

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING AGREEMENT WITH SUNLIGHT GENERAL MORRIS SOLAR, LLC FOR THE SALE OF SOLAR RENEWABLE ENERGY CREDITS EARNED ON OR AFTER JANUARY 1, 2018 IN CONNECTION WITH THE MORRIS COUNTY IMPROVEMENT AUTHORITY'S COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE BONDS, SERIES 2011 AND CERTAIN OTHER MATTERS RELATED THERETO

WHEREAS, the Morris County Improvement Authority (including any successors and assigns, the "Authority") has been duly created by resolution duly adopted by the Board of Chosen Freeholders (the "Board of Freeholders") of the County of Morris (the "County") in the State of New Jersey (the "State") as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"), and other applicable law; and

WHEREAS, pursuant to that certain resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2011 AND ADDITIONAL BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" adopted by the governing body of the Authority on July 20, 2011, as amended and supplemented from time to time in accordance with its terms (the "Bond Resolution"); (capitalized terms used herein and not otherwise defined herein, for all purposes of this Resolution, shall have the meanings ascribed to such terms in the Bond Resolution), the Act and other applicable law and official action, the Authority issued its "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011A (Federally Taxable)", in the aggregate principal amount of \$34,100,000 (the "Series 2011 Bonds") to finance the Renewable Energy Projects for the Series 2011 Local Units as set forth in the various Program Documents in connection with the second tranche of the Authority's Renewable Energy Program ("Tranche II"); and

WHEREAS, in connection with Tranche II, the County and the Authority entered into that certain "County Guarantee Agreement (Morris County Renewable Energy Program, Series 2011," dated December 1, 2011 (the "County Guarantee") pursuant to which the County guaranteed the payment of all principal of and interest on the Series 2011 Bonds; and

WHEREAS, pursuant to section 3(i) of Amendment and Consent No. 3 dated as of March 3, 2015 ("Consent No. 3"), by and among, among others, the Authority and

Sunlight General Morris Solar, LLC (the "Company"), to the extent there are outstanding Deferred Company Payment Obligations (as defined in Consent No. 3) on or after January 1, 2018, the Authority shall be vested with certain rights to, if deemed appropriate in the Authority's sole discretion and subject to any applicable cure periods, terminate the Company's interest in certain of the Series 2011 Local Unit Projects (as defined in Consent No. 3); and

WHEREAS, pursuant to the Program Documents (as defined in Consent No. 3 and as amended by, among other things, Section 3(k) of Consent No. 3), the Authority has certain continuing rights with respect to the proceeds from the Company's sale of SRECs (as defined in Consent No. 3); and

WHEREAS, to take advantage of favorable SREC market conditions, the Company may, from time to time, with the consent of the Authority, enter into forward SREC contracts with third parties for the sale of SRECs to be generated at a future date; and

WHEREAS, to the extent the Company enters into forward contracts for the sale of SRECs to be generated after January 1, 2018 (each, a "Forward SREC Contract" and collectively, the "Forward SREC Contracts"), and to the extent the Authority exercises its right to terminate the Company's interest in the Series 2011 Local Unit Projects after January 1, 2018, the Company could be caused to be in breach of the Forward SREC Contracts; and

WHEREAS, such breach could result because, upon the Authority's termination of the Company's interest in certain of the Series 2011 Local Unit Projects, the Company would not likely have an interest in sufficient SRECs to perform under the Forward SREC Contracts; and

WHEREAS, to avoid such a circumstance, the Company has requested assurances from the Authority that, to the extent the Authority exercises its rights to terminate the Company's interests in certain of the Series 2011 Local Unit Projects after January 1, 2018, it will honor the Forward SREC Contracts previously entered into by the Company; and

WHEREAS, because of the Authority's continuing interest in the proceeds from the Company's sale of SRECs, and because the Authority acknowledges the potential benefits of the Company entering into the Forward SREC Contracts, which the Company would be unwilling to do absent the aforementioned assurances from the Authority, the Authority desires to confirm that, should the Authority, on or after January 1, 2018, terminate the Company's rights with respect to some or all Series 2011 Local Unit Projects, and such action directly causes the Company to have insufficient SRECs to perform under some or all of the Forward SREC Contracts, the Authority shall honor, as assignee of the Company's obligations under the Forward SREC Contracts, or cause to be honored pursuant to a "Back to Back SREC Sale" process, all such Forward SREC Contracts entered into by the Company prior to such date; provided, however, that the Authority's commitment shall be contingent upon the Company: (i) having previously sought and obtained the Authority's consent for entering into the applicable Forward SREC

Contract(s); and (ii) undertaking commercially reasonable measures to include in all such Forward SREC Contract(s) a provision permitting the Company to assign such Forward SREC Contract(s) upon receipt of the consent of the Forward SREC Contract(s) counterparty(ies), which consent shall not be unreasonably withheld.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority as follows:

Section 1. The recitals to this resolution are incorporated herein as if set forth in full.

Section 2. The Chairperson and the Treasurer of the Authority (including their designees, each an "Authorized Officer") are hereby authorized and directed, in consultation with counsel, to enter into and execute a written agreement with the Company evidencing the Authority's confirmation as set forth in detail in the last recital to this resolution, in the form attached hereto as **Exhibit A**, with such additions, deletions and modifications as may be recommended by counsel to the Authority.

Section 3. The Authorized Officers are hereby authorized and directed to take all further actions, and to execute such certificates, instruments or documents, deemed necessary, convenient or desirable by any such Authorized Officer, in consultation with counsel, in connection with all matters set forth in or contemplated by this resolution.

Section 4. Subject to the second sentence of this section, this resolution shall take effect immediately. In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of Freeholders a certification from the Clerk stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

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Exhibit A

Form of Letter Agreement with Company

[MORRIS COUNTY IMPROVEMENT AUTHORITY LETTERHEAD]

May ___, 2016

Sunlight General Morris Solar, LLC (the "Company")
205 East 42nd Street, 20th Floor
New York, New York 10017
Attn: Stacey Hughes, Principal

Re: Notice Addressing Certain Matters Pertaining to the Somerset County
Renewable Energy Program

Dear Sir or Madam:

The Authority provides this letter to address certain circumstances which may arise in connection with the Company's contracting for the sale of SRECs¹ to be generated after January 1, 2018. As you are aware and by way of background: (i) pursuant to section 3(i) of Consent No. 3, to the extent there are outstanding Deferred Company Payment Obligations on or after January 1, 2018, the Authority shall be vested with certain rights to, if deemed appropriate in the Authority's sole discretion and subject to any applicable cure periods, terminate the Company's interest in certain of the Series 2011 Local Unit Projects; (ii) pursuant to the Program Documents (as amended by, among other things, section 3(k) of Consent No. 3), the Authority has certain continuing rights with respect to the proceeds from the Company's sale of SRECs; and (iii) to take advantage of favorable SREC market conditions, the Company may, from time to time, with the consent of the Authority, enter into forward SREC contracts with third parties for the sale of SRECs to be generated at a future date.

To the extent the Company, enters into forward contracts for the sale of SRECs to be generated after January 1, 2018 (each, a "Forward SREC Contract" and collectively, the "Forward SREC Contracts"), and to the extent the Authority exercises its right to terminate the Company's interest in the Series 2011 Local Unit Projects after January 1, 2018, the Company could be caused to be in breach of the Forward SREC Contracts. Such breach could result because, upon the Authority's termination of the Company's interest in certain of the Series 2011 Local Unit Projects, the Company would not likely have an interest in sufficient SRECs to perform under the Forward SREC Contracts. To avoid such a circumstance, the Company has requested assurances from the Authority that, to the extent the Authority exercises its rights to terminate the Company's interests in certain of the

¹ All capitalized terms not defined herein shall be ascribed the meaning as set forth in that certain "Amendment and Consent No. 3 (Morris County Renewable Energy Program, Series 2011)," dated as of March 3, 2015 ("Consent No. 3"). Further, references herein to SRECs shall refer to SRECs generated by the operation of the Series 2011 Local Unit Projects.

Series 2011 Local Unit Projects after January 1, 2018, it will honor the Forward SREC Contracts previously entered into by the Company.

Because of the Authority's continuing interest in the proceeds from the Company's sale of SRECs, and because the Authority acknowledges the potential benefits of the Company entering into the Forward SREC Contracts, which the Company would be unwilling to do absent the aforementioned assurances from the Authority, the Authority hereby confirms that, should the Authority, on or after January 1, 2018, terminate the Company's rights with respect to some or all Series 2011 Local Unit Projects, and such action directly causes the Company to have insufficient SRECs to perform under some or all of the Forward SREC Contracts, the Authority shall honor, as assignee of the Company's obligations under the Forward SREC Contracts, or cause to be honored pursuant to the hereinafter defined Back to Back SREC Sale process, all such Forward SREC Contracts entered into by the Company prior to such date; provided, however, that the Authority's commitment hereunder shall be contingent upon the Company: (i) having previously sought and obtained the Authority's consent for entering into the applicable Forward SREC Contract(s); and (ii) undertaking commercially reasonable measures to include in all such Forward SREC Contract(s) a provision permitting the Company to assign such Forward SREC Contract(s) upon receipt of the consent of the Forward SREC Contract(s) counterparty(ies), which consent shall not be unreasonably withheld.

Furthermore, the Authority and Company hereby agree that, should the Authority terminate the Company's interest in one or more Series 2011 Local Unit Projects, the preferred method of satisfying the Company's obligations pursuant to the Forward SREC Contracts shall be for the Forward SREC Contracts to be assigned to the Authority (or County, if so directed by the Authority), and the Company agrees to undertake commercially reasonable measures to effectuate such assignment. If, notwithstanding the Company's commercially reasonable efforts², it is determined that some or all Forward SREC Contracts will not be assigned, the Company and Authority shall undertake the following process to satisfy the Company obligations pursuant to the Forward SREC Contracts: (a) the Authority, as then owner of some or all of the Series 2011 Local Unit Projects and as then owner of the SRECs, shall deliver to the Company sufficient SRECs to satisfy such Forward SREC Contracts; (b) the Company shall in turn, utilizing the SRECs transferred from the Authority to the Company, perform under the Forward SREC Contracts by delivering such SRECs to the Forward SREC Contract counterparty; (c) the Company shall remit one-hundred (100) percent of the net proceeds of such SREC sale (gross proceeds less any applicable broker fees and Company expenses directly related to the SREC sale, if any) to the Authority within three (3) business days of receipt thereof; and (d) the Company shall otherwise cooperate with the Authority in the foregoing and undertake all additional commercially reasonable measures to implement such process (the process as set forth in (a) - (d) above, collectively, the "Back to Back SREC Sale"). For avoidance of doubt, the Authority and Company agree that the assignment of the Forward SREC Contract(s) shall be the preferred method of satisfaction of such contracts, but that

² Which commercially reasonable efforts may include, if so directed by the Authority, the Company utilizing judicial process to enforce the provision in the respective Forward SREC Contract requiring that the Forward SREC Contract counterparties not unreasonably withhold their agreement to assign the respective Forward SREC Contract to the Authority (or County, if so directed by the Authority).

in the failure of such method the Company and the Authority shall undertake the Back to Back SREC Sale.

The Authority further agrees that during the period in which the Company is attempting to effect an assignment of the Forward SREC Contracts and/or carrying out Back to Back SREC Sales, the Authority shall, consistent with the financial provisions of Consent No. 3, make adequate financial resources available for the Company to carry out its obligations, with the express understanding that the Company shall not impose any charges on the Authority for carrying out Back to Back SREC Sales, except that the Authority shall be responsible for any direct Company expenses (if any) related to such process.

Please contact the Authority's General Counsel should you have any questions regarding this correspondence.

Very truly yours,

John Bonanni, Chairman

cc: Matthew D. Jessup, Esq.

**The terms of this notice are hereby
ACKNOWLEDGED and AGREED to by
SUNLIGHT GENERAL MORRIS
SOLAR, LLC**

**By: Sunlight General Capital
Management, LLC, its Manager**

By: _____
Name: Stacey L. Hughes
Title: Authorized Signatory

[End of Exhibit A]

MOVED/SECONDED:

Resolution moved by Commissioner _____.
Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Gallop				
Kovalcik				
Ramirez				
Sandman				
Bonanni				

This Resolution was acted upon at the Regular Meeting of the Authority held on May 11, 2016 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this ___ day of May, 2016

By: _____
Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of May 11, 2016.

By: _____
Matthew D. Jessup, Member, McManimon, Scotland & Baumann, LLC
Counsel to the Authority
Resolution No. 16-19