.

(A) The Trust hereby severally authorizes any Authorized Officer to execute, deliver and perform the duties and obligations of the Trust pursuant to the terms of the Defeased Series 2010A Bond Escrow Deposit Agreement and the Series 2016A-R4 Continuing Disclosure Agreements, each in the form attached hereto as Exhibit A, with such changes thereto as shall be within the constraints set forth herein and as shall be determined exclusively by the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, which determination shall be conclusively evidenced by the Authorized Officer's execution and delivery thereof. Such Authorized Officer and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by such Authorized Officer or any such other Authorized Officer to consummate the transactions contemplated hereby and by such Defeased Series 2010A Bond Escrow Deposit Agreement and Series 2016A-R4 Continuing Disclosure Agreements; provided, however, that the Defeased Series 2010A Bond Escrow Deposit Agreement shall in any event conform with all of the requirements for the defeasance of the Series 2010A Bonds to be Refunded as set forth in the Series 2010A Bond Resolution, particularly Article XII of the Original Series 2010A Bond Resolution, as amended and supplemented, and such Defeased Series 2010A Bond Escrow Deposit Agreement and Series 2016A-R4 Continuing Disclosure Agreements shall otherwise conform in all material respects to the provisions of this Article V.

(B) The delegation to the Authorized Officers set forth in subsection (A), above, of this Section 5.01, authorizing such Authorized Officer to take all actions deemed necessary, convenient or desirable by such Authorized Officer to consummate the transactions contemplated hereby and by the Defeased Series 2010A Bond Escrow Deposit Agreement shall include, without limitation, authorization to purchase Investment Securities (including, without limitation, United States Treasury Obligations – State and Local Government Series issued or held in book-entry form on the books of the Department of the Treasury of the United States), such purchase to be undertaken either directly or through the subscription services of professional advisors to the Trust, including, without limitation, the financial advisor to the Trust, in connection with the investment of the Defeased Series 2010A Bond Escrow Fund established in accordance with the terms of the Defeased Series 2010A Bond Escrow Deposit Agreement, as applicable, and such Authorized Officer shall undertake whatever method of acquisition of such Investment Securities is deemed in compliance with (i) the provisions of the Series 2010A Bond Resolution, (ii) applicable law, including, without limitation, the Act, and (iii) the then-current investment policy of the Trust, provided that such Authorized Officer has consulted with counsel and other applicable professional advisors to the Trust.

SECTION 5.02. Appointment of Verification Agent. The Authorized Officers are hereby severally authorized and directed, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, to secure the appointment of an independent nationally recognized certified public accountant, which shall, in accordance with the requirements of Section 2.04(e) of the Original Series 2010A Bond Resolution, as amended and supplemented, prepare and deliver to the Trust and the Trustee a verification report with respect to the matters set forth in Sections 2.04(c), 2.04 (d) and, if applicable, 2.04(f) of the Original Series 2010A Bond Resolution, as amended and supplemented.

SECTION 5.03. Preliminary Official Statement.

(A) The Authorized Officers are hereby severally authorized and directed, subsequent to (i) the satisfaction in full of the Trust Conditions Precedent and (ii) the satisfaction in full of all other legal conditions precedent to the delivery of the preliminary official statement relating to the Series 2016A-R4 Refunding Bonds (the "Preliminary Official Statement) by the Trust, as such satisfaction shall be determined by the Authorized Officer in consultation with Bond Counsel and the Office of the Attorney General of the State, to "deem final" the Preliminary Official Statement in accordance with the provisions of Rule 15c2-12 and deliver the Preliminary Official Statement in the form and with such provisions as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable for the delivery thereof, which delivery thereof by the Authorized Officer shall conclusively evidence his consent to the provisions thereof.

(B) The Authorized Officers are hereby severally authorized and directed to execute any certificate or document, including, without limitation, the Series 2016A-R4 Continuing Disclosure Agreements, and to take such other actions as may be necessary, relating to any statutes, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, that the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2016A-R4 Refunding Bonds, and the transactions contemplated by the Preliminary Official Statement, including, without limitation, Rule 15c2-12.

SECTION 5.04. Official Statement. The Authorized Officers are hereby severally authorized and directed to execute and deliver a final official statement (the "Official Statement") in substantially similar form to the Preliminary Official Statement, with such changes to reflect the final pricing as set forth in any documents relating to the sale of the Series 2016A-R4 Refunding Bonds and to reflect any other changes required under any applicable securities laws, rules or regulations as set forth in Section 5.03 hereof as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable to effect the issuance of the Series 2016A-R4 Refunding Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer shall conclusively evidence his consent to the provisions thereof.

SECTION 5.05. Sale of the Series 2016A-R4 Refunding Bonds.

(A) The Authorized Officers are hereby severally authorized and directed to cause to be published and disseminated in connection with the marketing and sale of the Series 2016A-R4 Refunding Bonds a notice of sale with respect to the Series 2016A-R4 Refunding Bonds (the "Notice of Sale"), which Notice of Sale shall set forth, *inter alia*, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust: (i) a summary of the terms of the Series 2016A-R4 Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2016A-R4 Refunding Bonds shall be made by the Trust; (iii) the date and time at which proposals for the purchase of the Series 2016A-R4 Refunding Bonds shall be accepted by the Trust; and (iv) the method by which the bidders for the purchase of the Series 2016A-R4 Refunding Bonds shall submit their proposals, which proposals shall be submitted to the Trust, in compliance with the Notice of Sale, via a written proposal for Series 2016A-R4 Refunding Bonds (the "Proposal for Bonds").

(B) The Authorized Officers are hereby severally authorized and directed to cause (i) the Notice of Sale and the Proposal for Bonds to be disseminated simultaneously with the dissemination of the Preliminary Official Statement and (ii) a summary of the Notice of Sale to be published in compliance with Section 6(d) of the Act at least once in at least three newspapers published in the State and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published in the State or in the City of New York, the first summary Notice of Sale to be published at least five (5) days prior to the date established by the Notice of Sale for the sale of the Series 2016A-R4 Refunding Bonds.

(C) On the date and time established therefore in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer. Upon receipt and acceptance of the Proposals for Bonds, the Authorized Officers are hereby severally authorized and directed to open such Proposals for Bonds and, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, accept the successful Proposal for Bonds, such successful Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2016A-R4 Refunding Bonds and after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust.

(D) The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the marketing and sale of the Series 2016A-R4 Refunding Bonds, including, without limitation, such other actions as may be necessary in connection with the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers shall comply with the provisions of this Section 5.05 and shall consult with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust with respect thereto.

(E) In the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the Trust, and the marketing and sale of the Series 2016A-R4 Refunding Bonds, to designate the Series

2016A-R4 Refunding Bonds as "Green Bonds", the Series 2016A-R4 Refunding Bonds shall be designated by the title, "Environmental Infrastructure Refunding Bonds, Series 2016A-R4 (2010A Financing Program) (Green Bonds)".

SECTION 5.06. Attestation. The Secretary and Assistant Secretary of the Trust are hereby severally authorized and directed, where deemed necessary, desirable or convenient to effect the 2016 Refunding of the Series 2010A Bonds to be Refunded in the sole discretion of an Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State, to attest to the execution by any such Authorized Officer of any such documents, instruments or certificates executed by any such Authorized Officer pursuant to this Article V, and to affix the corporate seal of the Trust upon any such document, instrument or certificate.

SECTION 5.07. Electronic Dissemination of the Preliminary Official Statement; Electronic Acceptance of Proposals for Bonds; Electronic Dissemination of the Official Statement.

(A) Notwithstanding any provision of this Series 2016A-R4 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.03 hereof.

(B) In complying with the provisions of Section 5.05 hereof, the Authorized Officers are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2016A-R4 Refunding Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer shall consult with counsel and other appropriate professional advisors to the Trust with respect thereto.

(C) Notwithstanding any provision of this Series 2016A-R4 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.04 hereof.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Certificate of an Authorized Officer Amending and Supplementing this Series 2016A-R4 Refunding Supplemental Bond Resolution. Notwithstanding any other provision herein to the contrary, the Series 2016A-R4 Refunding Bonds shall not be issued until the Trustee receives a Certificate of an Authorized Officer setting forth (i) the aggregate principal amount of Series 2016A-R4 Refunding Bonds to be issued, (ii) as applicable, the interest rates, principal amounts maturing, dated date, term of capitalized interest, redemption premiums, sinking fund installments, sinking fund payment dates, other redemption terms applicable to the Series 2016A-R4 Refunding Bonds and the amounts and sources of funds to be deposited in the Defeased Series 2010A Bond Escrow Fund (iii) any changes to the Series 2010A Bond Resolution required (1) by any Rating Agency rating the Series 2016A-R4 Refunding Bonds or (2) to ensure that interest is excludable from the gross income of the Holders of the Series 2016A-R4 Refunding Bonds pursuant to the Code, (iv) that the amount of Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2010A Bonds to be Refunded on a net present value basis, (v) the Savings Credit Schedules and the Withheld Savings, if any, relating to each respective Borrower, (vi) the Disclosure Borrowers, if any, as determined pursuant to the criteria set forth in Section 6.05 hereof, and (vii) subject to the parameters set forth in the definition of Series 2016A-R4 Refunding Bonds herein and upon the advice of Trust counsel and its professional advisors, the addition to, deletion from or modification of any financial term or any term remaining in blanks or brackets in this Series 2016A-R4 Refunding Supplemental Bond Resolution, as originally adopted on November 10, 2016, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2016A-R4 Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2016 Refunding of the Series 2010A Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2016A-R4 Refunding Supplemental Bond Resolution without compliance with any other provision of the Series 2010A Bond Resolution, including, without limitation, Article XI of the Original Series 2010A Bond Resolution, as amended and supplemented. The Authorized Officer executing any such Certificate shall report the substance of such Certificate to the members of the Trust at their next public meeting.

SECTION 6.02. Series 2016A-R4 Refunding Supplemental Bond Resolution to Govern. To the extent that the provisions of this Series 2016A-R4 Refunding Supplemental Bond Resolution are inconsistent with the provisions of the Original Series 2010A Bond Resolution, the provisions of this Series 2016A-R4 Refunding Supplemental Bond Resolution shall control.

SECTION 6.03. Incidental Action. The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order (i) to effectuate the sale and issuance of the Series 2016A-R4 Refunding Bonds, (ii) to effect the 2016 Refunding of the Series 2010A Bonds to be Refunded, and (iii) to maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2016A-R4 Refunding Bonds and the Series 2010A Bonds to be Refunded (including the preparation and filing of any information reports or other documents with respect

to the Series 2016A-R4 Refunding Bonds or the Series 2010A Bonds to be Refunded as may at any time be required under Section 149 of the Code).

SECTION 6.04. Series 2016A-R4 Refunding Supplemental Bond Resolution Amendments. This Series 2016A-R4 Refunding Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2016A-R4 Refunding Bonds by a Certificate of an Authorized Officer contemplated by Section 6.01 hereof without any further compliance with the provisions for adoption of a supplemental resolution under the Original Series 2010A Bond Resolution, as amended and supplemented, including, without limitation, Article XI thereof. All other amendments and supplements hereto shall be effected in accordance with the terms of the Series 2010A Bond Resolution relating to the amendment or supplement to a Supplemental Resolution.

SECTION 6.05. Continuing Disclosure. Prior to the issuance of the Series 2016A-R4 Refunding Bonds, the Trust, pursuant to the sole discretion of an Authorized Officer of the Trust, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, shall determine if any Borrower is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12, based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material "obligated persons" if their remaining Fund Loan repayments in all Coverage Providing Financing Programs (unless defined in this Section 6.05, capitalized terms not defined in this Series 2016A-R4 Refunding Supplemental Bond Resolution and used in this Section 6.05 shall have the respective meanings ascribed to such terms in the Master Program Trust Agreement), when aggregated with such Borrower's remaining Series 2010A Trust Loan repayments, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining Series 2010A Trust Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material "obligated persons" within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the Series 2010A Trust Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Series 2010A Fund Loan repayments and the Series 2010A Trust Loan repayments of any such Borrowers to such extent that such annual and indirect annual charges would in and of themselves exceed the ten percent (10%) test described above, any such Underlying Government Unit and Indirect Underlying Government Unit shall also be considered material "obligated persons" within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material "obligated person" based upon the criteria set forth herein shall be required to enter into a Series 2016A-R4 Borrower Continuing Disclosure Agreement with respect to the obligation of such Borrower and any Underlying Government Unit or Indirect Underlying Government Unit, if applicable, with a term as specified therein, by and among such Borrower, the Trust and the Trustee, substantially in the form attached hereto as

Exhibit A, with such changes therein as shall be approved by the Trust as evidenced by the execution thereof by an Authorized Officer of the Trust.

The Trust hereby determines that it is not an "obligated person". The Trust hereby determines that the Program is an “obligated person”. Accordingly, the Trust hereby covenants to provide on behalf of the Program notice of Bond Disclosure Events (as defined in the Series 2016A-R4 Trust Continuing Disclosure Agreement), if material, with respect to the Series 2016A-R4 Refunding Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

Notwithstanding any provision to the contrary in Article XI of the Original Series 2010A Bond Resolution, as amended and supplemented, the Trust may amend or supplement this Section 6.05 to comply with any amendment, supplement, modification, termination, interpretation or other change to Rule 15c2-12.

SECTION 6.06. [Reserved.]

SECTION 6.07. Effective Date. This Series 2016A-R4 Refunding Supplemental Bond Resolution shall take effect in accordance with paragraphs i and j of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, which provisions include, without limitation, the requirement that the Governor and Treasurer of the State approve this Series 2016A-R4 Refunding Supplemental Bond Resolution.

EXHIBIT A

FORMS OF DEFEASED SERIES 2010A BOND ESCROW DEPOSIT AGREEMENT AND SERIES 2016A-R4 CONTINUING DISCLOSURE AGREEMENT

Agenda Item 8E

RESOLUTION NO. 16 –

AMENDED RESOLUTION APPROVING STATEWIDE ASSISTANCE INFRASTRUCTURE LOAN (SAIL) TO THE MIDDLESEX COUNTY UTILITIES AUTHORITY

WHEREAS, the New Jersey Environmental Infrastructure Trust's (Trust) enabling legislation, specifically, N.J.S.A. 58:11B-9.5, authorizes the Trust to issue short-term or temporary loans to repair environmental infrastructure damaged during a disaster or improve the resiliency of such infrastructure in future disasters (hereafter "SAIL Loan Program"); and

WHEREAS, the Board of Directors of the Trust (the "Board") established the terms, requirements and parameters of SAIL pursuant to Resolution No. 13-73, duly adopted by the Board on December 12, 2013 and entitled "Second Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Disaster Relief Emergency Financing Program" (the "SAIL Program Resolution"); and

WHEREAS, the SAIL Program Resolution set forth the Relief Funding Eligibility Conditions that must be satisfied prior to the issuance of a Relief Loan, which conditions include, without limitation, the certification of the Project by the Board; and

WHEREAS, the Middlesex County Utilities Authority has applied for a SAIL Program Loan for Project No. S340699-12 to provide funds to replace and protect equipment at the Sayreville Pump Station; and

WHEREAS, Pursuant to N.J.S.A. 58:11B-9.5(b), the New Jersey Department of Environmental Protection is required to certify that the environmental infrastructure project is necessary to repair damages arising from an act of terrorism, seismic activity, or weather conditions (Disaster) occurring in the past three fiscal years that gave rise to a declaration by the Governor of a state of emergency provided the facility is located in a county which was the subject of a governor declared State of Emergency or an environmental infrastructure project to improve the resiliency of a facility to withstand a Disaster of similar scope and severity occurring in the past three fiscal years that gave rise to a declaration by the Governor of a state of emergency, provided the facility is located in a county which was the subject of a governor declared State of Emergency (NJDEP SAIL Project Certification), and such certification was received on September 28, 2016; and

WHEREAS, on June 9, 2016, the Board of Directors (the "Board) of the New Jersey Environmental Infrastructure Trust (the "Trust") adopted Resolution No. 16-27 entitled "Resolution Approving Statewide Assistance Infrastructure Loans (SAIL) to The Middlesex County Utilities Authority" (the "Original Resolution"); and

WHEREAS, the Original Resolution certified the Middlesex County Utilities Authority (the "MCUA") Project No. S340699-12 for financing pursuant to SAIL in the amount of $86,000,000; and

WHEREAS, subsequent to the adoption of the Original Resolution by the Board of the Trust, the actual estimated project costs for MCUA Project No. S340699-12 have increased based on low bid award; and

WHEREAS, it is the desire of the Trust to amend the Original Resolution for the purpose of increasing the certified amount of the SAIL Program Loan to the MCUA Project No. S340699-12.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the New Jersey Environmental Infrastructure Trust as follows:

Section 1. The Original Resolution is hereby amended to certify Project No. S340699-12 in the amount of $90,000,000 to be undertaken by the Middlesex County Utilities Authority, for financing pursuant to SAIL, in accordance with provisions of the Act and this Resolution.

Section 2. All terms and provisions of the Original Resolution not expressly amended or supplemented hereby shall remain in full force and effect.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

Agenda Item 8F

RESOLUTION NO. 16 –

AMENDED RESOLUTION APPROVING A STATEWIDE ASSISTANCE INFRASTRUCTURE LOAN (SAIL) TO THE BAYSHORE REGIONAL SEWERAGE AUTHORITY

WHEREAS, the New Jersey Environmental Infrastructure Trust's (Trust) enabling legislation, specifically, N.J.S.A. 58:11B-9.5, authorizes the Trust to issue short-term or temporary loans to repair environmental infrastructure damaged during a disaster or improve the resiliency of such infrastructure in future disasters (hereafter "SAIL Loan Program"); and

WHEREAS, the Board of Directors of the Trust (the "Board") established the terms, requirements and parameters of SAIL pursuant to Resolution No. 13-73, duly adopted by the Board on December 12, 2013 and entitled "Second Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Disaster Relief Emergency Financing Program" (the "SAIL Program Resolution"); and

WHEREAS, the SAIL Program Resolution set forth the Relief Funding Eligibility Conditions that must be satisfied prior to the issuance of a Relief Loan, which conditions include, without limitation, the certification of the Project by the Board; and

WHEREAS, the Bayshore Regional Sewerage Authority has applied for SAIL Program Loan for Project No. S340697-06 to provide funds for the restoration and mitigation of the water pollution control plant and power distribution system (the Project); and

WHEREAS, Pursuant to N.J.S.A. 58:11B-9.5(b), the New Jersey Department of Environmental Protection is required to certify that the environmental infrastructure project is necessary to repair damages arising from an act of terrorism, seismic activity, or weather conditions (Disaster) occurring in the past three fiscal years that gave rise to a declaration by the Governor of a state of emergency provided the facility is located in a county which was the subject of a governor declared State of Emergency or an environmental infrastructure project to improve the resiliency of a facility to withstand a Disaster of similar scope and severity occurring in the past three fiscal years that gave rise to a declaration by the Governor of a state of emergency, provided the facility is located in a county which was the subject of a governor declared State of Emergency (NJDEP SAIL Project Certification), and such certification was received on June 14, 2016; and

WHEREAS, on June 9, 2016 the Board of Directors (the "Board") of the New Jersey Environmental Infrastructure Trust (the "Trust") adopted Resolution No. 16-28 entitled "Resolution Approving a Statewide Assistance Infrastructure Loan (SAIL) to the Bayshore Regional Sewerage Authority," (the "Original Resolution"); and

WHEREAS, the Original Resolution certified the Bayshore Regional Sewerage Authority (the BRSA") Project No. S340697-06 for financing pursuant to SAIL in the amount of $12,000,000; and

WHEREAS, subsequent to the adoption of the Original Resolution by the Board of the Trust, the estimated project costs for the BRSA Project No. S340697-06 have increased; and

WHEREAS, it is the desire of the Trust to amend the Original Resolution for the purpose of increasing the certified amount of the SAIL Program Loan to the BRSA Project No. S340697-06.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the New Jersey Environmental Infrastructure Trust as follows:

Section 1. The Original Resolution is hereby amended to certify Project No. S340697−06 in the amount of $19,000,000 to be undertaken by the Bayshore Regional Sewerage Authority, for financing pursuant to SAIL, in accordance with provisions of the Act and this Resolution.

Section 2. All terms and provisions of the Original Resolution not expressly amended or supplemented hereby shall remain in full force and effect.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

Agenda Item 9

RESOLUTION NO. 16 -

EXECUTIVE SESSION

BE IT HEREBY RESOLVED, That pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13, the members of the New Jersey Environmental Infrastructure Trust (the "Trust") hold an executive session regarding contract negotiations, personnel matters and advice from counsel.

BE IT FURTHER RESOLVED, That it is expected that discussions undertaken at this executive session will be made public once a final position is adopted by the Trust regarding such actions.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions: