

RESOLUTION NO. 11 - 24

**SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2011A-R
(1998B FINANCING PROGRAM) (AMT)
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

Adopted July 7, 2011, as amended and supplemented by a
Certificate of an Authorized Officer of the Trust in accordance
with Section 6.01 hereof

Adopted Date: July 7, 2011

Motion Made By: Mr. Barrack

Motion Seconded By: Mr. Gardner

Ayes: 7

Nays: 0

Abstentions: 0

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WHEREAS, on November 5, 1998, 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 1998B”, dated October 15, 1998, in the original aggregate principal amount of \$8,430,000 (the “Series 1998B Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 1998B” of the Trust, duly adopted by the Trust on September 21, 1998 (the “Original Series 1998B Bond Resolution”), (ii) the Act and (iii) all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 1998B Bonds was applied by the Trust to the making of loans (the “Series 1998B Trust Loans”) to each of the Borrowers (as hereinafter defined) to finance or refinance approximately half of the then-eligible costs for 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 1998B, 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 1998B Fund Loans”) to each of the Borrowers for approximately half 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 the Series 1998B Trust Loans was evidenced by revenue bonds issued by private water company Borrowers (collectively, the “Series 1998B Borrower Trust Loan Bonds”) in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to the Series 1998B Fund Loans was evidenced by revenue bonds issued by private water company Borrowers (collectively, the “Series 1998B Borrower Fund Loan Bonds”; the Series 1998B Borrower Trust Loan Bonds and the Series 1998B Borrower Fund Loan Bonds shall be referred to collectively herein as the “Series 1998B Borrower Bonds”) in accordance with all applicable law;

WHEREAS, the Series 1998B Bonds are principally secured by the Series 1998B Trust Loan repayment obligations of the Borrowers as evidenced by the Series 1998B Borrower Trust Loan Bonds;

WHEREAS, payment of the principal of and interest on the Series 1998B 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 current refunding of a portion of the Series 1998B Bonds, through the implementation of the hereinafter defined 2011 Refunding of the Series 1998B Bonds to be Refunded (net of all costs incurred in connection therewith, the “Savings”);

WHEREAS, Section 2.04(1) of the Original Series 1998B Bond Resolution and the terms of this Series 2011A-R Refunding Supplemental Bond Resolution (as hereinafter defined) authorize the issuance of the hereinafter defined Series 2011A-R Refunding Bonds as “Additional Bonds” to achieve the 2011 Refunding of the Series 1998B Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series 1998B Bond Resolution;

WHEREAS, payment of the principal of and interest on the Series 2011A-R Refunding Bonds when due will continue to be secured pursuant to the terms of the Master Program Trust Agreement;

WHEREAS, the Trust shall issue its “Environmental Infrastructure Refunding Bonds, Series 2011A-R (1998B Financing Program) (AMT)”, 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 2011A-R Refunding Supplemental Bond Resolution (the “Series 2011A-R Refunding Bonds”), all pursuant to the terms of (i) the Original Series 1998B Bond Resolution, as amended and supplemented by this “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2011A-R (1998B Financing Program) (AMT) (AMT) of the New Jersey Environmental Infrastructure Trust”, adopted by the Trust on July 7, 2011, as amended and supplemented by a certificate of an Authorized Officer of the Trust, dated the date of issuance of the Series 2011A-R Refunding Bonds (as amended and supplemented, the “Series 2011A-R Refunding Supplemental Bond Resolution”; the Original Series 1998B Bond Resolution, as amended and supplemented by this Series 2011A-R 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 1998B Bond Resolution”), (ii) the Act, and (iii) all other applicable law;

WHEREAS, upon issuance of the Series 2011A-R Refunding Bonds, it may be in the best interests of the Trust to establish an escrow fund (the “Defeased Series 1998B Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 2011A-R (1998B Financing Program)”, to be dated the date of issuance of the Series 2011A-R Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 1998B Bond Escrow Deposit Agreement”), by and between the Trust and U.S. Bank National Association, Morristown, New Jersey (successor to First Union National Bank, the original Trustee pursuant to the Original Series 1998B Bond Resolution), as Defeased Series 1998B Bond Escrow Agent (or any successor thereto, the “Defeased Series 1998B Bond Escrow Agent”) thereunder;

WHEREAS, upon issuance of the Series 2011A-R Refunding Bonds, the Trust will cause a portion of the proceeds thereof to be deposited in the Redemption Account within the Debt Service Fund established pursuant to the Series 1998B Bond Resolution or, alternatively, the Defeased Series 1998B Bond Escrow Fund, in an amount that, together with interest earned thereon, will be sufficient to pay (i) all of the interest due and payable on September 1, 2011 (the “Redemption Date”) on a portion of the Outstanding Series 1998B Bonds otherwise maturing on September 1, 2012 through and including September 1, 2018 (collectively, the “Series 1998B Bonds to be Refunded”), and (ii) all of the principal of the Series 1998B Bonds to be Refunded on the Redemption Date (collectively, the “2011 Refunding of the Series 1998B Bonds to be Refunded”);

WHEREAS, upon issuance of the Series 2011A-R Refunding Bonds, the Trust will finance the 2011 Refunding of the Series 1998B Bonds to be Refunded with deposits into the Redemption Account within the Debt Service Fund or, alternatively, the Defeased Series 1998B Bond Escrow Fund, from the following sources: (i) from the primary share of the proceeds of the Series 2011A-R 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 1998B 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 2011A-R Refunding Supplemental Bond Resolution, a Certificate of an Authorized Officer of the Trust and, to the extent the 2011 Refunding of the Series 1998B Bonds to be

Refunded is financed with deposits into the Defeased Series 1998B Bond Escrow Fund, in the Defeased Series 1998B Bond Escrow Deposit Agreement;

WHEREAS, upon issuance of the Series 2011A-R Refunding Bonds, the Trust, in accordance with the Act, the Series 1998B Bond Resolution and a financial plan approved by the State Legislature in accordance with Section 23 of the Act will (i) issue the Series 2011A-R Refunding Bonds for the purpose of applying the primary share of the proceeds thereof toward the 2011 Refunding of the Series 1998B 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 the Borrowers their *pro rata* portion of the Savings achieved from the 2011 Refunding of the Series 1998B Bonds to be Refunded as an additional credit to their existing Series 1998B Trust Loans; provided, however, that an Authorized Officer of the Trust shall withhold from the Borrowers a portion of the of the Savings allocated to interest on the Savings Credit Schedules (as hereinafter defined), that is reasonably required to reimburse the Trust for costs of issuing the Series 2011A-R Refunding Bonds not financed from the proceeds of the Series 2011A-R Refunding Bonds, the amount of which portion shall be set forth on the Savings Credit Schedules 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 2011A-R Refunding Bonds, as the term “obligated person” is defined in Rule 15c2-12, based upon criteria set forth in this Series 2011A-R Refunding Supplemental Bond Resolution;

WHEREAS, prior to or simultaneously with the issuance of the Series 2011A-R Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate “Series 2011A-R Continuing Disclosure Agreement (1998B Financing Program)”, to be dated the date of issuance of the Series 2011A-R 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 2011A-R Borrower Continuing Disclosure Agreements”), for the purpose of satisfying Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its purposes and intent 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 2011A-R Refunding Bonds, the Trust shall enter into a “Series 2011A-R Trust Continuing Disclosure Agreement (1998B Financing Program)”, to be dated the date of issuance of the Series 2011A-R 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 2011A-R Trust Continuing Disclosure Agreement”; the Series 2011A-R Borrower Continuing Disclosure Agreements and the Series 2011A-R Trust Continuing Disclosure Agreement shall be referred to collectively herein as the “Series 2011A-R Continuing Disclosure Agreements”), for the purpose satisfying

Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its purposes and intent 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 2011A-R REFUNDING SUPPLEMENTAL BOND RESOLUTION

SECTION 1.01. Definitions.

(A) As used in this Series 2011A-R 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 1998B Bond Resolution, as amended and supplemented.

(B) The following capitalized terms set forth in this Series 2011A-R Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in the recitals to this Series 2011A-R Refunding Supplemental Bond Resolution:

Act
Defeased Series 1998B Bond Escrow Agent
Defeased Series 1998B Bond Escrow Deposit Agreement
Defeased Series 1998B Bond Escrow Fund
DEP
Gross Savings
Original Series 1998B Bond Resolution
Outstanding Series 1998B Bonds
Projects
Program
Redemption Date
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series 1998B Bond Resolution
Series 1998B Bonds
Series 1998B Bonds to be Refunded
Series 1998B Borrower Bonds
Series 1998B Borrower Fund Loan Bonds
Series 1998B Borrower Trust Loan Bonds
Series 1998B Fund Loans
Series 1998B Trust Loans
Series 2011A-R Continuing Disclosure Agreements
Series 2011A-R Borrower Continuing Disclosure Agreements
Series 2011A-R Refunding Bonds
Series 2011A-R Refunding Supplemental Bond Resolution
Series 2011A-R Trust Continuing Disclosure Agreement
State
Trust

Trustee
2011 Refunding of the Series 1998B Bonds to be Refunded
Withheld Savings

(C) In addition, as used in this Series 2011A-R 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 that previously has received a Series 1998B Trust Loan and, in accordance with this Series 2011A-R Refunding Supplemental Bond Resolution, will receive its *pro rata* share of the Savings, less the Withheld Savings.

“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 2011A-R 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 2011A-R Refunding Bonds.

“Loan Servicer” shall mean U.S. Bank National Association, Morristown, New Jersey, or any further successor thereto in accordance with the terms of the Series 1998B Loan Servicing Agreement or as appointed by the Trust.

“Savings Credit” shall mean the *pro rata* portion of the Savings, other than the Withheld Savings, 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, 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.

“Series 1998B Loan Servicing Agreement” shall mean the “Loan Servicing and Trust Bonds Security Agreement for Environmental Infrastructure Bonds, Series 1998B”, dated as of November 5, 1998, by and among the Trust, the State, acting by and through the Treasurer of the State on behalf of the DEP, and the Loan Servicer, as the same may be amended or supplemented from time to time in accordance with its terms, or any similar loan servicing agreement entered into by and among the Trust, the State, acting by and through the Treasurer of the State on behalf of the DEP, and a successor Loan Servicer appointed by the Trust.

“Trust Conditions Precedent” shall mean the written approval of the Governor and Treasurer of the State of this Series 2011A-R Refunding Supplemental Bond Resolution in satisfaction of the requirements of Section 4(j) of the Act.

(D) In addition, the definition of the following terms in Section 1.01 of the Original Series 1998B Bond Resolution are hereby amended to the extent provided below:

(1) The definition of “Bond Year” in Section 1.01 of the Original Series 1998B Bond Resolution is hereby amended to include at the end thereof the following:

“, and with respect to the Series 2011A-R 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 2011A-R Refunding Bonds shall be a period commencing on the date of issuance of the Series 2011A-R Refunding Bonds hereunder and ending on August 31, 2012 .”

(2) The definition of “Debt Service Reserve Requirement” in Section 1.01 of the Original Series 1998B Bond Resolution is hereby amended and restated in its entirety as follows:

“Debt Service Reserve Requirement” means, as of any date of calculation:

(1) an 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 1998B Bonds and (b) principal or Sinking Fund Installments, as the case may be, of the Outstanding Series 1998B 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 1998B Bonds payable beginning in such Bond Year and each succeeding Bond Year thereafter until the maturity of the Outstanding Series 1998B Bonds, and the denominator of which is the number of years or portion thereof until the maturity of the Outstanding Series 1998B Bonds; or (iii) the sum of 10% of the “proceeds” of the Series 1998B Bonds, but only if such Series 1998B Bonds are Outstanding, within the meaning of Section 148(d) of the Code; plus

(2) an 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 Refunding Bonds and (b) principal or Sinking Fund Installments, as the case may be, of the 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 Refunding Bonds payable beginning in such Bond Year and each succeeding Bond Year thereafter until the maturity of the Outstanding Refunding Bonds, and the denominator of which is the number of years or portion thereof until the maturity of the Outstanding Refunding Bonds; or (iii) the sum of 10% of the “proceeds” of the Outstanding Refunding Bonds, within the meaning of Section 148(d) of the Code; provided,

however, that if each Rating Agency that has been requested by the Trust to publish a rating for any Series of Refunding Bonds, determines that such Rating Agency shall assign to such Series of Refunding Bonds the then highest rating assigned to any such debt instruments by such Rating Agency notwithstanding the fact that the portion of the Debt Service Reserve Requirement calculated pursuant to this paragraph (2) is equal to \$0.00, then, given such factual circumstances, the portion of the Debt Service Reserve Requirement calculated pursuant to this paragraph (2) shall be equal to \$0.00 during the entire period during which such Refunding Bonds remain Outstanding.”

SECTION 1.02. Authority for Supplemental Bond Resolution. This Series 2011A-R 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 1998B Bond Resolution, as amended and supplemented.

ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2011A-R REFUNDING BONDS

SECTION 2.01. [Reserved].

SECTION 2.02. Issuance of Series 2011A-R Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The Trust hereby declares the issuance of the Series 2011A-R Refunding Bonds to be an authorized undertaking of the Trust pursuant to the Act and Section 2.04(1) of the Original Series 1998B 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 1998B Bond Resolution, upon the issuance of the Series 2011A-R Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2011A-R Refunding Bonds will be equally and ratably entitled to the benefit of the pledge of the Trust Estate under the Series 1998B Bond Resolution with the Holders of any other Series of Bonds to be issued under the Series 1998B Bond Resolution, including, without limitation, the moneys and securities in the Debt Service Reserve Fund and the rights to the Loan Repayments, but exclusive of the moneys and securities in the Debt Service Reserve Fund (as defined in the Original Series 1998B Bond Resolution, as amended by this Series 2011A-R Refunding Supplemental Bond Resolution). Accordingly, all of the Outstanding Bonds shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 1998B Bond Resolution (including, without limitation, as to the application of the Debt Service Reserve Fund).

(C) As a result of the parity nature of the Bonds referred to in Section 2.02(B) hereof, the Loan Repayments to be made by the Borrowers shall be allocated by the Trustee on a pro-rata basis to the Accounts within the Revenue Fund, and thereafter the Debt Service Fund, for each such Series of Bonds for payment of the principal and redemption premium, if any, of and the interest on all of such Series of Bonds. Further, the issuance of the Series 2011A-R Refunding Bonds or any other Series of Bonds shall have no effect on the rights of the Trustee and the Holders to recover any deficiency in amounts on deposit in the Debt Service Fund on any Interest Payment Date caused by any reason, including, without limitation, the deficiency in Loan Repayments of one or more Borrowers, from amounts on deposit in the Debt Service Reserve Fund, which rights shall be limited to the unused portion of any such Borrower's Allocable Share of the Debt Service Reserve Fund as set forth in Article V of the Original Series 1998B Bond Resolution, as amended and supplemented, and further limited to the payment the principal and redemption premium, if any of and the interest on the Series 1998B Bonds. Therefore, any such recovery from the Debt Service Reserve Fund shall also be allocated by the 1998B Trustee on a pro-rata basis to the Accounts within the Debt Service Fund for the Series 1998B Bonds for payment of the principal and redemption premium, if any, of and the interest on all of the Series 1998B Bonds..

(D) Upon issuance of the Series 2011A-R Refunding Bonds, the aggregate of the sum of the principal amount of the Series 2011A-R Refunding Bonds and the principal amount of the Outstanding Series 1998B Bonds (collectively, the “Outstanding Bonds”) shall be equal to or shall exceed the aggregate principal amount of the Series 1998B Borrower Trust Loan Bonds that are outstanding as of such date of issuance of the Series 2011A-R Refunding Bonds. Upon the allocation of the Savings to the Borrowers through the Savings Credits and to the Trust through the Withheld Savings, the aggregate principal amount of the Series 1998B Borrower Trust Loan Bonds, net of the Savings Credits and the Withheld Savings, shall equal the aggregate principal amount of the Outstanding Bonds. Notwithstanding any provision to the contrary in the Series 1998B Bond Resolution and in light of the foregoing, 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 1998B Bond Resolution for any corporate purpose of the Trust.

(E) The Trustee is hereby authorized and directed to allocate the Savings, other than the Withheld Savings, in the amounts, at the times and to the Borrowers, through the application of the Savings Credits set forth in the Savings Credit Schedules, as a credit to the Loan Repayments otherwise due from such Borrower on each such Loan Repayment date specified in such Savings Credit Schedule.

(F) On January 1, 2012, 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 2011A-R Refunding Bonds on the first available Interest Payment Date.

SECTION 2.03. Authorization and Terms of the Series 2011A-R Refunding Bonds.

(A) The Trust hereby authorizes the issuance of the Series 2011A-R 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 amount of the Outstanding Series 1998B 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), 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 2011 Refunding of the Series 1998B Bonds to be Refunded and (ii) the payment of certain expenses incurred in connection with the issuance of the Series 2011A-R Refunding Bonds. Notwithstanding any provision of this Section 2.03(A) or this Series 2011A-R Refunding Supplemental Bond Resolution to the contrary, the Series 2011A-R Refunding Bonds shall not be issued by the Trust until satisfaction in full of the Trust Conditions Precedent.

(B) The Series 2011A-R 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, 2012 and

semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2011A-R Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2011A-R 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 2011A-R 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 1998B 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.

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-------------------------|----------------------|
| 2012 | \$ | % |
| 2013 | | |
| 2014 | | |
| 2015 | | |
| 2016 | | |
| 2017 | | |
| 2018 | | |

(C) The Series 2011A-R Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2011A-R-R from 1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2011A-R 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 2011A-R Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2011A-R Refunding Bonds will be made in book-entry form (without certificates) in denominations of \$5,000 each or any integral multiple thereof. The Series 2011A-R Refunding Bonds will be issued in denominations of \$5,000 each or any integral multiple thereof.

Notwithstanding any other provision in the Series 1998B Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2011A-R Refunding Bonds, payments of the principal of and interest on the Series 2011A-R 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 2011A-R Refunding Bonds is the responsibility of the DTC participants.

(D) The Series 2011A-R Refunding Bonds shall constitute a single Series of Bonds, and each shall be designated “Environmental Infrastructure Refunding Bond, Series 2011A-R (1998B Financing Program) (AMT)”.

SECTION 2.04. Redemption of the Series 2011A-R Refunding Bonds.

(A) **Optional Redemption.** The Series 2011A-R Refunding Bonds are not subject to optional redemption prior to their stated maturities.

(B) **Mandatory Sinking Fund Redemption.** The Series 2011A-R Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

SECTION 2.05. Form of Series 2011A-R Refunding Bonds. The Series 2011A-R Refunding Bonds shall be in substantially the form set forth in Section 14.01 of the Original Series 1998B 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 2011A-R 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 2011 Refunding of the Series 1998B 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 2011A-R Refunding Bonds, and the Secretary and Assistant Secretary of the Trust are hereby severally authorized to attest to the execution of the Series 2011A-R Refunding Bonds by the Chairman or Vice Chairman of the Trust and to affix the corporate seal of the Trust upon the Series 2011A-R Refunding Bonds, all in accordance with Article III of the Original Series 1998B Bond Resolution, as amended and supplemented. Following execution of the Series 2011A-R Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2011A-R Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2011A-R Refunding Bonds in accordance with Article III of the Original Series 1998B Bond Resolution, as amended and supplemented, and thereafter deliver the Series 2011A-R 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 1998B 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. Additional Bonds. After execution of the Series 2011A-R Refunding Bonds by the Trust as provided in the Series 1998B Bond Resolution and after the authentication and delivery thereof as also provided in the Series 1998B Bond Resolution, the Series 2011A-R Refunding Bonds shall constitute Additional Bonds in accordance with Article II of the Original Series 1998B Bond Resolution, as amended and supplemented.

SECTION 2.08. Book-Entry Format. The Series 2011A-R 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 1998B Bond Resolution, as amended and supplemented.

ARTICLE III

CREATION AND ESTABLISHMENT OF DEFEASED SERIES 1998B BOND ESCROW FUND AND SEPARATE ACCOUNTS WITHIN ALL FUNDS; APPLICATION OF SERIES 2011A-R REFUNDING BOND PROCEEDS AND TAX CERTIFICATE

SECTION 3.01. Creation of Defeased Series 1998B Bond Escrow Fund, Separate Accounts within all Funds and Certain Other Accounts and Funds.

(A) To the extent that an Authorized Officer of the Trust, after consultation with Bond Counsel, the Office of the Attorney General of the State and the financial advisor to the Trust, determines that the creation of such a fund is desirable to effect the 2011 Refunding of the Series 1998B Bonds to be Refunded, the Authorized Officers are hereby severally authorized and directed to create, and to direct the Trustee to establish, for the sole benefit of the Holders of the Series 1998B Bonds to be Refunded in accordance with the terms of the Defeased Series 1998B Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated “Defeased Environmental Infrastructure Bonds, Series 1998B Escrow Fund (2011)” (the “Defeased Series 1998B Bond Escrow Fund”).

(B) Section 5.01 of the Original Series 1998B Bond Resolution is hereby amended and supplemented as follows: The Trust hereby directs the Trustee to establish separate subaccounts for the Series 2011A-R Refunding Bonds within each Account created under the Series 1998B Bond Resolution that is held by the Trustee. The Trust hereby further directs the Trustee to establish separate Accounts for the Series 2011A-R Refunding Bonds within each Fund created under the Series 1998B Bond Resolution that is held by the Trustee. The Trust is hereby authorized and directed to establish separate subaccounts within each Account created under the Series 1998B Bond Resolution that is held by the Trust. The Trust is hereby authorized and directed to establish separate Accounts within each Fund created under the Series 1998B Bond Resolution that is held by the Trust.

SECTION 3.02. Amendment of Section 5.05 of the Original Series 1998B Bond Resolution. Section 5.07(1) of the Original Series 1998B 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 with respect to such Interest Payment Date, as set forth on the Savings Credit Schedules, which Withheld Savings shall be applied by the Trust in accordance with the provisions of Section 5.03(4) hereof.”

SECTION 3.03. Amendment of Section 5.07(1) of the Original Series 1998B Bond Resolution. Section 5.07(1) of the Original Series 1998B Bond Resolution is hereby amended and restated in its entirety as follows:

“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 amounts transferred from the Debt Service Reserve Fund to the Debt Service Fund pursuant to this Section 5.07(1) shall be applied only to the payment of interest, principal and/or Sinking Fund Installments, as the case may be, with respect to the Series 1998B Bonds and any Refunding Bonds with respect to which the portion of the Debt Service Reserve Requirement calculated pursuant to paragraph (2) of the definition thereof shall be greater than \$0.00; and further 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.”

SECTION 3.04. Application of the Proceeds of the Series 2011A-R Refunding Bonds and Other Moneys. The proceeds of the Series 2011A-R 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 1998B 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 2011A-R Refunding Bonds pursuant to Section 3.06 hereof, into the Funds and Accounts as shall be set forth in a Certificate of an Authorized Officer of the Trust, to effect the 2011 Refunding of the Series 1998B Bonds to be Refunded; provided that the origin of moneys for such funds shall comply in all respects with the Series 1998B Bond Resolution, as amended and supplemented, and the Code.

SECTION 3.05. Tax Exempt Status of Series 2011A-R Refunding Bonds. The Trust covenants to comply with the provisions of the Code applicable to the Series 2011A-R Refunding Bonds and covenants not to take any action or fail to take any action that would cause the interest on the Series 2011A-R 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 2011A-R Refunding Bonds in such form as specified by Bond Counsel to the Trust.

SECTION 3.06. Payment of Costs of Issuing the Series 2011A-R Refunding Bonds.

In connection with the issuance of the Series 2011A-R 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 2011A-R Refunding Bonds that are not permitted to be paid from the proceeds of the Series 2011A-R Refunding Bonds pursuant to the Code, including, without limitation, such costs in respect of underwriters' discount with respect to the Series 2011A-R Refunding Bonds. The amount to be paid by the Trust pursuant to this Section 3.06 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 1998B 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 2011A-R Refunding Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 1998B Bond Resolution by executing the certificate of authentication endorsed upon the Series 2011A-R Refunding Bonds upon the original issuance thereof. All of the provisions set forth in Article X or otherwise of the Original Series 2001B Bond Resolution, as amended and supplemented, relating to the Trustee shall be applicable to the Trustee with respect to the Series 2011A-R 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 2011A-R Refunding Bonds. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 1998B 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 2011A-R Refunding Bonds. All of the provisions set forth in Article X or otherwise of the Original Series 2001B Bond Resolution, as amended and supplemented, relating to the Paying Agent shall be applicable to the Paying Agent with respect to the Series 2011A-R Refunding Bonds as if fully set forth herein.

SECTION 4.03. Appointment of Defeased Series 1998B Bond Escrow Agent. In the event that an Authorized Officer of the Trust, after consultation with Bond Counsel, the Office of the Attorney General of the State and the financial advisor to the Trust, determines that it is desirable to effect the 2011 Refunding of the Series 1998B Bonds to be Refunded through the execution and delivery of the Series 1998B Bond Escrow Deposit Agreement, U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Defeased Series 1998B Bond Escrow Agent for the Series 1998B Bonds to be Refunded. In such event, the Defeased Series 1998B Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 1998B Bond Escrow Deposit Agreement by executing and delivering same.

SECTION 4.04. Successors. Notwithstanding any provision to the contrary in any of the following documents, the Trust hereby acknowledges that, for all purposes of the Series 1998B Bond Resolution, the Series 1998B Loan Servicing Agreement, the Defeased Series 1998B Bond Escrow Deposit Agreement, if applicable, the Series 2011A-R Continuing Disclosure Agreements and all other related documents, (A) U.S. Bank National Association, Morristown, New Jersey is the successor to the original Trustee and Paying Agent pursuant to the Original Series 1998B Bond Resolution, and (B) U.S. Bank National Association, Morristown, New Jersey is the successor to the original Loan Servicer pursuant to the Series 1998B Loan Servicing Agreement.

ARTICLE V

DEFEASED SERIES 1998B BOND ESCROW DEPOSIT AGREEMENT, SERIES 2011A-R CONTINUING DISCLOSURE AGREEMENTS, OFFICIAL STATEMENT AND SALE OF THE SERIES 2011A-R REFUNDING BONDS

SECTION 5.01. Defeased Series 1998B Bond Escrow Deposit Agreement and Series 2011A-R 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 1998B Bond Escrow Deposit Agreement, to the extent the Defeased Series 1998B Bond Escrow Fund is established in accordance with Section 3.01(A) hereof, and the Series 2011A-R 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 1998B Bond Escrow Deposit Agreement, to the extent the Defeased Series 1998B Bond Escrow Fund is established in accordance with Section 3.01(A) hereof, and Series 2011A-R Continuing Disclosure Agreements; provided, however, that the Defeased Series 1998B Bond Escrow Deposit Agreement, to the extent the Defeased Series 1998B Bond Escrow Fund is established in accordance with Section 3.01(A) hereof, shall in any event conform with all of the requirements for the defeasance of the Series 1998B Bonds to be Refunded as set forth in the Series 1998B Bond Resolution, particularly Article XII of the Original Series 1998B Bond Resolution, as amended and supplemented, and such Defeased Series 1998B Bond Escrow Deposit Agreement, to the extent the Defeased Series 1998B Bond Escrow Fund is established in accordance with Section 3.01(A) hereof, and Series 2011A-R 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 1998B Bond Escrow Deposit Agreement, to the extent the Defeased Series 1998B Bond Escrow Fund is established in accordance with Section 3.01(A) hereof, 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 (i) the Redemption Account within the Debt Service Fund, or (ii) the Defeased Series 1998B Bond Escrow Fund established in accordance

with the terms of the Defeased Series 1998B Bond Escrow Deposit Agreement, as applicable, and such Authorized Officer shall undertake whatever method of acquisition of such Investment Securities is deemed (i) in compliance with the provisions of the Series 1998B Bond Resolution and (ii) applicable law, 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, 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 1998B 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 1998B 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 2011A-R 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 2011A-R 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 2011A-R 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 2011A-R 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 2011A-R 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 2011A-R 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 2011A-R Refunding Bonds a notice of sale with respect to the Series 2011A-R 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 2011A-R Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2011A-R Refunding Bonds shall be made by the Trust; (iii) the date and time at which proposals for the purchase of the Series 2011A-R Refunding Bonds shall be accepted by the Trust; and (iv) the method by which the bidders for the purchase of the Series 2011A-R 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 2011A-R 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 2011A-R 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 2011A-R 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 2011A-R 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.

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 2011 Refunding of the Series 1998B 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.

(A) Notwithstanding any provision of this Series 2011A-R 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 2011A-R 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.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Certificate of an Authorized Officer Amending and Supplementing this Series 2011A-R Refunding Supplemental Bond Resolution. Notwithstanding any other provision herein to the contrary, the Series 2011A-R 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 2011A-R 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 2011A-R Refunding Bonds and the amounts and sources of funds to be deposited in the Redemption Account within the Debt Service Fund or the Defeased Series 1998B Bond Escrow Fund, as applicable, (iii) any changes to the Series 1998B Bond Resolution required (1) by any Rating Agency rating the Series 2011A-R Refunding Bonds or (2) to ensure that interest is excludable from the gross income of the Holders of the Series 2011A-R 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 1998B Bonds to be Refunded on a net present value basis, (v) the Savings Credit Schedules and the Withheld Savings 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 2011A-R 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 2011A-R Refunding Supplemental Bond Resolution, as originally adopted on April 10, 2011, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2011A-R Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2011 Refunding of the Series 1998B Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2011A-R Refunding Supplemental Bond Resolution without compliance with any other provision of the Series 1998B Bond Resolution, including, without limitation, Article XI of the Original Series 1998B 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 2011A-R Refunding Supplemental Bond Resolution to Govern. To the extent that the provisions of this Series 2011A-R Refunding Supplemental Bond Resolution are inconsistent with the provisions of the Original Series 1998B Bond Resolution, the provisions of this Series 2011A-R 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 2011A-R Refunding Bonds, (ii) to effect the 2011 Refunding of the Series 1998B 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 2011A-R Refunding Bonds and the Series 1998B Bonds to be Refunded (including the preparation and filing of any information reports or other documents

with respect to the Series 2011A-R Refunding Bonds or the Series 1998B Bonds to be Refunded as may at any time be required under Section 149 of the Code).

SECTION 6.04. Series 2011A-R Refunding Supplemental Bond Resolution Amendments. This Series 2011A-R Refunding Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2011A-R 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 1998B 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 1998B Bond Resolution relating to the amendment or supplement to a Supplemental Resolution.

SECTION 6.05. Continuing Disclosure. Prior to the issuance of the Series 2011A-R 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 2011A-R 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 1998B 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 1998B 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 1998B Trust Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Series 1998B Fund Loan repayments and the Series 1998B 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 2011A-R 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 notice of Bond Disclosure Events (as defined in the Series 2011A-R Trust Continuing Disclosure Agreement), if material, with respect to the Series 2011A-R 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 1998B 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. TEFRA Hearing. The Trust hereby authorizes any Authorized Officer, or another officer of the Trust at the direction of an Authorized Officer, after consultation with Bond Counsel, to conduct a hearing with respect to the Series 2011A-R Refunding Bonds pursuant to the requirements of Section 147(f) of the Code, at such time and in such manner as any Authorized Officer, after consultation with Bond Counsel, shall determine to be necessary, convenient or desirable in order to satisfy the requirements of the Code.

SECTION 6.07. Effective Date. This Series 2011A-R 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 2011A-R Refunding Supplemental Bond Resolution.

EXHIBIT A

DEFEASED SERIES 1998B BOND ESCROW DEPOSIT AGREEMENT AND SERIES 2011A-R CONTINUING DISCLOSURE AGREEMENTS