

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

NJ TRANSIT TRANSPORTATION PROJECT BOND RESOLUTION

Adopted: December 10, 2019

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Exhibit A - Form of Bond and Form of Trustee’s Certificate of Authentication

NJ TRANSIT TRANSPORTATION PROJECT BOND RESOLUTION

Adopted: December 10, 2019

BE IT RESOLVED by the New Jersey Economic Development Authority as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

101. Definitions. The following terms shall, for all purposes of the Resolution, have the following meanings:

Account or Accounts shall mean, as the case may be, each or all of the Accounts established pursuant to Section 502 of the Resolution.

Act shall mean the New Jersey Economic Development Authority Act, L. 1974, c. 80, as heretofore or hereafter from time to time amended and supplemented.

Administrative Expenses shall mean the following expenses with respect to each Series of Bonds issued under the Resolution: the direct out-of-pocket costs, liabilities and expenses, if any, incurred by the Authority in carrying out its duties under the Resolution and under each Sublease with respect to such Series of Bonds and acknowledged in writing by the Corporation, which acknowledgment will not be unreasonably withheld or delayed, and any other Administrative Expenses identified in a Supplemental Resolution or Series Certificate relating to such Series of Bonds.

Alternate Transportation Project shall mean any capital improvement which has been included in the Corporation's annual capital program.

Alternate Transportation Project Account shall mean the Alternate Transportation Project Account within the Project Fund established pursuant to Section 502 of the Resolution.

Authority shall mean the New Jersey Economic Development Authority, a public body corporate and politic constituting an instrumentality of the State, created and existing under and by virtue of the Act, exercising governmental functions and any body, board, authority, agency or political subdivision or other instrumentality of the State which shall hereafter succeed to the powers, duties and functions thereof.

Authorized Newspaper means a financial newspaper customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York.

Authorized Authority Representative shall mean the Chairman, Vice Chairman, Chief Executive Officer, Senior Vice President, Vice President, Controller, Managing Director, Director or any other authorized officer of the Authority who shall have power to execute contracts pursuant to the bylaws or a resolution adopted by the Authority.

Authorized Corporation Representative shall mean the President & Chief Executive Officer; Senior Vice President, Capital Programs; Senior Vice President & Chief Administrative Officer; Senior Vice President, Chief Financial Officer & Treasurer; and any other person or persons authorized to act on behalf of the Corporation.

Bond or Bonds shall mean any bond or bonds, as the case may be, authenticated and delivered under and pursuant to the Resolution.

Bond Counsel shall mean any attorney or firm of attorneys nationally recognized in the field of municipal finance and satisfactory to the Corporation and the Authority.

Bond Payment Obligations shall mean, with respect to any Series of Bonds, the Authority's obligation to pay the Principal Installment or Redemption Price of and interest on the Bonds of such Series, including Bonds held by a Credit Issuer.

Bond Proceeds Account shall mean the Bond Proceeds Account within the Project Fund established pursuant to Section 502 of the Resolution.

Bond Registrar shall mean the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by the Authority to perform the duties of Bond Registrar under the Resolution.

Bond Year shall mean each one (1) year period (or shorter period in the cases of the first and last Bond Years) that, in each calendar year, ends at the close of business on the day that has been selected by the Authority for the purpose of calculating the Rebate Amount pursuant to Section 148 of the Code (which day must be the last day of a

compounding interval used in computing the Bond Yield pursuant to Treasury Regulation §1.148-4).

Bondholder or Holder of Bonds or Holder shall mean any Person who shall be the registered owner of any Bond or Bonds.

Book-Entry Bonds shall have the meaning ascribed to such term in Section 307 of the Resolution.

Business Day shall mean any day that is not a Saturday, Sunday or legal holiday in the State (or the state in which the principal office of the Trustee is located) or a day on which banking institutions chartered by the State (or the state in which the principal office of the Trustee is located) or the United States are legally authorized or required to close or a day on which the New York Stock Exchange is closed.

Capitalized Interest Account shall mean the Capitalized Interest Account within the Debt Service Fund established pursuant to Section 502 of the Resolution.

Code shall mean the Internal Revenue Code of 1986, as amended and supplemented, and the regulations, revenue rulings and procedures issued or made applicable to Tax-Exempt Bonds or the proceeds thereof from time to time.

Commissioner shall mean the Commissioner of the New Jersey Department of Transportation.

Completion Certificate shall mean, with respect to any Project financed in whole or in part with proceeds of New Money Bonds, a certificate signed by an Authorized Corporation Representative stating that, except for amounts retained by the Trustee at the Corporation's direction to pay any Costs of such Project not then due and payable or, if due and payable, not then paid, (1) the acquisition, construction and installation of such Project has been completed substantially in accordance with the plans and specifications applicable thereto and that such Project is ready to be placed in service, (2) the Completion Date, and (3) the amount, if any, required in the opinion of such Authorized Corporation Representative for the payment of any remaining part of the cost of such Project. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Completion Date shall mean, with respect to any Project financed in whole or in part with proceeds of New Money Bonds, the date as of which the Corporation shall deliver to the Trustee and the Authority a Completion Certificate.

Corporation shall mean New Jersey Transit Corporation, a body corporate and politic constituting an instrumentality of the State, created and existing under and by virtue

of the Transportation Law, exercising public and essential governmental functions and any body, board, authority, agency or political subdivision or other instrumentality of the State which shall hereafter succeed to the powers, duties and functions thereof.

Cost or Costs shall mean cost as defined in the Act, and together with any other proper item of cost related to a Project or an Alternate Transportation Project, whether incurred prior to or after the date of the applicable Sublease: (a) costs and expenses incurred in connection with the acquisition of any interest in land or improvements, including but not limited to demolition of any existing structures, permitting, acquisition, construction, reconstruction, rehabilitation, repair, improvement and operation of all or any part of a Project or an Alternate Transportation Project, including Administrative Expenses; (b) the cost of contract bonds, surety bonds and insurance of all kinds that may be necessary or desirable during the course of acquisition and construction which is not otherwise provided for; (c) the costs and expenses for test borings, surveys, estimates, plans and specifications and preliminary investigation therefor, and for supervising acquisition, development and construction, as well as for the performance of all other duties required by or consequent upon the proper acquisition, development and construction of a Project or an Alternate Transportation Project; (d) compensation and expenses of the Trustee, paying agent, fiduciaries, financial advisory, legal, accounting, financial and printing expenses, fees and all other expenses incurred in connection with the issuance of Bonds; (e) any sums required to reimburse the Authority or the Corporation for advances made by either of them for any of the above items, or for any other costs incurred and for work done by either of them, which are properly chargeable to a Project or an Alternate Transportation Project; (f) deposits in the Capitalized Interest Account within the Debt Service Fund for the payment of interest accruing in whole or in part on Bonds prior to and during construction of the Projects or Alternate Transportation Projects financed with the proceeds of such Bonds and for such additional period as may reasonably be necessary in accordance with the provisions of the Resolution, including all amounts required by the Resolution to be paid from the proceeds of Bonds into the Debt Service Fund; (g) expenses of remediating environmental conditions in or on a Project or Alternate Transportation Project in order to bring the same into compliance with the requirements of applicable law so that such Project or Alternate Transportation Project may be acquired, constructed and used, or made ready to be used, for its intended purposes; and (h) such other expenses not specified herein as may be necessary or incidental to the acquisition, construction, reconstruction, rehabilitation, repair, improvement and operation of all or any part of a Project or Alternate Transportation Project, the financing thereof, and the placing of the same in use and operation.

Costs of Issuance shall mean the items of expense related to the authorization, sale and issuance of a Series of Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee and Paying Agent, legal fees and charges, professional consultants' fees, costs of credit ratings, premiums for municipal bond insurance, administrative fees of the Authority, fees and charges for execution, transportation and

safekeeping of Bonds, costs of contracts for the purchase of investments with Bond proceeds and other costs, charges and fees in connection with the foregoing.

Costs of Issuance Account shall mean the Costs of Issuance Account within the Project Fund established pursuant to Section 502 of the Resolution.

Counsel shall mean an attorney or firm of attorneys of recognized standing (who may be Bond Counsel, counsel to the Authority, or counsel to the Corporation) selected by the Authority or, in the case of counsel to the Corporation, by the Corporation.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, surety bond, insurance policy or other insurance commitment or similar agreement, satisfactory to the Authority, that is provided by a commercial bank, insurance company or other entity, with a current long term rating (or whose obligations thereunder are guaranteed by an entity with a long term rating) from Moody's and S&P not lower than the credit rating of the Series of Bonds to be secured by such Credit Facility, to further secure or provide liquidity for the payment of the Principal Amount and interest for a Series of Bonds.

Credit Facility Payment Obligations shall mean, with reference to any Series of Bonds, all payment and reimbursement obligations of the Authority to a Credit Issuer in connection with any Credit Facility securing all or a portion of such Series of Bonds.

Credit Issuer shall mean the issuer of a Credit Facility.

Debt Service Fund shall mean the fund so designated and established pursuant to Section 502 of the Resolution.

Default shall have the meaning given to such term in Section 801 of the Resolution.

Defeasance Securities means (i) any direct and general obligations of, or any obligations guaranteed by, the United States of America, including but not limited to interest obligations of the Resolution Funding Corporation or any successor thereof, (ii) any obligations of any state or political subdivision of a state ("Refunded Bonds") which are fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the Refunded Bonds, (iii) certificates of ownership of the principal or interest of direct and general obligations of, or obligations guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System, (iv) obligations described in clause (ii) of the definition of "Investment Securities", and (v) obligations described in clause (x) of the definition of "Investment Securities" which are rated, at the time of purchase, in the highest rating

category, without regard to rating sub-categories, by any two Rating Agencies then rating the Bonds.

Delivery Date shall mean, with respect to any Series of Bonds, the date on which there is physical delivery of the Bonds of such Series in exchange for the amount of the purchase price therefor.

Depository shall mean any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Authority as a depository of moneys and securities held under the provisions of the Resolution, and may include the Trustee.

DTC shall mean (a) The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns, and (b) any other Person which may hereafter act as Securities Depository in respect of any Bonds.

Event of Default shall have the meaning given such term in Section 801 of the Resolution.

Event of Non-Appropriation shall mean, with respect to any Project, an Event of Non-Appropriation described in Section 10.2 of the applicable Sublease.

Fiduciary or Fiduciaries shall mean the Trustee, the Bond Registrar, the Depository, the Paying Agent, or any or all of them, as may be appropriate.

Fiscal Year shall mean the fiscal year of the State and the Corporation, which is presently the twelve (12) month period beginning on July 1 and ending on June 30.

Fitch shall mean Fitch Ratings.

Force Majeure shall mean any delay caused by or resulting from delays in performance caused by or due to inability to obtain transportation, equipment or material, insurrection, fires, floods, storms, embargoes, acts of God, civil or military strikes or actions, labor difficulties, riots, or any other cause beyond the reasonable control of the Authority or the Corporation.

Fund shall mean any or all of the Funds established pursuant to Section 502 of the Resolution.

Funding Agreement shall mean, with respect to each Series of Bonds, each Funding Agreement executed by an Authorized Corporation Representative on behalf of the Corporation, with the approval of the Commissioner, to and in favor of the Authority, and delivered in connection with such Series of Bonds, relating to the Project described in

each such Funding Agreement which is financed, in whole or in part, with proceeds of such Series of Bonds, and any Funding Agreement which may be executed pursuant to Section 503(e) of the Resolution by the Corporation, with the approval of the Commissioner, to and in favor of the Authority, relating to an Alternate Transportation Project which is financed, in whole or in part, with proceeds of such Series of Bonds.

Indemnified Parties shall mean the Authority, each Fiduciary, and their respective members, officers, directors, employees, agents, and attorneys, and each person, if any, who controls the Authority or any Fiduciary within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended.

Investment Agreement shall mean an investment agreement with (i) a commercial bank or trust company or a national banking association in any case having a capital stock and surplus of more than \$100,000,000, or (ii) an insurance company with the highest rating provided by A.M. Best Company, or (iii) a corporation; provided that the credit of such commercial bank or trust company or national banking association, insurance company or corporation, as the case may be, is rated (or, in the case of a corporation, whose obligations thereunder are guaranteed by a corporation whose credit is rated) not lower than the rating category of any two Rating Agencies then rating the Bonds required to maintain the rating then in effect or to obtain the rating to be obtained on the Bonds in respect of which such Investment Agreement is entered into, which agreement provides for the investment of funds held in the Funds and Accounts, which funds shall be collateralized by at least one hundred two (102%) percent in principal amount of Investment Securities, as the same may be amended from time to time.

Investment Securities shall mean means and include any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

- (i) Defeasance Securities;
- (ii) Bonds, debentures, notes or other evidences of indebtedness issued by any agency or instrumentality of the United States to the extent such obligations are guaranteed by the United States or by another such agency the obligations (including guarantees) of which are guaranteed by the United States;
- (iii) Bonds, debentures, notes or other evidences of indebtedness issued by any corporation chartered by the United States, including, but not limited to, Governmental National Mortgage Association, Federal Land Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Resolution Funding Corporation, Export-Import Bank, Federal Financing Bank and Student Loan

Marketing Association;

(iv) Negotiable or non-negotiable certificates of deposit (or other time deposit arrangements) issued by any bank, trust company or national banking association, including a Fiduciary, which certificates of deposit shall be continuously secured or collateralized by obligations described in subparagraphs (i) or (ii) of this definition, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit;

(v) Uncollateralized negotiable or non-negotiable certificates of deposit (or other time deposit arrangements) issued by any bank, trust company or national banking association, the unsecured obligations of which are rated, at the time of purchase, in one of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies;

(vi) Repurchase agreements collateralized by obligations described in subparagraphs (i), (ii) or (iii) of this definition with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction, which has an uninsured, unsecured and unguaranteed obligation rated in one of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies, or any commercial bank with the above ratings, provided;

(a) a master repurchase agreement or specific written repurchase agreement governs the transaction, which characterizes the transaction as a purchase and sale of securities,

(b) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$100,000,000 or (iii) a bank approved in writing for such purpose by each Credit Issuer, if any, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee,

(c) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1, et seq. or 31 CFR 350.0, et seq. or a successor provision in such securities is created for the benefit of the Trustee,

(d) the repurchase agreement has a term of six months or less, or the Trustee will value the collateral securities no less frequently than monthly and will

liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two (2) Business Days of such valuation,

(e) the repurchase agreement matures on or before a Payment Date (or, if held in a Fund other than the Debt Service Fund, other appropriate liquidation period), and

(f) the fair market value of the securities in relation to the amount of the repurchase obligation is equal to the collateral levels established by a Rating Agency for the rating assigned by the Rating Agency to the seller.

(vii) Banker's acceptances, Eurodollar deposits and certificates of deposit (in addition to the certificates of deposit provided for by subparagraphs (iv) and (v) above) of the domestic branches of foreign banks having a capital and surplus of \$1,000,000,000 or more, or any bank or trust company organized under the laws of the United States of America or Canada, or any state or province thereof, having capital and surplus, in the amount of \$1,000,000,000; provided that the aggregate maturity value of all such banker's acceptances and certificates of deposit held at any time as investments of Funds under this Resolution with respect to any particular bank, trust company, or national association shall not exceed five percent (5%) of its capital and surplus; and provided further than any such bank, trust company, or national association shall be rated in one of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies;

(viii) Other obligations of the United States of America or any agency thereof which may then be purchased with funds belonging to the State of New Jersey or which are legal investments for savings banks in the State of New Jersey;

(ix) Deposits in the New Jersey Cash Management Fund;

(x) Obligations of any state, commonwealth or possession of the United States or a political subdivision thereof or any agency or instrumentality of such a state, commonwealth, possession or political subdivision, provided that at the time of their purchase such obligations are rated in either of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies then rating the Bonds;

(xi) Commercial paper with a maturity date not in excess of 270 days rated by the Rating Agencies at least equal to the rating assigned by the Rating Agencies to the applicable Series of Bonds and in no event lower than the "A" category established by a Rating Agency (which may include subcategories indicated by plus or minus or by numbers) at the time of such investment, issued by an entity incorporated under the laws of the United States or any state thereof;

(xii) Shares of a diversified open-end management investment company

as defined in the Investment Company Act of 1940, which is a money market fund, which is then rated in any of the three highest rating categories by each Rating Agency which is then rating the Bonds or money market accounts of the Trustee or any bank or trust company organized under the laws of the United States or any state thereof which has a combined capital and surplus of not less than \$100,000,000;

(xiii) Investment contracts (a) providing for the future purchase of securities of the type described in (i), (ii), (iii) and (viii) above, which contracts have been approved for sale by a national securities exchange and all regulatory authorities having jurisdiction or (b) the obligor under which or the guarantor thereof shall have a credit rating such that its long term debt is rated in one of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies then rating the Bonds;

(xiv) Investment Agreements; and

(xv) Any other investment authorized in writing by the State Treasurer.

Lease shall mean, with respect to each Series of Bonds, each Lease between the Corporation, as lessor, and the Authority, as lessee, executed and delivered in connection with such Series of Bonds, each such Lease relating to the Project described in such Lease, and any Lease which may be executed pursuant to Section 503(e) of the Resolution by the Corporation and the Authority, relating to an Alternate Transportation Project which is financed, in whole or in part, with proceeds of such Series of Bonds, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions thereof and of the Resolution.

Lease Documents shall mean, with respect to each Series of Bonds, all of the Leases, all of the Subleases, and all of the Funding Agreements with respect to such Series of Bonds, and any Lease, Sublease and Funding Agreement which may be executed pursuant to Section 503(e) of the Resolution relating to an Alternate Transportation Project which is financed, in whole or in part, with proceeds of such Series of Bonds, and any other documents or instruments relating to the transactions contemplated thereby to which the Corporation is a party or by which it is bound, and any other Lease Documents executed and delivered in connection with such Series of Bonds.

Maximum Interest Rate shall mean, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, not exceeding twelve percent (12%) per annum, which shall be set forth in the Supplemental Resolution or Series Certificate relating to such Variable Interest Rate Bond, that shall be the maximum rate of interest such Variable Interest Rate Bond may at any time bear.

Moody's shall mean Moody's Investors Service, Inc.

Net Proceeds shall mean any insurance proceeds, condemnation award or similar payments with respect to a Project, remaining after payment therefrom of all expenses incurred in the collection thereof.

Net Proceeds Account shall mean the Net Proceeds Account within the Project Fund established pursuant to Section 502 of the Resolution.

New Money Bonds shall mean Bonds that are not Refunding Bonds.

NJTTF Act shall mean the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented from time to time.

Opinion of Counsel shall mean an opinion signed by Counsel (who may be Bond Counsel, Counsel to the Authority, or Counsel to the Corporation) selected by the Authority or, in the case of Counsel to the Corporation, by the Corporation.

Outstanding when used with reference to Bonds, shall mean, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

(a) Bonds canceled by the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the Principal Amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article IV of the Resolution;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 406 or Section 1106 of the Resolution; and

(d) Bonds deemed to have been paid as provided in subsection (2) and subsection (3) of Section 1201.

Paying Agent shall mean any bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds of any Series, and its successor or successors hereafter appointed in the manner provided in the Resolution.

Payment Date shall mean a date on which payment of a Principal Installment or interest with respect to any Bonds or Credit Facility Payment Obligations shall be due and payable.

Permitted Encumbrances shall mean and include:

(i) undetermined liens and charges incident to acquisition, installation or maintenance of a Project now or hereafter filed on record which are being contested in good faith and have not proceeded to judgment, provided that the Corporation shall have set aside adequate reserves with respect thereto;

(ii) the lien of taxes and assessments which are not delinquent;

(iii) the liens of taxes and assessments which are delinquent but the validity of which is being contested in good faith and with respect to which the Corporation shall have set aside adequate reserves, unless by the contesting of the validity of such tax or assessment the affected Project or the interest of the Authority or the Corporation therein may be in danger of being lost or forfeited;

(iv) minor defects and irregularities in the title to a Project which do not in the aggregate, in the reasonable judgment of an Authorized Corporation Representative, materially impair the use of such Project for the purposes for which it is or may reasonably be expected to be held;

(v) any obligations or duties affecting any portion of a Project to any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit;

(vi) present or future zoning laws and ordinances, if any, applicable to a Project; and

(vii) with respect to all Projects, the applicable Sublease, the applicable Lease and the Resolution.

Person or Persons shall mean any one or more individuals, corporations, partnerships, joint ventures, limited liability companies, trusts, unincorporated organizations, governmental agencies or political subdivisions.

Pledged Property shall mean, with respect to the Bonds of any Series, the moneys, funds and other property pledged to the payment of the Authority's Bond Payment Obligations and Credit Facility Payment Obligations with respect to the Bonds of such Series pursuant to Section 501 of the Resolution.

Principal Amount shall mean the stated principal amount of such Bond at maturity.

Principal Installment shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (a) the Principal Amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for Bonds of such Series, or (c) if such future dates coincide as to different Bonds of such Series, the sum of such Principal Amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date.

Project or Projects shall mean the purchase and/or improvement of capital equipment and facilities, including, but not limited to, the design, planning, acquisition, construction, reconstruction, relocation, installation, removal, establishment, repair or rehabilitation of such equipment or facilities, in order to conserve, improve, and promote public transportation service necessary for public use pursuant to the provisions of the N.J.S.A. 27:25-1 et seq., and related costs, which shall be financed in whole or in part with proceeds of one or more Series of Bonds issued pursuant to the Resolution, including any Alternate Transportation Project to which proceeds of one or more Series of Bonds are applied pursuant to Section 503(e) of the Resolution.

Project Fund shall mean the fund so designated and established pursuant to Section 502 of the Resolution.

Purchase Option Price shall mean (i)(a) in the case of a purchase of the Authority's interest in any Project, in whole or in part, pursuant to Section 8.1(a) of the applicable Sublease, an amount equal to the applicable Principal Amount or Redemption Price of the Bonds to be redeemed, together with accrued and unpaid interest thereon, or (b) in the case of a purchase of the Authority's interest in any Project, in whole or in part, pursuant to Section 8.1(b) of the applicable Sublease, the amount required to defease the Bonds to be defeased pursuant to Section 1201 of the Resolution, plus (ii) in the case of a purchase of the Authority's entire interest in any Project, all Administrative Expenses and other amounts at the time due and unpaid under the applicable Sublease or under the Resolution.

Rating Agency shall mean, as of any date, each Rating Agency which is maintaining an uninsured rating on any Bonds at the request of the Authority as of such date.

Rebate Amount shall mean the amount required to be rebated to the United States pursuant to Section 148 of the Code.

Rebate Fund shall mean the Fund so designated and established pursuant to Section 502 of the Resolution.

Rebate Payments shall mean the amounts received from the Corporation pursuant to the Sublease for the purpose of making rebate payments to the United States pursuant to Section 148 of the Code.

Record Date shall mean with respect to a Payment Date for a particular Series of Bonds, unless otherwise provided by the Supplemental Resolution or the Series Certificate, if any, relating to such Series of Bonds, the fifteenth (15th) day (whether or not such day shall be a Business Day) next preceding such Payment Date.

Redemption Price shall mean, with respect to any Bond, the Principal Amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond and the Resolution.

Refunding Bonds shall mean Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 205 of the Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Refunding Bonds pursuant to Article III or Section 406 or Section 1106 of the Resolution.

Rent shall mean, with respect to a Series of Bonds and each Sublease executed in connection with a Project financed, in whole or in part, with proceeds of such Series of Bonds and secured by a Funding Agreement, the rent payments specified in Section 4.2 of such Sublease, and the rent payments specified in any Sublease and secured by a Funding Agreement executed in connection with an Alternate Transportation Project which is financed, in whole or in part, with proceeds of such Series of Bonds.

Rent Payment Obligations shall mean, with respect to a Series of Bonds and each Sublease executed in connection with a Project financed, in whole or in part, with proceeds of such Series of Bonds and secured by a Funding Agreement, the Corporation's obligation to pay Rent under Section 4.2 of such Sublease and secured by such Funding Agreement, and the Corporation's obligation to pay Rent under any Sublease and secured by a Funding Agreement executed in connection with an Alternate Transportation Project which is financed, in whole or in part, with proceeds of such Series of Bonds.

Requisition shall mean a requisition delivered in the form required pursuant to the Sublease.

Resolution shall mean the Authority's NJ Transit Transportation Project Bond Resolution, adopted on December 10, 2019, as from time to time amended or supplemented by Supplemental Resolutions and/or Series Certificates in accordance with the terms hereof.

Revenues shall mean, with respect to each Series of Bonds, all Rent payable under Section 4.2 of each Sublease executed and delivered in connection with such Series of Bonds and secured by a Funding Agreement with respect thereto, and rent payments specified in any Sublease and secured by a Funding Agreement executed in connection with an Alternate Transportation Project which is financed, in whole or in part, with proceeds of such Series of Bonds.

Revenue Fund shall mean the Fund so designated and established pursuant to Section 502 of the Resolution.

S&P shall mean S & P Global Ratings acting through Standard & Poor's Financial Services LLC.

Securities Depository shall mean DTC or any other entity which shall act as a securities depository for the Bonds in accordance with Section 307 of the Resolution.

Series shall mean all of the Bonds authenticated and delivered on original issuance and identified pursuant to a 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 Section 406 or Section 1106 of the Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

Series Certificate shall mean a certificate executed by a duly delegated Authorized Authority Representative making certain determinations in connection with the issuance of a Series of Bonds. Each Series Certificate, upon execution and delivery, shall be deemed to be a part of the Resolution.

Sinking Fund Installment shall mean, with respect to a Series of Bonds, an amount so designated which is established pursuant to the applicable Series Certificate.

State shall mean the State of New Jersey.

State Treasurer shall mean the Treasurer of the State of New Jersey.

Sublease shall mean, with respect to each Series of Bonds, each Sublease between the Authority and the Corporation executed and delivered in connection with such Series of Bonds, each such Sublease relating to the Project described in such Sublease, and any Sublease which may be executed pursuant to Section 503(e) of the Resolution by the Authority and the Corporation, relating to an Alternate Transportation Project which is financed, in whole or in part, with proceeds of such Series of Bonds, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions thereof and of the Resolution.

Sublease Term shall mean the term of each Sublease as set forth in Section 3.1 of each Sublease.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Authority in accordance with Article X of the Resolution.

Supplemental Sublease Payment Obligations shall mean, with respect to each Sublease, all amounts payable by the Corporation under such Sublease other than Rent Payment Obligations.

Taxable Bonds shall mean Bonds the interest on which is includable in the gross income of the holders thereof for Federal income tax purposes.

Tax Certificate shall mean, with respect to any Series of Bonds which are issued as Tax-Exempt Bonds, a certificate to be executed by the Authority and the Corporation (which may be in the form of a certificate executed by the Authority and a separate certificate executed by the Corporation) and delivered simultaneously with the issuance of such Bonds, in form and substance satisfactory to Bond Counsel.

Tax-Exempt Bonds shall mean Bonds the interest on which is not includable in the gross income of the holders thereof for Federal income tax purposes.

Transportation Law shall mean the New Jersey Public Transportation Act of 1979, L. 1979, c.150, as heretofore or hereafter from time to time amended and supplemented.

Trustee shall mean the trustee appointed pursuant to Article IX of the Resolution, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

Unspent Proceeds shall mean, with respect to any Series of Bonds, proceeds of such Series of Bonds on deposit in the applicable subaccount within the Bond Proceeds Account within the Project Fund, and any investment earnings on such proceeds, upon any date that the Corporation determines that such proceeds, in whole or in part, are not required to pay Costs of the Project or any Alternate Transportation Project to which proceeds of such Series of Bonds were to be applied pursuant to a Supplemental Resolution, a Series Certificate, or Section 503(e) of the Resolution.

Valuation Date shall have the meaning set forth in Section 604 hereof.

Variable Interest Rate means a variable interest rate to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds. The method of computing

such variable interest rate shall be as specified in the Supplemental Resolution or Series Certificate relating to such Series of Bonds.

Variable Interest Rate Bonds for any period of time, means Bonds which during such period bear a Variable Interest Rate, provided that Bonds the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be Variable Interest Rate Bonds.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa.

102. Authority for the Resolution. This NJ Transit Transportation Project Bond Resolution is adopted pursuant to the provisions of the Act.

103. Resolution to Constitute Contract. (a) In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds; and the security interest granted and the pledge and assignment made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as provided in or permitted by the Resolution.

(b) The security interest granted and the pledge and assignment made in the Resolution shall also secure the Authority's Credit Facility Payment Obligations with respect to a Series of Bonds, on parity with the Authority's Bond Payment Obligations with respect to such Series of Bonds.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

201. Authorization of Bonds. (a) The Authority is hereby authorized to issue from time to time, as hereinafter provided, Bonds of the Authority to be designated as "NJ Transit Transportation Project Bonds, __ Series __" or "NJ Transit Transportation Project Refunding Bonds, __ Series __". The aggregate Principal Amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as may hereafter be provided in the Resolution or as may be limited by law.

(b) The Bonds may be issued in one or more Series, and the designation thereof, in addition to the name “NJ Transit Transportation Project Bonds, ___ Series ___” or “NJ Transit Transportation Project Refunding Bonds, ___ Series ___”, shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

(c) Nothing in the Resolution shall be deemed to preclude or prevent the consolidation into a single Series for purposes of issuance and sale of Bonds otherwise permitted by the Resolution to be issued at the same time in two or more separate Series or sub-Series, provided that solely for the purpose of satisfying the requirements of Section 202 or Section 205, the Bonds otherwise permitted by the Resolution to be issued as a separate Series shall be considered separately as if such Bonds were to be issued as a separate Series. In the event that separate Series are combined for purposes of issuance and sale, they may be issued hereunder or under a Supplemental Resolution notwithstanding any other provision of the Resolution.

202. General Provisions for Issuance of Bonds. (a) All (but not less than all) the Bonds of each Series shall be executed by the Authority for issuance under the Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(1) Copies of the Resolution and the Lease Documents applicable to the Bonds of such Series, all certified by an Authorized Authority Representative;

(2) An Opinion of Counsel or Opinions of Counsel to the effect that (i) the Authority has the right and power to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority in accordance with its terms, and no other authorization for the Resolution is required; (ii) the Resolution creates the valid pledge which it purports to create of the Revenues and other Pledged Property held or set aside under the Resolution for the Bonds of such Series, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution; (iii) the Lease Documents applicable to the Bonds of such Series are in full force and effect and are valid and binding upon the Authority and the Corporation and enforceable against the Authority and the Corporation in accordance with their terms, and the Bonds of such Series are entitled to the benefits of such Lease Documents; (iv) the Funding Agreement applicable to the Bonds of such Series has been duly approved by the Commissioner and is entitled to the provisions of the NJTTFA Act; and (v) the Bonds of such Series are valid and binding obligations of the Authority as provided in the Resolution and entitled to the benefits of the Resolution and the Act as amended to the date of such Opinion of Counsel, and such Bonds have been duly

and validly authorized and issued in accordance with law and in accordance with the Resolution; provided, that such Opinion of Counsel 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 general principles of equity and judicial discretion and the valid exercise of the sovereign police powers of the State of New Jersey and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(3) A written order as to the delivery of such Bonds, signed by an Authorized Authority Representative;

(4) A copy of the Supplemental Resolution authorizing such Bonds and a copy of the Series Certificate, if any, relating to such Bonds, each certified by an Authorized Authority Representative, which shall, among other provisions, specify: (i) the authorized Principal Amount, designation and Series of such Bonds; (ii) the purposes for which such Series of Bonds is being issued, which shall be either (A) to finance the Costs of one or more Projects or (B) to finance the refunding of Bonds as provided in Section 205; (iii) the date or dates, and the maturity date or dates, of the Bonds of such Series; (iv) if such Bonds are interest-bearing Bonds, the interest rate or rates or the method of calculation of the interest rate or rates of the Bonds of such Series and the interest payment dates therefor, and in the case of Variable Interest Rate Bonds, the Maximum Interest Rate for such Bonds, and the provisions, if any, as to the calculation or change of Variable Interest Rates; (v) the denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series, provided that such Bonds shall be in denominations of \$5,000 or any integral multiple thereof or such other denominations as authorized by such Series Certificate; (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 Bonds of such Series; (vii) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Bonds of such Series; (viii) the amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon an interest payment date for such Bonds; (ix) if so determined by the Authority, provisions for the sale of the Bonds of such Series; (x) the amount (or the method of determining the amount), if any, to be deposited from the proceeds of such Series of Bonds in such Account or Accounts in the Debt Service Fund as shall be specified therein and provisions for the application thereof to the purposes of such Account or Accounts and (xi) the form of the Bonds of such Series, and the form of the Trustee's certificate of authentication, which forms shall be, respectively, substantially in the forms attached hereto as Exhibit A, with such variations, omissions and insertions as are required or permitted by the Resolution;

(5) With respect to each Series of Bonds, such Leases, Subleases and Funding Agreements, or, if applicable, amendments to existing Leases, Subleases and Funding Agreements, in either case which collectively provide for payments of Rent by the Corporation in amounts sufficient, together with the balance from time to time on deposit in the Funds, Accounts and subaccounts established under the Resolution and available for such purpose, and taking into account interest earnings on such Rent payments until the same are disbursed, to pay the Bond Payment Obligations and Credit Facility Payment Obligations applicable to such Series of Bonds on each Payment Date.

(6) Such further documents, moneys, securities and evidences of deposit of funds with the Trustee as are required by the provisions of Article II, Article X, or any Supplemental Resolution adopted pursuant to Article X, or any Series Certificate relating to such Series of Bonds.

(b) Except as otherwise provided in the Supplemental Resolution or Series Certificate relating to such Bonds, all the Bonds of each 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, Section 406 or Section 1106.

203. Reserved.

204. Reserved.

205. Refunding Bonds. (a) One or more Series of Refunding Bonds may be issued at any time to refund Outstanding Bonds of one or more Series or one or more maturities within a Series or any Bonds of one or more maturities within 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 Accounts within the Funds under the Resolution required by the provisions of the Supplemental Resolution or Series Certificate relating to such Bonds. Prior to the authentication and delivery of any Series of Refunding Bonds, the Authority shall deliver to the Trustee, in addition to the items listed in Section 202, copies of amendments to the applicable Sublease and Funding Agreement, if such amendments are necessary, each certified by an Authorized Authority Representative, to confirm that the Corporation's Rent Payment Obligations under the applicable Sublease and secured by the applicable Funding Agreement include an amount sufficient to pay debt service on such Refunding Bonds and all other Bonds then Outstanding which are payable from Revenues under the applicable Sublease and secured by the applicable Funding Agreement.

(b) 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 202) of:

(1) 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 1201 hereof;

(2) If the Bonds to be refunded are being defeased in accordance with Section 1201, and if such bonds to be refunded are not by their terms subject to redemption or will not be redeemed within the next succeeding sixty (60) days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 1201 to the Holders of the Bonds being refunded;

(3) Either (i) moneys (including moneys withdrawn and deposited pursuant to paragraph (c) of Section 504) 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, 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) Defeasance 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 1201, which Defeasance Securities and moneys shall be held in trust and used only as provided in said subsection (2); provided, however, that if the Authority determines, in its absolute discretion, to refund Variable Interest Rate Bonds without defeasing such Variable Interest Rate Bonds pursuant to subsection (1) or (2) of Section 1201, in applying this paragraph (3) to such Variable Interest Rate Bonds, interest to come due on such Variable Interest Rate Bonds for any period on or prior to the maturity date or redemption date thereof for which the interest rate cannot be determined, shall be calculated at the highest interest rate per annum borne by such Variable Interest Rate Bonds during the twelve (12) month period immediately preceding such date of determination, plus one percent (1.00%) per annum; and

(4) Such further documents and moneys as are required by the provisions of any Supplemental Resolution adopted pursuant to Article X or any Series Certificate executed and delivered in connection with the Refunding Bonds or the Bonds to be refunded.

(c) The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Bonds for the purpose of making deposits in such Accounts within the Funds under the Resolution as shall be

provided by the Supplemental Resolution authorizing, or Series Certificate relating to, such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution or Series Certificate.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

301. Medium of Payment; Form and Date; Letters and Numbers.

(a) The Bonds shall be payable, with respect to interest, principal and 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.

(b) The Bonds of each Series may be issued only in the form of fully registered Bonds without coupons. The Bonds of each Series shall be in substantially the form set forth in Exhibit A attached hereto or substantially in the form set forth in the Supplemental Resolution or Series Certificate relating to such Series.

(c) Each Bond shall be lettered and numbered as provided in the Resolution or the Supplemental Resolution or Series Certificate relating to the Series of which such Bond is a part and so as to be distinguished from every other Bond.

(d) Except as may be otherwise provided for any Series of Bonds in Article II hereof or in the Supplemental Resolution or Series Certificate relating to such Series of Bonds, the Bonds of each Series shall be dated as of the interest payment date next preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an interest payment date, in which case they shall be dated as of such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first interest payment date for the Bonds of such Series, Bonds shall be dated as provided in this Resolution or the Supplemental Resolution or Series Certificate relating to the Bonds of such Series. Bonds of each Series shall bear interest from their date.

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

303. Execution and Authentication. (a) The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of an Authorized Authority Representative and its seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or an Assistant-Secretary, or in such other manner as may be required or permitted by law. In case any one or more of the officers of the Authority 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 Authority by such Persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the Authority, although at the date borne by the Bonds of such Series such Persons may not have been so authorized or have held such office.

(b) The Bonds of each Series shall bear thereon a certificate of authentication, substantially in the form set forth in Exhibit A attached hereto, 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 the 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 Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

304. Exchange, Transfer and Registry. (a) The Bonds shall be transferable only upon the books of the Authority, which shall be kept for such purposes at the principal corporate trust office of the Bond Registrar, by the Holder thereof in Person or by his, her or its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Holder or his, her or its duly authorized attorney. Upon the transfer of any Bond the Authority shall issue in the name of the transferee a new Bond or Bonds of the same aggregate Principal Amount, Series, interest rate and maturity as the surrendered Bond.

(b) The Holder of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination of the same aggregate Principal Amount and Series and maturity of the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged by the Authority for a new Bond or Bonds upon the request of the Holder thereof in Person or by his, her or its attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange satisfactory to the Bond Registrar duly executed by the Holder or his, her or its duly authorized attorney.

(c) The Authority and each Fiduciary may deem and treat the Person in whose name any Bond shall be registered on the books of the Authority 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, her or its 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 Authority nor any Fiduciary shall be affected by any notice to the contrary.

305. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Trustee and canceled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Bond Registrar 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 Authority nor the Bond Registrar shall be required (a) to exchange or transfer Bonds of any Series for a period beginning on the Record Date next preceding a Payment Date for Bonds of a particular Series and ending on such Payment Date, or for a period of fifteen (15) days next preceding the date (as determined by the Trustee) of any selection of Bonds to be redeemed and thereafter until after the mailing of the notice of redemption, or (b) to transfer or exchange any Bonds called for redemption.

306. Bonds Mutilated, Destroyed, Stolen or Lost. If any Bond becomes mutilated or is lost, stolen or destroyed, the Authority may execute and the Trustee shall authenticate and deliver a new Bond of like date of issue, maturity date, Principal Amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, provided that (a) in the case of such mutilated Bond, such Bond is first surrendered by the Holder to the Authority, (b) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Authority and the Trustee, together with indemnity provided by the Holder satisfactory to the Authority and the Trustee, (c) all other reasonable requirements of the Authority and the Trustee are complied with, and (d) expenses in connection with such transaction are paid by the Holder. Any Bond surrendered for transfer shall be canceled. 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 Authority, 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 the Resolution, in any moneys or securities held by the Authority or any Fiduciary for the benefit of the Bondholders.

307. Book-Entry Bonds. 1. Except as provided in Subparagraph (3) of this Section 307 or if otherwise provided in the Supplemental Resolution or Series Certificate

relating to such Series, the registered Holder of all Bonds which are issued in Book-Entry only form ("Book-Entry Bonds") shall be, and the Book-Entry Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. With respect to all Book-Entry Bonds for which Cede & Co. shall be the registered Holder, payment of interest on such Book-Entry Bonds shall be made by wire transfer of same day funds to the account of Cede & Co. on the Interest Payment Dates for the Book-Entry Bonds at the address indicated for Cede & Co. in the registration books of the Authority kept by the Trustee, as Bond Registrar.

2. The Book-Entry Bonds shall be initially issued in the form of a separate fully registered bond in the amount of each separate serial maturity of the Book-Entry Bonds. Upon initial issuance, the ownership of each such Book-Entry Bond shall be registered on the registration books of the Authority kept by the Trustee in the name of Cede & Co. With respect to Book-Entry Bonds so registered in the name of Cede & Co., the Authority and the Trustee shall have no responsibility or obligation to any DTC participant, indirect DTC participant, or any beneficial owner of the Book-Entry Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC participant or indirect DTC participant with respect to any beneficial ownership interest in the Book-Entry Bonds, (ii) the delivery to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede & Co., of any notice with respect to the Book-Entry Bonds, or (iii) the payment to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede & Co., of any amount with respect to the principal of, premium, if any, or interest on the Book-Entry Bonds. The Authority and the Trustee may treat DTC as, and deem DTC to be, the absolute registered Holder of each Book-Entry Bond for the purpose of (i) payment of the principal or Redemption Price of and interest on each such Book-Entry Bond, (ii) giving notices with respect to the Book-Entry Bonds, (iii) registering transfers with respect to the Book-Entry Bonds and (iv) for all other purposes whatsoever. The Trustee shall pay the principal or Redemption Price of and interest on the Book-Entry Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal or Redemption Price and interest to the extent of the sum or sums so paid. No person other than DTC shall receive a physical certificate evidencing the obligation of the Authority to make payments of principal or Redemption Price of a Book-Entry Bond and interest thereon pursuant to the 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 words "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Book-Entry Bonds at any time by giving written notice to the Authority and discharging its responsibilities with respect thereto under applicable law. Upon receipt of such notice, the Authority shall promptly deliver a copy of same to the Trustee.

(b) The Authority, (i) in its sole discretion and without the consent of any other person, may discontinue the use of the system of book-entry only transfers through DTC (or a successor Securities Depository), in which event physical Bonds are required to be printed and delivered to DTC, and (ii) shall terminate the services of DTC with respect to the Book-Entry Bonds upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect DTC 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 Book-Entry Bonds to the effect that (A) DTC is unable to discharge its responsibilities with respect to the Book-Entry Bonds; or (B) a continuation of the requirement that all of the Outstanding Book-Entry 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 Book-Entry Bonds.

(c) Upon the termination of the services of DTC with respect to all or any portion of the Book-Entry Bonds pursuant to subsection 307(3)(b)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to all or any portion of the Book-Entry Bonds pursuant to subsection 307(3)(a) or 307(3)(b)(ii)(B) hereof, after which no substitute Securities Depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Book-Entry Bonds (or the applicable portion thereof) 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 such Book-Entry Bonds shall designate, in accordance with the provisions of the Resolution. Upon the determination by any party authorized herein that the Book-Entry Bonds (or any portion thereof) shall no longer be limited to Book-Entry only form, the Authority shall immediately advise the Trustee in writing of the procedures for transfer of such Bonds from such Book-Entry only form to a fully registered form.

4. Notwithstanding any other provision of this Resolution to the contrary, so long as any Book-Entry 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, and all notices with respect to, such Book-Entry Bond shall be made and given, respectively, to DTC as provided in the Letter of Representations of the Authority and the Trustee, addressed to DTC, with respect to the Book-Entry Bonds.

5. In connection with any notice or other communication to be provided to holders of the Book-Entry Bonds pursuant to the Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by such Bondholders, the Authority 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.

308. Temporary Bonds. (a) Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 303, and upon the request of the Authority, 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 Authority 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 the Resolution.

(b) 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.

ARTICLE IV

REDEMPTION OF BONDS

401. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to the Resolution, a Supplemental Resolution or a Series Certificate 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 the Supplemental Resolution authorizing such Series or the Series Certificate relating to such Series.

402. Redemption at the Election or Direction of the Authority. In the case of any redemption of Bonds at the election or direction of the Authority, the Authority shall, at the written direction of the Corporation, give written notice to the Trustee of its election or direction so to redeem, of the redemption date, of the Series, and of the Principal Amounts of the Bonds of each maturity and, if there is more than one interest rate within a maturity, each interest rate within such maturity of such Series to be redeemed (which Series, maturities and Principal Amounts thereof to be redeemed shall be determined by the Authority at the written direction of the Corporation, subject to any limitations with respect thereto contained in the Resolution). Such notice shall be given at least five (5) Business Days prior to the date upon which the Trustee is required to give notice of such redemption to the Holders of the Bonds, or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, there shall be paid on or prior to the redemption date to the appropriate Paying

Agents an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agents, 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. The Authority shall promptly notify the Trustee in writing of all such payments by it to such Paying Agents.

403. Redemption Otherwise Than at the Authority's Election or Direction.

Whenever by the terms of the Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Authority, the Trustee shall (a) select the Bonds or portions of Bonds to be redeemed, (b) give the notice of redemption and (c) pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, Section 504.

404. Selection of Bonds to be Redeemed. Unless otherwise provided in a Supplemental Resolution or Series Certificate, if less than all of the Bonds of like maturity and interest rate of any Series 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 in its discretion may deem fair and appropriate. If any maturity includes Bonds bearing interest at more than one rate, each separate interest rate within a maturity shall be treated as a separate maturity for the purpose of this Section 404.

405. Notice of Redemption. When the Trustee shall receive notice from the Authority of its election or direction to redeem Bonds pursuant to Section 402, and when redemption of Bonds is authorized or required pursuant to Section 403, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series and maturities and, if applicable, interest rates within a maturity of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series, maturity and, if applicable, interest rate within a maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the Principal Amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, postage prepaid, not less than twenty-five (25) days (or such other period as may be specified in the Supplemental Resolution authorizing, or the Series Certificate relating to, the Bonds to be redeemed) prior to the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Failure of the registered owner of any Bonds which are to be redeemed to receive any notice shall not affect the validity of

the proceedings for the redemption of the Bonds. Copies of all notices of redemption shall also be sent to the Authority and the Corporation.

If at the time of the mailing of notice of redemption, the Authority shall not have deposited with the Trustee or the Paying Agent, as applicable, moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional and subject to the deposit of the redemption moneys with the Trustee or the Paying Agent, as applicable, on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of a Bond, the Authority shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the Holder thereof, for the unredeemed balance of the Principal Amount of the Bonds so surrendered, Bonds of like Series and maturity in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

407. Adjustment of Sinking Fund Installments Upon Redemption of Bonds. Upon any purchase or redemption (other than mandatory sinking fund redemption) of Bonds of any Series and maturity for which sinking fund redemption provisions shall have been established, there shall be credited toward each such sinking fund installment thereafter to become due, unless otherwise directed by the Authority, an amount bearing the same ratio to such sinking fund installment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such sinking fund installments to be so credited.

408. Mandatory Tender for Purchase of Bonds in Lieu of Optional Redemption. Whenever any Bonds are subject to redemption at the option of the Authority, the Authority may, upon written notice to the Trustee and the delivery of an opinion of Bond Counsel that such action will not adversely affect the tax-exempt status of any Outstanding Bonds, elect to call such Bonds for mandatory tender for purchase in

lieu of optional redemption at a purchase price equal to the then applicable Redemption Price of such Bonds. The Authority shall give written notice to the Trustee of its election pursuant to this Section 408 not less than two (2) Business Days prior to the date on which the Trustee is required to give notice of such mandatory tender for purchase to the Bondholders (or such shorter period as shall be acceptable to the Trustee). The provisions of this Resolution or any Supplemental Resolution or Series Certificate applicable to the redemption of Bonds at the option of the Authority shall also apply to a mandatory tender for purchase of such Bonds in lieu of optional redemption at the Authority's election pursuant to this Section 408.

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

501. The Pledge Effected by the Resolution.

(a) The Bonds of each Series are special, limited obligations of the Authority payable solely from the Pledged Property applicable to such Series. For each Series of Bonds, including Refunding Bonds, there is hereby pledged and assigned to the Trustee as security for the payment of the Authority's Bond Payment Obligations and Credit Facility Payment Obligations with respect to such Series of Bonds (1) all funds, moneys and Investment Securities deposited in the Accounts within the Funds and subaccounts within the Accounts established for such Series of Bonds pursuant to the Resolution and/or any Supplemental Resolution or Series Certificate (other than the Project Fund and the Rebate Fund, and any additional Funds or Accounts created pursuant to a Supplemental Resolution or Series Certificate and excluded from the pledge and lien of the Resolution), (2) the Revenues with respect to such Series of Bonds, and (3) the Funding Agreement or Funding Agreements with respect to such Series of Bonds.

(b) All Pledged Property shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all Persons having claims of any kind in tort, contract or otherwise against the Authority or the Corporation, irrespective of whether such Persons have notice thereof.

(c) Nothing contained in this Section 501 shall be deemed a limitation upon the authority of the Authority to issue bonds, notes or other obligations under the Act secured by other income and funds other than the Pledged Property.

(d) THE STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OF NEW JERSEY IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR

REDEMPTION PRICE, IF ANY, OF OR INTEREST ON THE BONDS. THE BONDS ARE A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER. THE BONDS SHALL NOT BE A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY AGENCY OR INSTRUMENTALITY THEREOF, EITHER LEGAL, MORAL OR OTHERWISE, AND NOTHING IN THE ACT SHALL BE CONSTRUED TO AUTHORIZE THE AUTHORITY TO INCUR ANY INDEBTEDNESS ON BEHALF OF OR IN ANY WAY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF.

(e) Notwithstanding the pledge effected by the Resolution or any provision of the Resolution, the cost and expense of the payment and performance by the Corporation of its Rent Payment Obligations under the Lease Documents in any Fiscal Year shall be subject to and dependent upon appropriations being made from time to time by the New Jersey Legislature for each Project in such Fiscal Year in an amount sufficient to pay the Corporation's Rent Payment Obligations with respect to each such Project for such Fiscal Year. The New Jersey Legislature has no legal obligation to make any such appropriations. Upon an Event of Non-Appropriation under any Sublease, the Trustee, on behalf of the Holders of the Bonds, has no remedies. The Trustee may not seek to terminate any such Sublease or to accelerate the Bonds and has no rights to the Projects. The Corporation has no obligation to pay its Rent Payment Obligations with respect to which an Event of Non-Appropriation has occurred. Upon an Event of Non-Appropriation under any Sublease, such Sublease shall not terminate and the Corporation shall remain obligated to pay such Rent Payment Obligations and all future Rent Payment Obligations, to the extent that appropriations to the Projects have been made.

502. Establishment of Funds and Accounts. There are hereby established with the Trustee the following Funds and Accounts within Funds, each of which shall be held by the Trustee in accounts segregated from all other moneys of the Trustee:

(a) Project Fund and, within the Project Fund, a Costs of Issuance Account, a Bond Proceeds Account, an Alternate Transportation Project Account, and a Net Proceeds Account;

(b) Debt Service Fund and, within the Debt Service Fund, a Capitalized Interest Account; and

(c) Rebate Fund.

The Trustee shall establish and maintain separate accounts and subaccounts for each Series of Bonds.

503. Project Fund. (a) The Trustee shall deposit into each subaccount within the Costs of Issuance Account and the Bond Proceeds Account within the Project Fund the amounts required to be deposited therein from the proceeds of sale of a Series of Bonds as set forth in the Supplemental Resolution or Series Certificate with respect to such Series of Bonds.

(b) Upon the issuance of a Series of Bonds, moneys deposited in the Costs of Issuance Account shall be applied to the payment of Costs of Issuance of the Bonds of such Series upon the written direction of an Authorized Corporation Representative. Any balance remaining in the Costs of Issuance Account established with respect to a Series of New Money Bonds, upon payment in full of the Costs of Issuance for the Bonds of such Series as evidenced by a certificate of an Authorized Corporation Representative, shall be transferred to the applicable Bond Proceeds Account within the Project Fund if the applicable Project or Projects have not been completed or, if such Projects has been completed, shall be applied as provided in Section 503(d). Any balance remaining in the Costs of Issuance Account established with respect to a Series of Refunding Bonds, upon payment in full of the Costs of Issuance for the Bonds of such Series as evidenced by a certificate of an Authorized Corporation Representative, shall be transferred to the applicable account or subaccount within the Debt Service Fund to be applied to pay debt service on such Series of Bonds.

(c) With respect to proceeds of a Series of New Money Bonds, the Trustee shall make disbursements from the applicable subaccount(s) within the Bond Proceeds Account to pay or reimburse the Corporation or the Authority for Costs of the applicable Project or Projects upon receipt by the Trustee of a Requisition signed by an Authorized Corporation Representative stating (1) the Requisition number, (2) the name and address of the person, firm or corporation to whom payment is due or has been made, (3) the amount to be paid, and (4) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost of such Project, is a proper charge against the Project Fund, and has not been the basis of any previous withdrawal. The Supplemental Resolution authorizing a Series of New Money Bonds or the Series Certificate relating thereto may contain additional conditions to the disbursement of funds held in the Project Fund. In making payments from the Project Fund, the Trustee shall be entitled to act in respect of each Requisition as provided in Section 904.

(d) With respect to proceeds of a Series of New Money Bonds, the completion of the applicable Project or Projects shall be evidenced by the delivery of a Completion Certificate to be filed with the Trustee. Upon the filing of such Completion Certificate, the balance in the applicable subaccount within the Bond Proceeds Account in excess of the amount, if any, stated in such Completion Certificate, shall be transferred

by the Trustee to (a) one or more subaccounts within the Alternate Transportation Project Account to be applied, in the manner and subject to the conditions set forth in Section 503(e), to pay Costs of the Alternate Transportation Project for which such account has been established, or (b) to the applicable Account within the Debt Service Fund, as the Authority, at the direction of the Corporation, shall direct in writing. Alternatives (a) and (b) above shall not be mutually exclusive, and the Corporation shall have the right to apply a portion of the balance in such subaccount within the Bond Proceeds Account in excess of the amount, if any, stated in such Completion Certificate to pay Costs of one or more Alternate Transportation Projects and/or for transfer to the applicable Account within the Debt Service Fund. If subsequent to the filing of such Completion Certificate it shall be determined that any amounts specified in such Completion Certificate as being required for the payment of any remaining part of the Costs of a Project are no longer so required, such facts shall be evidenced by a certificate or certificates signed by an Authorized Corporation Representative filed with the Trustee, and any amount stated therein as no longer being required shall be transferred by the Trustee for application as provided above.

(e) With respect to proceeds of a Series of Bonds to be applied to any Alternate Transportation Project, the Trustee shall establish a separate subaccount within the Alternate Transportation Project Account for each Alternate Transportation Project designated by the Corporation pursuant to Sections 7.1 and/or 7.4 of the applicable Sublease. Upon receipt by the Trustee of written notice of such designation, the Trustee shall transfer, as applicable, and in such amounts as shall be requested in writing by the Corporation pursuant to Section 7.4 of the applicable Sublease, (i) Unspent Proceeds from the applicable subaccount within the Bond Proceeds Account to each applicable subaccount within the Alternate Transportation Project Account and (ii) Net Proceeds from the applicable subaccount within the Net Proceeds Account to each applicable subaccount within the Alternate Transportation Project Account. Amounts on deposit in any subaccount within the Alternate Transportation Project Account shall be disbursed as provided in Section 503(c) and (d) hereof to pay Costs of the Alternate Transportation Project for which such account has been established. Notwithstanding the foregoing, the Trustee shall not transfer any funds from the Bond Proceeds Account to any subaccount within the Alternate Transportation Project Account unless and until it shall have received (A) a copy of a Sublease, substantially in the form of the Sublease executed and delivered in connection with the original Project, duly executed by an Authorized Authority Representative and an Authorized Corporation Representative, relating to the applicable Alternate Transportation Project, certified by an Authorized Authority Representative and an Authorized Corporation Representative as being in full force and effect, (B) a copy of a Lease, substantially in the form of the Lease executed and delivered in connection with the original Project, duly executed by an Authorized Authority Representative and an Authorized Corporation Representative, relating to the applicable Alternate Transportation Project, certified by an Authorized Authority Representative and an Authorized Corporation Representative as being in full force and effect, (C) a copy of a Funding Agreement, substantially in the form of the Funding Agreement executed and delivered in

connection with the original Project, duly executed by an Authorized Corporation Representative, with the approval of the Commissioner, and duly acknowledged by an Authorized Authority Representative, certified by an Authorized Corporation Representative as being in full force and effect, and (D) an Opinion of Counsel to the effect that (i) the Lease Documents executed in connection with such Alternate Transportation Project are in full force and effect and are valid and binding upon the Authority and the Corporation and enforceable against the Authority and the Corporation in accordance with their terms, and the applicable Bonds of the applicable Series are entitled to the benefits of such Lease Documents; (ii) the Funding Agreement executed in connection with such Alternate Transportation Project has been duly approved by the Commissioner and is entitled to the provisions of the NJTTF Act; and (iii) the use of proceeds of the Bonds to pay for Costs of the applicable Alternate Transportation Project shall not cause interest on the Bonds to be includable in the gross income of the holders of the Bonds for federal income tax purposes.

(f) In the event of any damage, destruction, condemnation or similar event with respect to a Project, the Net Proceeds therefrom shall be deposited in the applicable subaccount within the Net Proceeds Account within the Project Fund and applied as provided in Article VII of the applicable Sublease.

504. Debt Service Fund. The Trustee shall establish within the Debt Service Fund a separate Account for each Series of Bonds. The Trustee shall deposit into each Account within the Debt Service Fund all applicable Revenues when and as received by the Trustee and all transfers and deposits required under any provision of the Resolution or of any Supplemental Resolution or Series Certificate.

(a) Moneys in each subaccount within the Capitalized Interest Account shall be transferred to the applicable Account within the Debt Service Fund on each Payment Date in amounts sufficient to pay the interest due on such Payment Date on any Series of Bonds with respect to which moneys are then held in the Capitalized Interest Account for the payment of capitalized interest.

(b) The Trustee shall pay out of each Account within the Debt Service Fund (i) to the respective Paying Agents, on or before each interest payment date for any of the applicable Bonds, the amount required for the interest payable on such date; (ii) to the respective Paying Agents, on or before the date when a Principal Installment of any applicable Bonds shall become due, the Principal Installment coming due on such date; (iii) to each applicable Credit Issuer, on or before each due date for such payments, the amount required for any applicable Credit Facility Payment Obligations coming due on such date; (iv) to the respective Paying Agents, on or before any redemption date for the applicable Bonds, the amount required for the payment of the Redemption Price of and interest on such Bonds then to be redeemed; and (v) as soon as reasonably practicable, the amount of any prior applicable Bond Payment Obligations and the amount of any prior applicable Credit Facility Payment Obligations which remain unpaid by reason of the

occurrence of an Event of Non-Appropriation. The Trustee shall also pay out of each Account within the Debt Service Fund the accrued interest included in the purchase price of Bonds purchased for retirement.

(c) In the event of the refunding of any Bonds, the Trustee shall, if the Authority so directs, withdraw from the applicable Account within the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to debt service on the Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to subsection (2) of Section 1201.

(d) Amounts may be deposited by the Authority, in its sole discretion in the applicable Account within the Debt Service Fund with respect to the Bonds of any Series and maturity to be applied by the Trustee, if so directed by the Authority, on the date specified by the Authority, which date shall be at least twenty-five (25) days (or such shorter period as shall be acceptable to the Trustee or authorized in the applicable Supplemental Resolution or Series Certificate) prior to the maturity date or the date of any Sinking Fund Installment of any Bonds of such Series, to (i) the purchase of Bonds of such Series and maturity, or (ii) the redemption at the applicable Redemption Price of such Bonds, if then redeemable by their terms. All purchases of any Bonds pursuant to this subsection (d) shall be made at prices not exceeding the applicable Redemption Price of such Bonds plus accrued interest, and such purchases shall be made by the Trustee as directed in writing from time to time by the Authority.

505. Rebate Fund. The Authority and the Trustee shall deposit in the Rebate Fund (i) investment earnings on the Funds and Accounts (other than the Debt Service Fund) which are transferred to the Rebate Fund pursuant to Section 603, and (ii) Rebate Payments received from the Corporation pursuant to the Sublease. The Corporation shall cause the Rebate Amount to be calculated at the end of each Bond Year at the times and in the manner set forth in the Tax Certificate. A copy of each such calculation shall be furnished to the Authority and the Trustee. The Trustee shall apply amounts on deposit in the Rebate Fund to pay the Rebate Amount to the United States pursuant to Section 148 of the Code, all as provided in the Tax Certificate or as otherwise advised in writing by Bond Counsel. To the extent that the amount then on deposit in the Rebate Fund exceeds the Rebate Amount as set forth in such calculation, the Trustee shall transfer such excess (A) prior to the Completion Date, to the Project Fund, and (B) from and after the Completion Date, to the Debt Service Fund or as otherwise directed in writing by an Authorized Corporation Representative.

506. Amounts Remaining in Funds. At such time that no Bonds of a Series are Outstanding, the amounts remaining in the Funds and Accounts in respect of the Principal Installment or Sinking Fund Installment of and interest on the Bonds of such

Series and any unpaid fees required to be paid with respect to such Series shall be transferred to the Corporation, free and clear of the lien of the Resolution.

507. Establishment of Additional Funds and Accounts. The Authority may, by Supplemental Resolution or Series Certificate, establish such additional Funds and/or Accounts and subaccounts within the Funds as it deems necessary or desirable.

508. 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 or redeemed pursuant to Section 504 which have been delivered to the Trustee and all Bonds purchased or redeemed by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled shall be destroyed by the Trustee, which 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 Authority and the other executed certificate shall be retained by the Trustee. Notwithstanding the foregoing, Bonds purchased in lieu of redemption pursuant to Section 408 shall not be cancelled and destroyed unless the Trustee shall receive written instructions from an Authorized Authority Representative to do so.

ARTICLE VI

DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

601. Depositories. (a) All moneys held by the Trustee under the provisions of the Resolution shall constitute trust funds and the Trustee may deposit such moneys with one or more Depositories in trust for said parties. All moneys deposited under the provisions of the Resolution with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution, and the Funds and each of the Accounts established by the Resolution shall be a trust fund for the purposes thereof.

(b) Each Depository 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, surplus and undivided earnings of \$100,000,000 or more and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Resolution.

602. Deposits. (a) All Revenues and moneys held by any Depository under the Resolution may be placed on demand or time deposit, if and as directed by the Authority, at the written request of the Corporation, provided that such deposits shall permit the moneys so held to be available for use at the times when needed. Any such deposit may

be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit shall be available for use at the times when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(b) All moneys held under the Resolution by the Trustee or any Depository shall be (1) either (i) insured by the Federal Deposit Insurance Corporation, as available or (ii) in the case of moneys held by the Trustee in the Debt Service Fund, continuously and fully secured by lodging with the Trustee or any Federal Reserve Bank, as custodian, as collateral security, Defeasance Securities having a market value not less than the amount of such moneys, and (2) held in such other manner as may then be required by applicable Federal or State laws and regulations and applicable state laws and regulations of the state in which the Trustee or such Depository (as the case may be) is located, regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that, to the extent permitted by law, it shall not be necessary for the Fiduciaries to give security under this subsection (b) for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds; or for the Trustee or any Depository to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

(c) All moneys deposited with the Trustee and each Depository shall be credited to the particular Funds and Accounts and subaccounts within the Funds to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities in Section 603 hereof, the moneys credited to each particular Fund, Account and subaccount shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund, Account and subaccount or any other moneys deposited with the Trustee and each Depository.

603. Investment of Certain Funds. Unless otherwise provided in the Resolution, moneys held in the Funds and Accounts and subaccounts established under the Resolution may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund. The Trustee shall make all such investments of moneys held by it in accordance with written instructions from time to time received from the Authorized Corporation Representative. In making any investment in any Investment Securities with moneys in any Fund or Account or subaccounts established under the Resolution, the Authorized Corporation Representative may instruct the Trustee or any Depository to combine such moneys with moneys in any other Fund or Account or

subaccount, but solely for purposes of making such investment in such Investment Securities.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned or any gain realized on any moneys or investments in such Funds or Accounts or subaccounts, other than the Debt Service Fund, shall be paid into the Rebate Fund on a monthly basis. Interest earned or gain realized on any moneys or investments in the Debt Service Fund shall be held in such Fund and applied for the purposes thereof.

Nothing in the Resolution shall prevent any Investment Securities acquired as investments of or security for funds held under the Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Nothing in the Resolution shall preclude the Trustee or any Depository from investing or reinvesting moneys through its bond department, provided, however, that the Authority may, in its discretion, direct that such moneys be invested or reinvested in a manner other than through such bond department.

604. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Fund, Account or subaccount created under the provisions of the Resolution shall be deemed at all times to be a part of such Fund, Account or subaccount and any profit realized from the liquidation of such investment shall be credited to such Fund, Account or subaccount, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund, Account or Subaccount.

In computing the amount in any Fund, Account or subaccount created under the provisions of the Resolution for any purpose provided in the Resolution, obligations purchased as an investment of moneys therein shall be valued at the amortized cost thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined as of January 1 in each year and at such other times as the Authority shall determine ("Valuation Date").

Except as otherwise provided in the Resolution, the Trustee or any Depository shall use its best efforts to sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Corporation Representative so to do. Whenever it shall be necessary, or upon direction of an Authorized Corporation Representative in accordance with the Resolution, in order to provide moneys to meet any payment or transfer from any Fund, Account or subaccount held by the Trustee or any Depository, the Trustee or any Depository shall use its best efforts to sell at the best price obtainable or present for

redemption such obligation or obligations designated by an Authorized Corporation Representative necessary to provide sufficient moneys for such payment or transfer.

Neither the Trustee nor any Depository shall be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided above.

ARTICLE VII

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Bondholders as follows:

701. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid, but solely from the Pledged Property, the Principal Amount or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

702. Credit Facilities. The Authority shall maintain in full force and effect, and duly and punctually perform its obligations under, any agreement entered into by it in connection with the issuance of any Credit Facility, including the payment when due, but solely from the Pledged Property, of all Credit Facility Payment Obligations.

703. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution, to the benefit of the Resolution or to any payment out of the Funds or Accounts and subaccounts within the Funds established by the Resolution, including the investments, if any, thereof, pledged under the Resolution or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

704. Offices for Servicing Bonds. The Authority shall at all times maintain one or more agencies in the State of New Jersey, and may maintain one or more such

agencies in any other city or cities, where Bonds may be presented for payment. The Authority hereby appoints the Trustee as Bond Registrar, and the Trustee shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or of the Resolution, and the Trustee shall continuously maintain or make arrangements to provide such services. The Authority hereby appoints the Paying Agent or Agents in such cities as its respective agents to maintain such agencies for the payment or redemption of Bonds.

705. Further Assurance. The Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, moneys, securities and funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge.

706. Power to Issue Bonds and Pledge Pledged Property. The Authority is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Pledged Property purported to be subjected to the lien of the Resolution in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Resolution, the Pledged Property so pledged is 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 pledge and assignment created by the Resolution, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally binding obligations of the Authority. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property pledged under the Resolution and all the rights of the Bondholders under the Resolution against all claims and demands of all Persons whomsoever.

707. Creation of Liens. The Authority shall not issue any bonds, notes, debentures or other evidences of indebtedness of a similar nature, other than the Bonds and other than Credit Facility Payment Obligations, payable out of or secured by a pledge or assignment of the Pledged Property and shall not create or cause to be created any lien or charge on the Pledged Property, provided, however, that nothing contained in the Resolution shall prevent the Authority from issuing, if and to the extent permitted by law, evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in the Resolution shall be discharged and satisfied as provided in Section 1201.

708. Lease Documents. The Authority and the Trustee, as assignee of the Authority, shall collect and forthwith cause to be deposited with the Trustee any and all Rent Payment Obligations payable to the Authority pursuant to the Lease Documents.

The Authority shall enforce, for the benefit of the Trustee, the Bondholders and each Credit Issuer, the provisions of Article IV and Sections 3.2, 9.2 and 11.1 of each Sublease. In addition, the Trustee shall have the concurrent right to enforce directly the provisions relating to the payment of Rent Payment Obligations under Section 4.2 of each Sublease. Copies of the Lease Documents certified by an Authorized Authority Representative shall be filed with the Trustee, and a copy of any amendment to the Lease Documents certified by an Authorized Authority Representative shall be filed with the Trustee. Other than in connection with the issuance of Refunding Bonds pursuant to the Resolution, the Authority will not consent or agree to or permit any amendment, change or modification to any Sublease which would reduce the Rent Payment Obligations payable to the Authority or extend the times when such Rent Payment Obligations are to be made thereunder.

709. Accounts and Reports. (a) The Trustee and any Depository shall advise the Authority and the Corporation promptly, within ten (10) days after the end of each month, of the respective transactions during such month relating to each Fund, Account and subaccount held by it under the Resolution.

(b) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Bondholders at the office of the Trustee.

710. Credit Facilities. Subject to Section 711, the Authority shall maintain in full force and effect, and duly and punctually perform its obligations under, any agreement entered into by it in connection with the issuance of any Credit Facility, including the payment when due, but solely from the Pledged Property, of all Credit Facility Payment Obligations; provided, however, that nothing herein shall be construed to limit in any way any right of the Authority to terminate a Credit Facility in accordance with the terms thereof.

711. Obligation to Enforce Credit Facilities. Irrespective of whether an Event of Default shall have occurred or be continuing, the Trustee shall take any and all action necessary or appropriate to enforce, on behalf of the Authority and for the benefit of the Bondholders, all rights of the Authority under any Credit Facility to which the Authority or the Trustee is a party, and notwithstanding anything to the contrary contained herein, the Authority shall have no obligation whatsoever to take any action to enforce the provisions of any such Credit Facility. In the event of the transfer, assignment or other conveyance of any Credit Facility in accordance with its terms by the Credit Issuer thereof or the substitution of a new Credit Issuer for any then-existing Credit Issuer, the Trustee shall promptly notify the Authority and the Rating Agencies of the name and address of the new Credit Issuer and any modifications, amendments or supplements to the terms of the existing Credit Facility.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS; APPLICATION OF PLEDGED PROPERTY AFTER EVENT OF NON-APPROPRIATION

801. Events of Default.

1. The following events shall constitute an Event of Default under the Resolution:

(a) if default shall be made in the payment of the principal or Redemption Price of or interest on any Bond when and as the same shall become due and payable; or

(b) if the Authority shall fail to pay when due any Credit Facility Payment Obligation; or

(c) if default shall be made by the Authority in the performance of any other covenant, agreement or condition on its part contained in the Bonds or in this Resolution and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five percent (25%) in Principal Amount of Bonds then Outstanding; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if and so long as the Authority shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion.

2. The Trustee shall notify the Authority, the Credit Issuers and the Holders of all Bonds Outstanding of the occurrence of any Event of Default.

3. NOTWITHSTANDING ANYTHING CONTAINED IN THIS SECTION 801 TO THE CONTRARY, A FAILURE BY THE AUTHORITY TO PAY WHEN DUE ANY BOND PAYMENT OBLIGATIONS OR CREDIT FACILITY PAYMENT OBLIGATIONS REQUIRED TO BE MADE UNDER THIS RESOLUTION OR THE BONDS, OR A FAILURE BY THE AUTHORITY TO OBSERVE AND PERFORM ANY COVENANT, CONDITION OR AGREEMENT ON ITS PART TO BE OBSERVED OR PERFORMED UNDER THIS RESOLUTION OR THE BONDS, RESULTING FROM THE OCCURRENCE OF AN EVENT OF NON-APPROPRIATION SHALL NOT CONSTITUTE AN EVENT OF DEFAULT UNDER THIS SECTION 801.

802. Application of Pledged Property After Default. If an Event of Default under Section 801 has occurred and is continuing, all Pledged Property then held and thereafter received by the Trustee shall be applied as follows and in the following order of priority:

(a) to the payment of the reasonable and proper charges, expenses, costs and liabilities of the Trustee, including without limitation the reasonable expenses of counsel employed by it; and

(b) to the payment of the interest and Principal Installments or Redemption Price then due on the Bonds and the payment of the Credit Facility Payment Obligations, as follows:

First: To the payment of interest then due on the Bonds and Credit Facility Payment Obligations in the order of the maturity of the installments thereof then due, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest on the Bonds or Credit Facility Payment Obligations maturing on the same date, then to the payment thereof ratably, according to the amounts due in respect of each Bond, and Credit Facility Payment Obligations without priority or preference of any Bond or Credit Facility Payment Obligations over any other; and

Second: To the payment of the unpaid Principal Installment or Redemption Price of any Bonds or any Credit Facility Payment Obligations which shall have become due, whether at maturity or by call for mandatory sinking fund redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all Bonds or Credit Facility Payment Obligations due on any date, then to the payment thereof ratably, according to the amounts due in respect of each Bond or Credit Facility Payment Obligations, without priority or preference over any other; and

If and whenever all Events of Default under Section 801 shall be cured to the satisfaction of the Trustee and all amounts due and payable to the Bondholders and in respect of Credit Facility Payment Obligations and the Trustee have been paid or provision deemed to be adequate by the Trustee for such cure or payment shall be made, the Authority and the Trustee shall be restored, respectively, to their former positions and rights with respect to Bonds under this Resolution. No such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

803. Application of Pledged Property After Event of Non-Appropriation. From and after the occurrence of an Event of Non-Appropriation, all Pledged Property

then held or thereafter received by the Trustee shall be applied as set forth in Section 802.

804. Proceedings Brought by Trustee. (a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than twenty-five percent (25%) in Principal Amount of the Bonds Outstanding and upon being furnished with indemnity by the Holders satisfactory to the Trustee against costs, expenses and liabilities shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under the Resolution and the Lease Documents, including, without limitation, Section 10.3 of each Sublease, forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Resolution.

(b) All rights of action under the Resolution and the Lease Documents, if any, may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Holders of not less than a majority in Principal Amount of the Bonds at the time Outstanding, may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall not have been provided with adequate indemnity against the costs, expenses or liabilities arising therefrom or shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction. Notwithstanding anything stated herein to the contrary, so long as a Credit Facility is in full force and effect and the Credit Issuer is not in default thereunder, the Credit Issuer shall have the right to direct any and all remedies following an Event of Default.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Resolution and the Lease Documents, if any, and provided to be exercised by the Trustee upon the occurrence of any Event of Default. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority in Principal Amount of the Bonds then Outstanding and furnished with reasonable indemnity against the costs, expenses and liabilities, shall be under no

obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Resolution by any acts which may be unlawful or in violation of the Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

805. Restrictions on Bondholder's Action. (a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Resolution or the execution of any trust under the Resolution or for any remedy under the Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at least twenty-five (25%) in Principal Amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Resolution or by the Act or by the laws of the State of New Jersey or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Resolution, or to enforce any right under the Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Resolution shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 703.

(b) Nothing in the Resolution or in the Bonds contained shall affect or impair the obligation of the Authority under the Resolution, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his, her or its Bond, but only from the Revenues and other Pledged Property under the Resolution.

806. Remedies Not Exclusive. No remedy by the terms of the Resolution or the Lease Documents conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution and the Lease Documents, or existing at law or in equity or by statute on or after the date of execution and delivery of the Resolution.

807. Effect of Waiver and Other Circumstances. (a) No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening or an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE IX

CONCERNING THE FIDUCIARIES

901. Trustee; Appointment and Acceptance of Duties. An Authorized Authority Representative shall appoint the Trustee in the Supplemental Resolution or Series Certificate to be adopted or executed, as applicable, in connection with the first Series of Bonds to be issued under the Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority 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 issued, but only, however, upon the terms and conditions set forth in the Resolution.

902. Paying Agents; Appointment and Acceptance of Duties.

(a) The Authority shall appoint one or more Paying Agents for the Bonds of each Series, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 913 for a successor Paying Agent.

(b) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

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

903. Responsibilities of Fiduciaries. (a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or as to the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of the Resolution to the Authority 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. Subject to the provisions of subsection (b) of this Section 903, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

(b) 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 only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his, her or its own affairs. Any provision of the 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 903 and Section 904.

904. Evidence on Which Fiduciaries May Act. (a) Each Fiduciary, upon receipt of any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of the Resolution, shall examine such instrument to determine whether it conforms to the requirements of the 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 Authority, 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 the Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) shall be deemed to be conclusively proved and established by a certificate of an Authorized Authority Representative or an Authorized Corporation Representative, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the 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 it may deem reasonable.

(c) Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority or the Corporation to any Fiduciary shall be sufficiently executed in the name of the Authority or the Corporation when signed by an Authorized Authority Representative or an Authorized Corporation Representative, as the case may be.

905. Compensation.

1. The Authority shall pay to each Fiduciary from time to time, but only from payments received for such purpose from the Corporation and from the Pledged Property, reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution, in accordance with the agreements made from time to time between the Authority and the Fiduciary.

2. The Authority hereby agrees to the extent permitted by applicable law to reimburse each Fiduciary for any and all claims, damages, losses, liabilities, costs or reasonable expenses whatsoever which such Fiduciary may incur in connection with the performance by such Fiduciary of its obligations under the Resolution; provided, however, that the Authority shall not be required to reimburse any Fiduciary for any claims, damages, losses, liabilities, costs or expenses caused in whole or in part by such Fiduciary's negligence, bad faith, breach of contract or misconduct arising out of or as a result of such Fiduciary's performing its obligations under the Resolution or undertaking any transaction contemplated by the Resolution; and further provided, 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.

3. Each Fiduciary, by accepting its appointment as such under the Resolution, agrees that such Fiduciary (i) shall give the Authority prompt notice in writing of any actual or potential claim described above, and the institution of any suit or action; (ii) shall not adjust, settle or compromise any such claim, suit or action without the consent of the Authority; and (iii) shall permit the Authority, at the Authority's sole discretion, to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action.

4. 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 Authority, each Fiduciary, by accepting its appointment as such under the Resolution, agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority

arising under this Section 905.

5. The Authority's reimbursement obligation provided for in this Section 905 does not apply to or extend to any indemnification which may be given by any Fiduciary to any other person.

906. Certain Permitted Acts. Any Fiduciary, individually or otherwise, may become the owner 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 depository 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 the Resolution, whether or not any such committee shall represent the Holders of a majority in Principal Amount of the Bonds then Outstanding.

907. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties created by the Resolution by giving not less than ninety (90) days written notice to the Authority and the Corporation and mailing notice thereof to the Holders of Bonds then Outstanding and the Credit Issuer, if any, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless (a) previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 909, in which event such resignation shall take effect immediately on the appointment of such successor, or (b) a successor shall not have been appointed by the Authority or the Bondholders as provided in Section 909 on such date, in which event such resignation shall not take effect until a successor is appointed.

908. Removal of the Trustee. The Trustee may be removed at any time with or without cause 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 Authority or the State. In addition, long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time with or without cause by a resolution of the Corporation or the Authority filed with the Trustee.

909. Appointment of Successor Trustee. (a) In case at any time the Trustee shall provide notice of its resignation as set forth in Section 907 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 Trustee may be appointed by the Authority, at the direction of the Corporation, by a duly executed written instrument signed by an Authorized Authority Representative, but if the Authority does not appoint a successor Trustee within sixty (60)

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 Authority, 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 Authority and the predecessor Trustee. After such appointment of a successor Trustee, the Authority shall mail notice of any such appointment by it or the Bondholders to the Holders of the Bonds then Outstanding.

(b) If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 909 within one hundred twenty (120) days after the Trustee shall have given to the Authority written notice as provided in Section 907 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee (in the case of its resignation under Section 907) or the Holder of any Bond (in any case) 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.

(c) Any Trustee appointed under the provisions of this Section 909 in succession to the Trustee 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, surplus and undivided earnings aggregating at least \$75,000,000, and 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 the Resolution..

910. Transfer of Rights and Property To Successor Trustee. Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, 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 Authority 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, rights, interests and estates held by it under the 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 Authority 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 Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

911. 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 shall be a bank or trust company organized under the laws or any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

912. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the 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 the Resolution provided that the certificate of the Trustee shall have.

913. Resignation or Removal of Paying Agent and Appointment of Successor. (a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least sixty (60) days written notice to the Authority, 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 Authority Representative. Any successor Paying Agent shall be appointed by the Authority 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, surplus and undivided earnings aggregating at least \$75,000,000, and 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 the Resolution.

(b) 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 X

SUPPLEMENTAL RESOLUTIONS; AMENDMENT OF CERTAIN PROVISIONS OF LEASE DOCUMENTS

1001. Supplemental Resolution Effective Upon Filing With the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Authority may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative shall be fully effective in accordance with its terms:

(a) To close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(b) To add to the covenants and agreements of the Authority in the Resolution, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Resolution theretofore in effect;

(c) To add to the limitations and restrictions in the Resolution other limitations and restrictions to be observed by the Authority or the Corporation which are not contrary to or inconsistent with the 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 which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(e) To make such changes in the Resolution, not adverse to the rights of the Holders of the Bonds, as are necessary or appropriate to accomplish or recognize Book-Entry Bonds and specify and determine the matters and things relative to the issuance of Book-Entry Bonds as are appropriate or necessary;

(f) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Resolution of the Pledged Property and to pledge as Pledged Property any additional revenues, moneys, securities, or other agreements; and

(g) To modify any of the provisions of the Resolution in any other respect whatever, provided that (1) such modification does not adversely affect the interests of the Bondholders, determined without regard to any Credit Facility or any

Credit Issuer, or (2) 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. Any Supplemental Resolution adopted pursuant to this Section 1001(g) 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.

1002. Supplemental Resolution 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 (a) the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative, and (b) the filing with the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

- (1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or
- (2) To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect.

1003. Supplemental Resolution Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to (a) consent by Bondholders in accordance with and subject to the provisions of Article XI, (b) consent by any Credit Issuer, the consent of which is required by the applicable Credit Facility, and (c) during such time that the Bonds are rated by a Rating Agency, written notice from the Trustee to such Rating Agency at least fifteen (15) days prior to the effective date of a Supplemental Resolution, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative and upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI.

1004. General Provisions. (a) The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 705 or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Resolution referred to and permitted or authorized by Sections 1001 and 1002 may be adopted by the Authority 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 Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally.

(c) The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Section 1001, 1002 or 1003 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 Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

(d) No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

1005. Amendments to the Lease Documents.

(a) The Trustee may, without the consent of or notice to the Bondholders or any Credit Issuer, consent to any amendment, change or modification of the provisions of the Lease Documents for one or more of the following purposes:

(1) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Lease Documents; or

(2) To insert such provisions clarifying matters or questions arising under the Lease Documents as are necessary or desirable and are not contrary to or inconsistent with the Lease Documents as theretofore in effect; or

(3) To provide for an Alternate Transportation Project, to the extent provided in Section 7.4 of the Sublease and Sections 503(d) and (e) of the Resolution; or

(4) To make such other revisions as do not adversely affect the interests of the Bondholders, determined without regard to any Credit Facility or any Credit Issuer.

(b) Except for the amendments, changes or modifications as provided in Section 1005(a), the Trustee shall not consent to any other amendment, change or modification of the Lease Documents without (1) the consent of the Bondholders to be obtained in accordance with and subject to the provisions of Article XI, and (2) fifteen (15)

days' prior written notice to each Rating Agency, if any, of such amendment, change or modification.

(c) In addition to the foregoing, any amendment of the Funding Agreement shall require the approval of the Commissioner.

ARTICLE XI

AMENDMENTS

1101. Mailing. Any provision in this Article XI for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (a) to each Holder of Bonds then Outstanding at his, her or its address, if any, appearing upon the registry books of the Authority, and (b) to the Trustee.

1102. Powers of Amendment. Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, and any modification or amendment of the Lease Documents (other than for the purposes set forth in Section 1005(a)) may be consented to by the Trustee, with the written consent given as provided in Section 1103(a)(1) of (A)(i) the Holders of at least forty percent (40%) in Principal Amount of the Bonds Outstanding at the time such consent is given who are affected by the proposed modification or amendment, or (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 at least forty percent (40%) in Principal Amount of the Bonds of each Series so affected 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 1102, and (B) any Credit Issuer the consent of which is required by the applicable Credit Facility. No such modification or amendment shall permit a change in the terms of redemption (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 the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, 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 Fiduciary without its written assent thereto. For the purpose of this Section 1102, a Series shall be deemed to be affected by a modification or amendment of the 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 the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. Notwithstanding the foregoing, in the case of amendments or modifications to the Resolution which are to take effect simultaneously with the issuance or remarketing of Bonds of one or more Series and which are disclosed in the official statement or other offering document for such Series, purchasers of such Bonds shall be deemed to have consented to such amendments or modifications by virtue of their having purchased such Bonds and the written consents of such purchasers shall not be required.

1103. Consent of Bondholders. (a) The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1102 to take effect when and as provided in this Section 1103. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 1103 provided). Such Supplemental Resolution shall not be effective unless and until (1) there shall have been filed with the Trustee, (A) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1102, (B) the written consent of any Credit Issuer, the consent of which is required pursuant to the applicable Credit Facility and (C) an Opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and valid and binding upon the Authority and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally, and (2) a notice shall have been given as hereinafter in this Section 1103 provided. 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 1204. A certificate or certificates executed by the Trustee and filed with the Authority stating that it has examined such proof and that such proof is sufficient in accordance with Section 1204 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 1204 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 1103 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1204 hereof. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Authority 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 consent to the Supplemental Resolution, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement 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 Authority 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 1103, may be given to Bondholders by the Authority 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 1103 provided). The Authority shall file with the Trustee proof of the mailing thereof. A record consisting of the certificates or statements required or permitted by this Section 1103 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 Authority, 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 mailing 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 Authority 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 their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

(b) The Trustee may consent to any modification or amendment of the Lease Documents as permitted by the provisions of Section 1102 to take effect when and as provided in this Section 1103. A copy of such modification or amendment (or brief summary thereof), together with a request to Bondholders for their consent thereto shall be mailed by the Trustee to Bondholders (but failure to mail such copy and request shall not affect the validity of the Trustee's consent thereto when consented to as in this Section 1103 provided). The Trustee's consent to such modification or amendment shall not be effective unless and until (1) there shall have been filed with the Trustee the written consents of (i) Holders of the percentages of Outstanding Bonds specified in Section 1102 and (ii) any Credit Issuer, the consent of which is required under the applicable Credit Facility and (2) a notice shall have been given as hereinafter in this Section 1103 provided. 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 1204. A certificate or certificates executed by the Trustee and filed with the Authority stating that it has examined such proof and that such proof is sufficient in accordance with Section 1204 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 1204

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 1103 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1204 hereof. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Authority 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 consent to such modification or amendment, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Trustee's consent to such modification or amendment has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1103, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent the Trustee's consent to such modification or amendment from becoming effective and binding as in this Section 1103 provided). The Authority shall file with the Trustee proof of the mailing thereof. A record consisting of the certificates or statements required or permitted by this Section 1103 to be made by the Trustee, shall be proof of the matters therein stated. The Trustee's consent to such modification or amendment shall be deemed conclusively binding upon the Authority, 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 mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the Authority 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 their absolute discretion to take such action, or to refrain from taking such action, with respect to such consent as they may deem expedient.

1104. Modifications by Unanimous Consent. The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Authority of a Supplemental Resolution and the consent of (a) the Holders of all of the Bonds then Outstanding, and (b) any Credit Issuer, the consent of which is required by the applicable Credit Facility, such consent to be given as provided in Section 1103 except that no notice to Bondholders 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 Bondholders.

1105. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority or the Corporation 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 Authority and the Corporation shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article XI. At the time of any consent or other action taken under this Article XI, the Authority and the Corporation shall furnish the Trustee a certificate of an Authorized Authority Representative or an Authorized Corporation Representative, as the case may be, upon which the Trustee may rely, describing all Bonds so to be excluded.

1106. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article XI provided may, and, if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such date and presentation of his, her or its Bond for the purpose at the corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action 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 and maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XII

MISCELLANEOUS

1201. Defeasance. (1) If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds, if any, 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, if any, and in the Resolution, then the pledge of the Pledged Property, any Revenues, and other moneys and securities pledged under the Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders, 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 Corporation to be prepared and filed with the Corporation and the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Corporation the Pledged Property, including all moneys or securities held by them pursuant to the Resolution which are not required for the payment of principal or Redemption Price, if applicable, and interest on Bonds not theretofore surrendered for such payment or redemption. If the Authority shall

pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Outstanding Bonds of a particular Series, or of a particular maturity or particular Bonds within a maturity within a 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 the Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(2) Bonds 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 Authority 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 1201. Subject to the provisions of subsection (3) through subsection (6) of this Section 1201, any Outstanding Bonds 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 1201 if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee irrevocable instructions to mail as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority 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 either moneys (including moneys withdrawn and deposited pursuant to subsection (c) of Section 504) in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance 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 said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee irrevocable instructions to mail a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (6) of this Section 1201, to be available for the payment of the principal or Redemption Price, if applicable, of and accrued and unpaid interest on said Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority 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 Bonds which constitute 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 1201 to the payment when due of the principal or Redemption Price of and interest on such Bonds, all in the manner provided in the Resolution. The Trustee shall, if so directed by the Authority (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1201 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 been paid in accordance with this Section 1201 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 Defeasance 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 Defeasance 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, of, and interest due or to become due on all Bonds, in respect of which such moneys and Defeasance 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 this Section 1201 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 been paid in accordance with this Section 1201 which are to be redeemed on any date prior to their maturity, the Authority 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 Authority 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 1201. The directions given by the Authority to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1201 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 1201 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 1201 the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 1201 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 in order to satisfy clause (b) above of this subsection (2) of Section 1201, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Corporation free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Resolution. Except as otherwise provided in this subsection (2) of Section 1201 and in subsection (3) through subsection (6) of this Section 1201,

neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Defeasance 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, of, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance 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 Corporation as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the 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 in Defeasance 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 Corporation, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under the Resolution. For the purposes of this Section 1201, Defeasance Securities means and include only (I) Defeasance Securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof, (II) Defeasance Securities as to which an irrevocable notice of redemption of such securities has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Holder thereof, or (III) upon compliance with the provisions of subsection (4) of this Section 1201, Defeasance Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

(3) For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with the second sentence of subsection (2) of this Section 1201, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at (a) for any period prior to the maturity date or redemption date thereof, as the case may be, with respect to which the interest rate on such Variable Interest Rate Bonds shall have been established, the rate so established, and (b) for any period prior to the maturity date or redemption date thereof, as the case may be, with respect to which the interest rate on such Variable Interest Rate Bonds shall not have been established, the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the second sentence of subsection (2) of this Section 1201, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Corporation free and clear of any

trust, lien, pledge or assignment securing the Bonds or otherwise existing under the Resolution.

(4) Defeasance Securities described in clause (III) of subsection (2) of Section 1201 may be included in the Defeasance Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of the second sentence of subsection (2) of Section 1201 only if the determination as to whether the moneys and Defeasance Securities to be deposited with the Trustee in order to satisfy the requirements of such clause (b) would be sufficient to pay when due either on the maturity date thereof or, in the case of any Bonds to be redeemed prior to the maturity date thereof, on the redemption date or dates specified in any notice of redemption to be mailed by the Trustee in accordance with subsection (2) of Section 1201, the principal and Redemption Price, if applicable, and interest on the Bonds which will be deemed to have been paid as provided in subsection (2) of Section 1201 is made both (A) on the assumption that the Defeasance Securities described in clause (III) were not redeemed at the option of the issuer prior to the maturity date thereof and (B) on the assumptions that such Defeasance Securities would be 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 Defeasance Securities, and that the proceeds of such redemption would not be reinvested by the Trustee.

(5) In the event that after compliance with the provisions of subsection (4) of Section 1201, the Defeasance Securities described in clause (III) of subsection (2) of Section 1201 are included in the Defeasance Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of the second sentence of subsection (2) of Section 1201 and any such Defeasance Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Authority, provided that the aggregate of the moneys and Defeasance 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 Authority in accordance with subsection (6) of Section 1201, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection (2) of Section 1201, shall reinvest the proceeds of such redemption in Defeasance Securities.

(6) Any notice of redemption to be mailed 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 Authority, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of the Authority 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 1201 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption.

(7) Anything in the 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 two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, at the written request of the Authority, be repaid by the Fiduciary to the Corporation, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority the Fiduciary shall, at the expense of the Authority, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, 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 Authority.

1202. Conditions Precedent to Defeasance of Bonds. Prior to any defeasance of Bonds becoming effective under the Resolution the Trustee shall have received (a) a copy of certificate from a firm of certified public accountants or financial advisors of recognized standing in public finance transactions as to the sufficiency of the funds and investments described in Section 1201 and the timing of the receipt thereof by the Trustee to effect the defeasance, and (b) a copy of an Opinion of Counsel to the effect that the defeased Bonds have been paid within the meaning and with the effect expressed in the Resolution, and the covenants, agreements and other obligations of the Authority to the Holders of the defeased Bonds have been discharged and satisfied for purposes of the Resolution.

1203. Escheat Provision. Anything in the 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 after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, be applied when and as provided in the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq., and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall have such rights as are provided in said Uniform Unclaimed Property Act.

1204. Evidence of Signatures of Bondholders and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be

in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (a) the execution of any such instrument, or of an instrument appointing any such attorney, or (b) the holding by any Person of the Bonds shall be sufficient for any purpose of the 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:

(1) The fact and date of the execution by any Bondholder or his, her or its 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 or her 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, her or its authority.

(2) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of such person's holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

(b) The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(c) Any request or consent by the Holder of any Bond shall bind all future Holders of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

1205. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession

and shall be subject at all reasonable times to the inspection of the Authority, the Corporation, any Credit Issuer and any other Fiduciary, and any Bondholder and their agents and their representatives, any of whom may make copies thereof at their own expense.

1206. Parties Interested Herein. Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than Authority, the Corporation, the Fiduciaries and the Holders of the Bonds and any Credit Issuers, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof; and all the covenants stipulations, promises and agreements in the Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Corporation, the Fiduciaries and the Holders of the Bonds.

1207. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Resolution against any member or officer of the Authority or the Corporation or any Person executing the Bonds or any Credit Facility.

1208. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in the Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

1209. Holidays. Except with respect to the computation of a Record Date, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Resolution, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Trustee or the operational office of the Authority are authorized by law to remain closed or otherwise shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in the Resolution, and no interest shall accrue for the period after such nominal date.

1210. Publication of Notice; Suspension of Publication.

(a) Any publication to be made under the provisions of the Resolution in successive weeks or on successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

(b) If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to the Resolution in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

1211. 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

BOND FORMS AND EFFECTIVE DATE

1301. Form of Bonds, Trustee's Certificate of Authentication. Subject to the provisions of the Resolution, the form of the Bonds of each Series and the Trustee's certificate of authentication thereon shall be substantially in the form attached hereto as Exhibit A with such variations, omissions and insertions as are required or permitted by the Resolution and the Series Certificates:

1302. Governing Law. This Resolution shall be governed by and construed in accordance with the laws of the State of New Jersey.

1303. Effective Date. This Resolution shall take effect upon its adoption in accordance with the Act.

EXHIBIT A

[FORM OF BOND]

[FORM OF FRONT SIDE OF FULLY REGISTERED BOND]

Unless this Certificate is presented by the authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of CEDE & CO., or any other name as requested by an authorized representative of The Depository Trust Company (and any payment is made to CEDE & CO., or to such other entity as is requested by an authorized representative of The Depository Trust Company), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & CO., has an interest herein.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

NJ Transit Transportation Project Bonds, __ Series __

THE STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OF NEW JERSEY IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON THIS BOND. THIS BOND IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR THE PAYMENT OF THIS BOND. THIS BOND DOES NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER. THE BONDS SHALL NOT BE A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY AGENCY OR INSTRUMENTALITY THEREOF, EITHER LEGAL, MORAL OR OTHERWISE, AND NOTHING IN THE ACT SHALL BE CONSTRUED TO AUTHORIZE THE AUTHORITY TO INCUR ANY INDEBTEDNESS ON BEHALF OF OR IN ANY WAY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF.

No. R-

Interest Rate	Maturity Date	Dated Date	Authentication Date	CUSIP
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Registered Owner:

Principal Sum:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, (the "Authority"), a public body corporate and politic and an instrumentality of the State of New Jersey (the "State"), created and existing under the laws of the State of New Jersey, acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or 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 corporate trust office of _____ located in _____, New Jersey (such bank and any successor thereto being herein called the "Paying Agent"), the Principal Sum stated hereon, 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, and to pay from such pledged funds on _____ in each year, commencing _____ until the Authority'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 hereinafter mentioned mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (or if such day shall not be a Business Day, the preceding Business Day) next preceding such Payment Date on the books of the Authority maintained by the Bond Registrar.

Upon the written request of any Registered Owner of at least \$1,000,000 in aggregate Principal Amount of ___ Series ___ Bonds, as such term is hereinafter defined, received by the Trustee and the Paying Agent on or prior to one Business Day preceding any Record Date for the ___ Series ___ Bonds, payment of the principal of, premium, if any, and interest on such ___ Series ___ Bonds shall be made by wire transfer of immediately available funds on such Payment Date to an account designated by such Registered Owner in such request.

This Bond is one of a duly authorized series of Bonds of the Authority designated "NJ Transit Transportation Project [Refunding] Bonds, ___ Series ___" (herein called the "___ Series ___ Bonds"), in the aggregate Principal Amount at issuance of \$_____, issued under and in full compliance with the Constitution and Statutes of the State of New Jersey, and particularly the New Jersey Economic Development Authority Act, L. 1974, c. 80 as amended and supplemented (herein called the "Act"), and under and pursuant to a Resolution entitled "NJ Transit Transportation Project Bond Resolution" adopted by the Authority on December 10, 2019, and a Series Certificate executed by an Authorized Authority Representative dated as of _____, (collectively, the "Resolution"), pursuant to which _____, with its corporate trust office located in _____, New Jersey, is acting as trustee. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

As provided in the Resolution, the _____ Series ___ Bonds are direct and special obligations of the Authority payable solely from and secured as to payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by the applicable Pledged Property. Pledged Property under the Resolution includes (1) all funds, moneys and Investment Securities deposited in the ___ Series ___ Accounts within the Funds and subaccounts within the Accounts established pursuant to the Resolution and/or any Supplemental Resolution or Series Certificate (other than the Project Fund and the Rebate Fund, and any additional Funds or Accounts created pursuant to a Supplemental Resolution or Series Certificate and excluded from the pledge and lien of the Resolution), (2) the _____ Series ___ Revenues, and (3) the _____ Series ___ Funding Agreement. All of the Authority's right, title and interest in and to the foregoing are pledged for the payment of Bond Payment Obligations and Credit Facility Payment Obligations in accordance with

the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the Authority and at the above mentioned office of the Trustee, and reference is hereby made to the Act and 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 _____ Series ___ Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the _____ Series ___ Bonds with respect thereto, the terms and conditions upon which the _____ Series ___ Bonds are 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 the other terms and provisions thereof. All covenants, agreements and obligations of the Authority under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this Bond if moneys or certain specific securities shall have been deposited with the Trustee.

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 Authority, with the written consent of (A)(i) the Holders of at least forty percent (40%) in Principal Amount of the Bonds Outstanding at the time such consent is given who are affected by the proposed modification or amendment, or (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 at least forty percent (40%) in Principal Amount of the Bonds of each Series so affected 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 the calculation of Outstanding Bonds, and (B) any Credit Issuer the consent of which is required by the applicable Credit Facility. If permitted by a Supplemental Resolution or Series Certificate, a Credit Issuer of a Credit Facility securing a Series of Bonds shall have the right to consent to amendments on behalf and in lieu of the Owners of the Bonds of such Series. No such modification or amendment shall permit a change in the terms of redemption (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 thereof or in the rate of interest thereon without the consent of the holder of such Bond, 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 the Trustee or of any Paying Agent without its written assent thereto.

This Bond is transferable, as provided in the Resolution, only upon the books of the Authority 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 Amounts, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Authority, the Trustee and any 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 hereof and interest due hereon and for all other purposes.

The ____ Series ____ Bonds are subject to redemption as follows:

[HERE INSERT APPLICABLE REDEMPTION PROVISIONS]

The ____ Series _____ Bonds are payable upon redemption at the above mentioned offices of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Trustee, postage prepaid, not less than twenty-five (25) days [or such other period as may be specified in the Supplemental Resolution or Series Certificate relating to the Bonds] prior to the redemption date, to the Registered Owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the 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 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 the Bonds and 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 Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the Registered Owner of any Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Bonds.

THE STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OF NEW JERSEY IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON THIS BOND. THIS BOND IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR THE PAYMENT OF THIS BOND. THIS BOND DOES NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER. THE BONDS SHALL NOT BE A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY AGENCY OR INSTRUMENTALITY THEREOF, EITHER LEGAL, MORAL OR OTHERWISE, AND NOTHING IN THE ACT SHALL BE CONSTRUED TO AUTHORIZE THE AUTHORITY TO INCUR ANY INDEBTEDNESS ON BEHALF OF OR IN ANY WAY OBLIGATE THE STATE OR ANY POLITICAL

SUBDIVISION THEREOF.

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 that the series of Bonds of which this is a part, together with all other indebtedness of the Authority, complies in all respects with the applicable laws of the State of New Jersey, including, particularly, 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, the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, has caused this ____ Series ____ Bond to be executed in its name and on its behalf by the manual or facsimile signature of its _____, 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 ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

[SEAL]

Attest:

Secretary or Assistant Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Resolution.

By: _____
Authorized Signatory

Date of Authentication:

ASSIGNMENT

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 registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

NOTICE: The signature of this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.