

FIRST SUPPLEMENT TO TRUST INDENTURE

BY AND BETWEEN

MORRIS COUNTY IMPROVEMENT AUTHORITY

AND

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

DATED AS OF DECEMBER 1, 2020

RELATING TO

MORRIS COUNTY IMPROVEMENT AUTHORITY
SCHOOL FACILITIES REVENUE BONDS
(DREW UNIVERSITY PROJECT), SERIES 2017

FIRST SUPPLEMENT TO TRUST INDENTURE

This **FIRST SUPPLEMENT TO TRUST INDENTURE**, dated as of December 1, 2020 (this "*First Supplement to Trust Indenture*"), is made by and between the **MORRIS COUNTY IMPROVEMENT AUTHORITY** (the "*Authority*"), a public body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (the "*State*"), created and established by 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, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and validly existing under the laws of the United States of America with trust and fiduciary powers in the State of New Jersey (the "*Trustee*").

WHEREAS, the Authority and Drew University (the "*University*") have previously entered into a Loan Agreement, dated as of December 1, 2017 (the "*Original Loan Agreement*"), relating to the issuance of the Authority's \$83,515,000 School Facilities Revenue Bonds (Drew University Project), Series 2017 (the "*Bonds*"); and

WHEREAS, the Bonds were issued pursuant to a Trust Indenture, dated as of December 1, 2017 (the "*Original Indenture*"), by and between the Authority and the Trustee; and

WHEREAS, Preston Hollow Capital, LLC, a Delaware limited liability company (the "*Bondholder Representative*"), is currently the holder of 100% of the Bonds outstanding; and

WHEREAS, pursuant to Sections 12.02 and 12.05 of the Original Indenture, the Authority and the Trustee may enter into an indenture supplemental to the Original Indenture and the Authority and the University may enter into an amendment to the Original Loan Agreement, each with the consent of the Bondholder Representative, for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Original Indenture or in the Original Loan Agreement; and

WHEREAS, pursuant to Section 12.06 of the Original Indenture, before the Authority and the Trustee shall enter into any supplemental indenture, or before the Authority and the University shall enter into any amendment to the Original Loan Agreement, there shall have been delivered to the Trustee: (i) an opinion of Bond Counsel to the effect that (a) the action proposed to be taken is authorized or permitted by the Original Indenture and the Original Loan Agreement and complies with their respective terms, and (b) such action will not adversely affect the exemption of interest on the Bonds from federal income taxation and the validity of the Bonds; and (ii) the consent, in writing, of the Bondholder Representative; and

WHEREAS, the University has requested that the Authority amend the Original Indenture and the Original Loan Agreement to remove the requirement that moneys held in the Project Fund under the Original Indenture that are not spent within three years from the date of issuance of the Bonds be transferred to the Bond Redemption Fund and used to redeem the Bonds (the "*Bond Modification*"); and

WHEREAS, the University has requested the Authority to authorize and permit the Bond Modification and to further amend the provisions of the Original Loan Agreement, the Original Indenture and any other necessary documents related to the Bonds to permit and effectuate the Bond Modification; and

WHEREAS, in connection with the Bond Modification, the Authority adopted a resolution on December 16, 2020 authorizing the execution and delivery of (i) this First Supplement to Trust Indenture, (ii) the First Amendment to Loan Agreement, dated as of December 1, 2020 (the "*First Amendment to Loan Agreement*"), by and between the Authority and the University and (iii) any and all such other documents, amendments, certificates, agreements and instruments necessary to implement the Bond Modification; and

WHEREAS, the Authority and the University are, contemporaneously with the execution and delivery of this First Supplement to Trust Indenture, executing the First Amendment to Loan Agreement amending the Original Loan Agreement to provide for the Bond Modification; and

WHEREAS, in compliance with Section 12.06 of the Original Indenture, there is concurrently delivered herewith to the Authority and the Trustee an opinion of Bond Counsel to the effect that this First Supplement to Trust Indenture is authorized by the Original Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

NOW, THEREFORE, the Authority and the Trustee hereby mutually covenant and agree as follows:

Section 1. Definitions.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Original Indenture, as amended by this First Supplement to Trust Indenture.

Section 2. Amendments to Original Indenture.

Section 4.03 of the Original Indenture is hereby amended in its entirety to read as follows:

Section 4.03. Completion of the Project. The completion of the Project and payment or provision made for payment of all Costs of the Project shall be evidenced by the filing with the Trustee and the Bondholder Representative of the certificate required by the provisions of Section 3.04 of the Loan Agreement. As soon as practicable and, in any event, not more than sixty (60) days from the date of receipt of the certificate referred to in the preceding sentence, any balance remaining in the Bond Proceeds Account (except amounts the Borrower shall have directed the Trustee in writing to retain for any costs of the Project not then due or payable or if due and payable, not then paid) shall, without further authorization, be deposited in the Redemption Fund by the Trustee to be used for the partial redemption of the Bonds in Authorized Denominations in accordance with the provisions of Sections 7.01 and 7.02 hereof.

Section 3. Supplement to Original Indenture.

The Authority and the Trustee hereby mutually agree that hereafter all references in the Original Indenture to (i) the "Loan Agreement" shall be deemed to refer to the Original Loan Agreement, as amended by the First Amendment to Loan Agreement, and (ii) the "Indenture" shall be deemed to refer to the Original Indenture, as amended by this First Supplement to Trust Indenture.

Section 4. Consent of Trustee to First Supplement to Trust Indenture.

The Trustee hereby acknowledges and agrees that, by executing this First Supplement to Trust Indenture, it is evidencing its written consent hereto. Such consent is being given based upon the receipt by the Trustee of an opinion of Bond Counsel pursuant to Section 12.06 of the Original Indenture.

Section 5. Other Provisions of Original Indenture Unaffected.

Except as expressly amended hereby, all provisions of the Original Indenture shall remain in full force and effect, notwithstanding the execution and delivery of this First Supplement to Trust Indenture.

Section 6. Execution in Counterparts.

This First Supplement to Trust Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original and such counterparts shall constitute but one and the same instrument.

Section 7. Governing Law.

This First Supplement to Trust Indenture shall be governed by the laws of the State, without regard to conflict of laws principles thereunder.

Section 8. Effective Date.

This First Supplement to Trust Indenture shall become effective upon the delivery of the consent of the Bondholder Representative and the opinion of Bond Counsel required under Section 12.06 of the Original Indenture as conditions to amendment of the Original Indenture.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their proper respective authorized officers.

**MORRIS COUNTY IMPROVEMENT
AUTHORITY**

By: _____
John Bonanni
Executive Director

ATTEST:

By: _____
Ellen M. Sandman
Secretary

U.S. BANK NATIONAL ASSOCIATION

By: _____
Paul D. O'Brien
Vice President